

Corporate Policy Committee

Agenda

Date: Thursday, 5th October, 2023
Time: 10.00 am
Venue: Committee Suite 1, 2 & 3, Westfields, Middlewich Road,
Sandbach CW11 1HZ

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

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

1. **Apologies for Absence**

To note any apologies for absence from Members.

2. **Declarations of Interest**

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

3. **Minutes of Previous Meeting** (Pages 5 - 20)

To approve as a correct record the minutes of the meeting held on 11th July 2023.

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.

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

5. **First Financial Review 2023/24** (Pages 21 - 206)

To consider a report which provides an early overview of the Cheshire East Council forecast outturn for the financial year 2023/24.

6. **Developing a New Corporate Plan** (Pages 207 - 218)

To provide an update on progress in developing a new strategic plan for Cheshire East, further to the introductory report that was presented in July 2023.

7. **Community Grants Programme 2023/24 and 2024/25** (Pages 219 - 236)

To consider a report which seeks approval for several community grant schemes that are provisionally scheduled to be delivered, and associated funding allocated, during 2023/24 and 24/25.

8. **Armed Forces Employer Recognition Scheme (ERS)** (Pages 237 - 258)

To consider a report which provides an update on the Silver Defence Employee Recognition Award received by the Council in May 2022, and which sets out the requirements associated with applying for the Gold Defence Employee Recognition Award.

9. **Appointment to Outside Organisation** (Pages 259 - 262)

The Committee to make an appointment to the Cheshire and Wirral Partnership NHS Foundation Trust Council of Governors.

10. **Digital Strategy Update** (Pages 263 - 278)

To consider a report which provides an update on the progress and achievements related to the Council's Digital Strategy 2022-24.

11. **Customer Experience Strategy Update** (Pages 279 - 296)

To consider a report which provides an update on achievements in relation to the Council's Customer Experience Strategy.

12. **Performance Report - Quarter 1 2023/24** (Pages 297 - 360)

To consider a report on organisational performance against the priorities and vision set out within the Council's Corporate Plan 2021-25 for quarter 1 of 2023/24.

13. **Strategic Risk Register Assurance Report Q1 2023/24** (Pages 361 - 412)

To consider a report which provides an update on the activity of the Council's Strategic Risk Register for Quarter 1 2023/24.

14. **Work Programme** (Pages 413 - 420)

To consider the Work Programme and determine any required amendments.

15. **Minutes of Sub-Committees** (Pages 421 - 432)

To receive the following sub-committee minutes:

- General Appeals Sub-Committee – 22nd August 2023
- Finance Sub-Committee – 7th September 2023

16. **Reporting of Urgent Decisions** (Pages 433 - 434)

To note an urgent decision taken on behalf of the Committee.

THERE ARE NO PART 2 ITEMS

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

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CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Corporate Policy Committee**
held on Tuesday, 11th July, 2023 in Committee Suite 1, 2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor S Corcoran (Chair)
Councillor C Browne (Vice-Chair)

Councillors C Bulman, D Clark, J Clowes, M Goldsmith, A Harrison,
N Mannion, C O'Leary, J Pearson, J Rhodes, J Saunders and M Gorman (for
Cllr Warren)

OFFICERS IN ATTENDANCE

Lorraine O'Donnell, Chief Executive
Helen Charlesworth-May, Executive Director – Adults, Health and Integration
David Brown, Director of Governance and Compliance
Alex Thompson, Director of Finance and Customer Services
Sarah Bullock, Director of Policy and Change
Peter Skates, Director of Growth and Enterprise
Gareth Pawlett, Chief Information Officer
Brian Reed, Head of Democratic Services and Governance
Michael Moore, Head of Communications
Josie Griffiths, Head of Audit and Risk
Jo Wise, Project Director (Regeneration)
Paul Mountford, Democratic Services

Apologies

Councillor M Warren

10 DECLARATIONS OF INTEREST

Councillor C O'Leary declared an interest under agenda item 16 -
Performance against the Corporate Plan 2022/23, in relation to the bid for
'staying close' as he had led the national evaluation of the pilot.

11 MINUTES OF PREVIOUS MEETING**RESOLVED**

That the minutes of the meeting held on 15th June 2023 be approved as a
correct record.

12 PUBLIC SPEAKING/OPEN SESSION

There were no public speakers.

**13 COMMUNICATIONS STRATEGY FOR RESIDENTS 2022-25 -
PROGRESS UPDATE**

The Committee considered an update on progress towards the delivery of Cheshire East Council's Communications Strategy for Residents 2022-2025 up to 31 May 2023. The report outlined progress against the four key aims of the Strategy.

Members felt that it would be appropriate to continue to receive update reports on a six-monthly basis.

Members agreed on the need to consider other ways of engaging with people, and discussed the benefits, opportunities and risks associated with the use of social media and artificial intelligence. Officers undertook to explore the matter further.

RESOLVED (unanimously)

That the Committee

1. notes the progress in delivering the Communications Strategy for Residents; and
2. agrees to receive further updates every six months to monitor progress.

14 DEVELOPING A NEW CORPORATE PLAN

The Committee considered a report which outlined the proposed process and timescale for the development of a new strategic plan for Cheshire East Council.

Whilst members were supportive of the principle of the new Corporate Plan and the process for its development, some expressed disappointment with an apparent lack of engagement with members over the first phase of the process. In addition, members asked about the feasibility of extending the phase 2 consultation period. Officers responded that there was flexibility to extend the consultation period if necessary and that members would be kept informed of progress with the consultation. A number of workshops and other sessions were planned for members and external stakeholders. Consideration would also be given to the suggestion that members be engaged by committee. The aim would be to report back to the Corporate Policy Committee at its meeting on 8th February 2024 with a draft Corporate Plan.

Members also sought assurances that the number of vacancies and interim/acting-up positions currently within the senior management structure would not impact on the development of the new Corporate Plan, particularly as the Chief Executive was also now potentially leaving the authority. The Chair responded that many of the senior managers within

the authority had been in post for some time and the situation had much improved since 2019, for which he thanked the Chief Executive.

RESOLVED (by majority)

That the Committee

1. approves the proposed process for the development of the new Corporate Plan;
2. approves the outline development timescale; and
3. agrees to receive the draft Corporate Plan at its meeting on 8th February 2024.

15 PROVISIONAL FINANCIAL OUTTURN 2022/23

The Committee considered a report which provided an overview of the Cheshire East Council provisional outturn for the financial year 2022/23. The report also provided an early update on performance in 2023/24, in respect of the approved budget policy changes made in the MTFS 2023/24-27.

There was some discussion as to whether the current level of reserves was sufficient to meet the challenge of increased cost pressures in some areas such as children's and adult social care, particularly as Covid legacy grant funding would not be available to offset such costs in future. It was noted that reserves currently stood at £14.1M and had increased by £1.5M over the last year. An additional £6M had been allocated to children's social care in the MTFS; further strategic responses were being developed by the finance team which would be reported to the Children and Families Committee.

RESOLVED (by majority)

That the Committee

1. notes the overall financial performance of the Council in the 2022/23 financial year, as contained within the report, as follows:
 - (a) A Net Revenue Overspend of £6.0m against a revised budget of £318.7m (1.9% variance) funded by the drawdown of £5.2m from the MTFS Earmarked Reserve and a reduction in the planned contribution to General Reserves by £0.8m;
 - (b) General Reserves closing balance of £14.1m; and
 - (c) Capital Spending of £116.4m against an approved programme of £125.2m (7.0% variance);

2. notes the contents of each of the following annexes:
 - (a) Annex 1 – Narrative from the Draft Group Accounts – Provides context of the area and its people, commentary on performance and introduces the financial statements of the Council and the wider Group of Companies for the period 1 April 2022 to 31 March 2023;
 - (b) Annex 2 – Financial Stability section provides information on the overall financial stability and resilience of the Council. Further details are contained in the appendices.
 - Appendix 1 Adults and Health Committee
 - Appendix 2 Children and Families Committee
 - Appendix 3 Corporate Policy Committee
 - Appendix 4 Economy and Growth Committee
 - Appendix 5 Environment and Communities Committee
 - Appendix 6 Finance Sub-Committee
 - Appendix 7 Highways and Transport Committee.
 - Appendix 8 Update to the Treasury Management Strategy
 - Appendix 9 Update to the Investment Strategy
 - (c) Annex 3 – Update on tracked MTFS 2023-27 approved budget policy change items;
3. approves supplementary capital estimates (SCE) up to and including £1,000,000 and Capital Virements up to and including £5,000,000 in accordance with Financial Procedure Rules as detailed in Annex 2: Appendix 6, Section 4, Table 5;
4. notes that Council will be asked to approve:
 - (a) fully-funded supplementary revenue estimates over £1,000,000 in accordance with Financial Procedure Rules as detailed in Annex 2: Appendix 6, Section 2, Table 3; and
 - (b) capital supplementary estimates over £1,000,000 in Annex 2: Appendix 6, Section 4, Table 6; and
5. recommends to service committees to:
 - (a) consider the financial performance of the Council in the 2022/23 financial year relevant to their terms of reference;
 - (b) consider the delegated decisions relating to supplementary revenue estimates for specific grants coded directly to services in accordance with Financial Procedure Rules as detailed in Section 2 of each Committee Appendix (Annex 2);
 - (c) approve supplementary revenue estimates (SRE) over £500,000 up to and including £1,000,000;

i) Children and Families Committee Annex 2: Appendix 2, Section 2, Table 2; and

(d) consider the update on performance with regard to the MTFS 2023-27 approved budget policy change items, in respect of Services within the remit of the Committee.

16 OFFICE ESTATE RATIONALISATION - WORKPLACE

The Committee considered a report which set out the approach to optimising the Council's workplaces and reviewing the size of the useable office estate.

It was noted that the lack of a reference in the report to a member area at Macclesfield Town Hall was an oversight.

Members stressed the need to ensure that consultation with the staff affected by the rationalisation programme was robust and that staff were listened to.

In response to a question about the impact of working from home on staff productivity, officers commented that this mode of working had driven technological innovation, and staff had been fully equipped with the means to perform their roles effectively.

RESOLVED (unanimously)

That the Committee

1. notes the findings from the needs assessment and the emerging options to support the WorkplaCE Project;
2. notes the MTFS requirement for overall financial savings as set out within Proposal 68 Office Estate Rationalisation (MTFS February 2023);
3. notes the baseline data identifying the required office space to support the WorkplaCE Project and therefore the anticipated footprint for the council in the future;
4. based on the findings of the needs assessment, approves progressing consultation with trade unions, employees, third parties and members by the Head of HR and the Head of Democratic Services on an option to close Westfield Offices Sandbach and, in that event, relocate staff within other areas of the corporate estate subject to consultation;
5. delegates authority to the Head of Estates to market test and conduct consultation and feasibility studies in relation to surplus facilities, subject to the following requirements:

- (a) Options must achieve financial benefits over an appropriate period to help cover the costs of the office rationalisation project.
 - (b) Options must achieve best value from such assets.
 - (c) Options must be reported to the Economy and Growth Committee for approval prior to implementation.
- 6. approves the Principles attached at Appendix 2 to the report and agrees that the Chief Executive will implement changes to working practices, HR Policies, and the Employee Handbook, subject to consultation and engagement with employees and third parties;
 - 7. notes that feasibility work on the option to relocate Macclesfield Library to the nearby Town Hall will continue and be subject to further reporting to the Economy and Growth Committee prior to consultation;
 - 8. delegates authority to the Head of Estates to provide flexibility in the workplaCE design at Macclesfield Town Hall offices that could effectively accommodate appropriate space for the library if necessary; and
 - 9. notes the ongoing partnership working with the NHS to provide joint accommodation that supports integrated working.

17 CREWE BUSINESS IMPROVEMENT DISTRICT

The Committee considered a report on the emerging draft Crewe BID proposal and the anticipated implications of the notification. The report outlined the actions officers needed to take in response to the emerging BID proposal, and the anticipated resource implications for the Council. It sought a decision on any charges to be made by the Council associated with the BID development, ballot, and levy collection.

It was intended that a later report on the merits of the BID proposal would be submitted to the Economy and Growth Committee.

RESOLVED (unanimously)

That the Committee approves that

- 1. the Executive Director of Place shall notify the BID proposer of the Council's intention to seek to recoup the costs to the Council arising from BID development and levy collection, and any other associated costs allowable under the Business Improvement Districts (England) Regulations 2004;
- 2. on receipt of the Crewe Business Improvement District (BID) final proposal:

- (a) the Chief Executive as Returning Officer and “Ballot Holder” shall check the BID proposal against the requirements set out in the BID Regulations, and subject to the BID proposal meeting the necessary requirements, shall make all necessary arrangements for the Crewe BID proposal ballot to take place, and for the results of the ballot to be counted and declared on behalf of the BID proposer; and
 - (b) the Executive Director for Place shall take a further report to the Economy and Growth Committee outlining the detail of the final BID proposal and seeking any necessary further authority to respond;
- 3. subject to a “yes” vote at ballot, the Executive Director for Place shall ensure a final review of the BID proposal is undertaken and shall determine whether there is any cause to veto the proposals having regard to all relevant matters as prescribed by the BID Regulations; and following that determination shall either confirm that the Council will not veto the BID proposals or serve a notice to exercise a veto; and
- 4. subject to a “yes” vote at ballot, and the Executive Director of Place confirming that the Council will not veto the BID proposals:
 - (a) The Council’s Monitoring Officer shall make necessary arrangements for the completion and updating of such legal agreements as he considers necessary to facilitate the BID, including agreements ensuring clarity around baseline service levels within the BID area, and clarity of arrangements for collection and management of the BID levy; and
 - (b) The Council as billing authority shall make necessary arrangements for billing, collection and enforcement of the BID levy, and its transfer to the body responsible for the Crewe BID.

18 CHESHIRE AND MERSEYSIDE HEALTH AND CARE PARTNERSHIP

The Committee considered a report seeking authority for the Council to become a member of the new statutory Integrated Care Partnership for Cheshire and Merseyside, to be known as the Cheshire and Merseyside Health and Care Partnership.

The proposed terms of reference for the Partnership had been produced collaboratively by statutory partners and were set out at Appendix 2 to the report. The terms of reference had not yet been agreed, and a number of concerns had been conveyed to the Integrated Care Board. A response was awaited. Officers therefore proposed an amendment to recommendation 1 in the report to insert the words ‘when agreed’, and

advised that the first potential date the terms of reference could be presented to Council was 18th October 2023.

RESOLVED (unanimously)

That the Committee recommends to full Council

1. that the terms of reference of the Cheshire & Merseyside Integrated Care Partnership (to be known as the Cheshire & Merseyside Health & Care Partnership), when agreed, be adopted;
2. that the Council become a member of the Cheshire & Merseyside Health & Care Partnership;
3. that the Leader of the Council be nominated to be the Council's representative on the Cheshire & Merseyside Health & Care Partnership; and
4. that the Chief Executive be granted delegated authority to nominate an Executive Director/Director of Public Health to be a member of the Partnership if she considers it appropriate.

19 CHESHIRE EAST HEALTH AND WELLBEING BOARD TERMS OF REFERENCE UPDATE

The Committee considered a report setting out proposed updates to the terms of reference of the Cheshire East Health and Wellbeing Board.

The Health and Care Act 2022 and a Local Government Association facilitated review of the Health and Wellbeing Board had led to the need to update the Board's terms of reference. The report and Appendix 1 highlighted the required changes.

The Health and Wellbeing Board on 27th June 2023 recommended to the Corporate Policy Committee that full Council be recommended to adopt the revised terms of reference.

Members thanked all those who had worked on producing the revised terms of reference, including Guy Kilminster and his team.

The Chair commented that the thinking behind the changes was to involve more people outside of the strict health sphere and to recognise the wider determinants of health.

RESOLVED (unanimously)

That the Committee recommends to full Council that the revised terms of reference of the Cheshire East Health and Wellbeing Board be adopted.

20 **CHESHIRE EAST COUNCIL ELECTORAL REVIEW**

The Committee considered a report which proposed the appointment of a sub-committee to make recommendations to the Committee in respect of the Local Government Boundary Commission's forthcoming review of the Council's electoral arrangements.

RESOLVED (unanimously)

That

1. a sub-committee be appointed (the Electoral Review Sub-Committee) to make recommendations to the Corporate Policy Committee in respect of all matters relating to the Cheshire East Council Electoral Review;
2. the Sub-Committee comprise 7 members, on a politically proportionate basis as set out in the report, with an open invitation to a member of the Liberal Democrat Group to attend meetings of the Sub-Committee on an informal non-voting basis, and to contribute to the Sub-Committee's debates; and
3. nominations to the Sub-Committee be submitted to the Head of Democratic Services and Governance.

21 **APPOINTMENTS TO OUTSIDE ORGANISATIONS**

The Committee considered a report which sought approval to make appointments to outside organisations.

A list of nominations to outside organisations was circulated at the meeting. Councillor C Bulman asked that the list be amended to show Councillor Fiona Wilson as the representative on North-West Employers.

Note: the final approved list of appointments to outside organisations is appended to these minutes.

RESOLVED

That

1. approval be given to the appointment of the representatives to outside organisations as set out in the list circulated at the meeting, the appointments to run until such time as the Council's representation is reviewed following the election of the new Council in 2027; and
2. the appointments take immediate effect.

22 SUB-REGIONAL WORKING UPDATE / MEMBER DEVELOPMENT PROGRAMME

The Committee considered a report which sought to broaden the member development programme to include briefings on sub-regional working.

With regard to any future proposals for devolution within the sub-region, members commented that they would wish to know the implications with regard to the future of the Local Enterprise Partnership and any proposals for elected mayors or other forms of governance.

RESOLVED (unanimously)

That the Committee

1. notes the current position on sub-regional working across Cheshire and Warrington;
2. agrees to expand the member development programme to include member briefings to explore whether there are further opportunities to enhance sub-regional working for the benefit of residents; and
3. invites officers to consider future developments for sub-regional working.

23 CYBER SECURITY UPDATE

The Committee considered a report which provided an update on the status of cyber security within the Council.

The report sought to assure members about the protections in place to mitigate any risk.

Members stressed the need to achieve the right balance between the need for robust security measures and flexibility and ease of use of technology.

RESOLVED

That the update be noted.

24 PERFORMANCE AGAINST THE CORPORATE PLAN 2022/23

The Committee considered a report which provided an oversight of organisational performance against the priorities and vision set out within the Council's Corporate Plan 2021-25. Appendix 1 to the report provided further details of performance and progress against priorities in quarter 4, which covered the period 1st January – 31st March 2023.

The Chair commented that the Council's target of becoming carbon neutral by 2025 was the most ambitious in the country and was on track.

In response to a question about progress with planning enforcement, the Chief Executive indicated that this had been part of the deep dive exercise and a written response would be provided.

RESOLVED (by majority)

That the Committee notes the performance against the Corporate Plan for 2022/23 and the end of year position.

Note: at this point, the meeting was adjourned for 10 minutes.

25 STRATEGIC RISK REGISTER ASSURANCE REPORT Q4 2022/23

The Committee considered a report which provided an update on the activity of the Council's Strategic Risk Register for Quarter 4 2022/23, and the outturn position for 2022/23.

Members noted that the net risk on achieving improvements to address the recommendations from the joint targeted area inspection (JTAI) of child exploitation had not changed, and they asked at what point the Committee would become involved if the risk did not reduce. The Chief Executive responded that the joint inspection had led to significant focus on improvement. The report was an open and transparent report on what had happened in 2022-23. The issues had been identified and addressed.

Members also noted the improved confidence in the adult care market.

RESOLVED

That the Committee confirms the position of the Strategic Risk Register for Quarter 4 2022/23, in respect of the content, description, scoring and risk management activity as outlined in the report.

26 HEALTH AND SAFETY UPDATE 2022/23

The Committee considered a report which provided a summary of accident and information data for the Council and maintained schools for the last two quarters of 2022/23, the year in total and comparative data for the same periods in the last three years.

RESOLVED

That the Committee

1. notes the update provided in the report; and

2. endorses the inclusion of future quarterly accident and incident data in the performance updates to the Committee, with other reporting on Health and Safety matters being provided to the Committee as required.

27 ANNUAL COMPLAINTS REPORT 2022/23

The Committee considered a report which provided a summary and analysis of complaints and compliments received by the Council during the period 1st April 2022 to 31st March 2023. The report highlighted any areas of concern and examples of good practice.

Members asked if SEND workers were carrying caseloads of 200 and more. Officers undertook to provide a written response.

Members also asked if evaluations of vexatious complaints were undertaken and whether these would be of value in member training. The Director of Finance and Customer Services responded that a revised policy on vexatious complaints was being developed and he would ensure that this suggestion was taken on board.

RESOLVED

That the Committee

1. notes the annual Committee complaints and compliments data, and the briefing material in the report relating to the 2022/23 financial year;
2. notes the issues raised and improvements made in respect of the management of complaints across the Council contained within the briefing material in the report;
3. notes the Council's compliance with the Corporate Complaints Policy, and with the recommendations of the Ombudsman; and
4. notes that the report is also provided to the Audit and Governance Committee.

28 WORK PROGRAMME

The Committee reviewed its work programme for 2023-24.

The Director of Governance and Compliance advised that following decisions taken by the Committee earlier in the meeting, it would be necessary to amend the work programme as follows:

- The Communications Strategy would now be reported on a six-monthly basis.
- The Health and Safety Update report would become part of the performance report.

- There would be quarterly reporting on cyber security.

RESOLVED

That subject to the amendments reported at the meeting, the work programme be noted.

29 MINUTES OF SUB-COMMITTEES

RESOLVED

That the following sub-committee minutes be received and noted:

Finance Sub-Committee – 7th June 2023

General Appeals Sub-Committee – 4th April 2023

30 REPORTING OF URGENT DECISIONS

RESOLVED

That the Committee notes that an urgent decision was taken under Procedure Rules 2.10 and 2.11 by the Chief Executive on 9th June 2023 to approve six voluntary redundancy requests as part of a restructure of a service within Children's Services.

The meeting commenced at 10.00 am and concluded at 1.10 pm

Councillor S Corcoran (Chair)

Appendix

Outside Organisations

	Organisation	No. of Places	Member(s) 2023-2027
1	Adoption Panel	1	Cllr Brian Puddicombe appointed by Council on 24 May 2023
2	Alderley Park Ltd	1	Cllr Craig Browne
3	Alsager Partnership	1	Cllr Brian Drake
4	Association for Public Service Excellence (APSE),	1	Cllr Mick Warren
5	Bent Farm Sand Quarry Liaison Committee	2	Cllr Liz Wardlaw Cllr John Wray
6	Charitable Trust for the Assets of the Former Over Alderley Primary School	1	Cllr Thelma Jackson
7	Cheshire and Merseyside Joint Health Scrutiny Committee	2	Cllr Rob Vernon Cllr Liz Wardlaw appointed by Scrutiny Committee 29 June 2023
8	Cheshire and Warrington LEP Board	1	Cllr Craig Browne
9	Cheshire and Wirral Partnership NHS Foundation Trust	1	Cllr Liz Wardlaw
10	Cheshire Association of Local Councils	1	Cllr Steven Edgar
11	Cheshire Brine Subsistence Compensation Board	5	Cllr Anna Burton Cllr Laura Crane Cllr Steven Edgar Cllr Garnet Marshall Cllr John Wray
12	Cheshire East Countryside Access Forum	1	Cllr Chris Hilliard
13	Cheshire East Health & Care Partnership Board	3	Cllr Janet Clowes, Cllr Arthur Moran Cllr Jill Rhodes appointed by Corporate Policy Committee
14	Cheshire East Learning Disabilities Partnership Board	1	Cllr Stewart Gardiner
15	Cheshire East Mental Health Partnership Board	2	Cllr Nicola Cook Cllr Dawn Clark
16	Cheshire East Safeguarding Adults Board	1	Cllr Dawn Clark
17	Cheshire Fire Authority	9	Cllr Rachel Bailey Cllr John Bird Cllr David Brown Cllr Peter Coan Cllr Marilyn Houston

			Cllr Nick Mannion Cllr Rob Moreton Cllr Margaret Simon Cllr Laura Smith. appointed by Council on 24 May 2023
18	Cheshire Pension Fund	4	Cllr Rachel Bailey Cllr Sam Corcoran Cllr Michael Gorman Cllr Judy Snowball
19	Cheshire Police and Crime Panel	3 + 1 substitute	Cllr Steven Edgar Cllr Judy Snowball Cllr M Warren Sub: Cllr Stewart Gardiner appointed by Council on 24 May 2023
20	County Councils Network	4	Cllr Sam Corcoran Cllr Craig Browne Cllr Nick Mannion Cllr Janet Clowes
21	Crewe Town Board	1	Cllr Nick Mannion
22	Eaton Hall Sand Quarry Liaison Group	1	Cllr Lesley Smetham
23	Environment Agency Regional Flood and Coastal Committee	1	Cllr Nick Mannion Sub Cllr Laura Crane
24	Everybody Health and Leisure	2	Cllr Andrew Kolker Cllr Lata Anderson
25	Federation of Burial and Cremation Authorities	1	Cllr Joy Bratherton
26	Fostering Panel	1	Cllr Carol Bulman appointed by Council on 24 May 2023
27	Holmes Chapel Partnership	1	Cllr Russell Chadwick
28	iESE Ltd	1	Cllr Dawn Clark
29	LGA (General Assembly)	4	Cllr Sam Corcoran Cllr Craig Browne Cllr Nick Mannion Cllr Janet Clowes
30	LGA People and Places Board	1	Cllr Nick Mannion
31	Manchester Airport Consultative Committee	3 plus 1 substitute	Cllr Tony Dean Cllr Chris Hilliard Cllr Nick Mannion Sub: Cllr Stewart Gardiner
32	Mersey Forest Partnership	1	Cllr Becky Posnett
33	Mid Cheshire Hospitals Foundation Trust	1	Cllr Hazel Faddes
34	Nantwich Partnership	2	Cllr Anna Burton Cllr Arthur Moran
35	Northern Transport Acceleration Council	1	Cllr Craig Browne

36	North-West Employers	1	Cllr Fiona Wilson
37	NW Reserve Forces and Cadets Association	1	Cllr Ashley Farrall
38	PATROL	1	Cllr Laura Crane
39	Peak District National Park Authority	1	Cllr Chris O'Leary
40	Public Transport Consortium	3	Cllr Rod Fletcher Cllr Tony Dean Cllr Laura Crane
41	Rudheath Quarry Liaison Committee	1	Cllr Andrew Kolker
42	Sandbach Partnership	1	Cllr Laura Crane
43	South Cheshire Chamber of Commerce	1	Cllr Mike Muldoon
44	Standing Advisory Council on Religious Education (SACRE)	3	Cllr Allen Gage Cllr Arthur Moran Cllr Brian Puddicombe
45	Tatton Park Board	7	Cllr Tony Dean Cllr Mark Goldsmith Cllr Nick Mannion Cllr Hannah Moss Cllr Kate Parkinson Cllr John Place Cllr Jill Rhodes
46	Transport for the North – General Purposes Committee	1	Cllr Laura Crane
47	Transport for the North – Partnership Board	1 + Substitute	Cllr Craig Browne Cllr Laura Crane
48	Transport for the North - Rail Committee	sub-regional representative	Cllr Craig Browne
49	Transport for the North – Scrutiny Committee	1	Cllr Rod Fletcher
50	Unitary Councils' Network	1	Cllr Sam Corcoran
51	University of Manchester – General Assembly	1	Cllr Craig Browne
52	West and Wales Transport Forum	1	Cllr Craig Browne
53	West Coast Rail 250	2	Cllr Rod Fletcher Cllr David Brown
54	White Moss Sand Quarry Local Liaison Group	1	Cllr Rod Fletcher

Corporate Policy Committee**5 October 2023****First Financial Review 2023/24**

Report of: Alex Thompson, Director of Finance and Customer Services**Report Reference No: CP/16/23-24****Ward(s) Affected: Not applicable****Purpose of Report**

- 1 This report provides Members with an early overview of the Cheshire East Council forecast outturn for the financial year 2023/24. Members are being asked to note the serious financial challenges being experienced by the Council (and across other councils) and to recognise the importance of activities to minimise the impact on services.
- 2 The report highlights the negative impact of high inflation, rising interest rates and ongoing demand for services since the Council set its budget in February 2023. Annex 1 of the report highlights what the Council is forecasting to achieve as part of the 2023/24 budget by policy change item, plus further in year forecast changes and any mitigations identified to manage the position as far as possible.
- 3 Reporting the financial forecast outturn at this stage, and in this format, supports the Council's vision to be an open Council as set out in the Corporate Plan 2021 to 2025. In particular, the priorities for an open and enabling organisation, ensure that there is transparency in all aspects of council decision making.
- 4 The report also requests member approval for amendments to the Council's budget in line with authorisation levels within the Constitution.

Executive Summary

- 5 The Council operates a financial cycle of planning, monitoring and reporting. This review is part of the monitoring cycle and provides a forecast outturn position for the 2023/24 financial year. The information in this report also supports planning for next year's budget. This report supports the Council priority of being an open and enabling organisation, ensuring that there is transparency in all aspects of Council decision making.
- 6 The Council set its 2023/24 annual budget in February 2023. The budget was balanced, as required by statute, and included important assumptions about spending in the year. The budget is part of the Medium-Term Financial Strategy (MTFS) 2023 to 2027.
- 7 The provisional financial outturn for 2022/23, reported to Committees in July 2023, was a net revenue deficit of £6.0m. The likelihood of a negative outturn emerged through quarterly reporting and reflected higher than forecast inflation in prices and wages. Within this overall position there was underspending within Place based services and within Corporate Services. The pressures were mostly contained in care services and transport costs.
- 8 Throughout 2022/23 the emerging pressures were used to inform the developing MTFS and additional resources were targeted at care services. This required other services to find a significant level of savings to manage that change.
- 9 In context, the MTFS for 2023/24 included £70m of service growth and £42m of service savings. The equivalent figures for 2022/23 were £21m of growth and £7m of savings. This highlights the challenge of delivering the 2023/24 budget.
- 10 The first financial review of 2023/24 is forecasting a pressure of £12.8m by 31 March 2024. This has been reduced from £26.6m as savings of £13.8m have already been identified, but additional mitigations need to be found to reduce the forecast deficit of £12.8m even further.
- 11 This early forecast alerts the council of the need for action to address this financial risk. In year potential mitigations have already been identified across the Adults & Health Committee, Children & Families Committee and Finance Sub-Committee. Further potential mitigation areas have been identified but not yet quantified across all Committees. These mitigations are reflected below and in Annex 1 to this report. Further updates on these mitigations will be reported in the second financial review report.

- 12 At this point the forecast represents a combination of the following items:
- (a) Additional economic pressures facing all councils (such as pay inflation and interest rates).
 - (b) Growing demand for services which is a permanent pressure also being experienced in other councils.
 - (c) Variances to the budget changes agreed through the MTFS process. This is a mix of additional growth pressures or savings taking longer to deliver than originally envisaged.

Further details are provided in the background section.

- 13 Through 2023/24 programmes of work are underway to manage spending within budgets and achieve the approved savings. This process has been supported by additional monitoring and reporting to CLT in respect of approved policy change items (known as Big Board). An early view of progress on delivery, including RAG rating, was reported in Annex 3 of the 2022/23 Outturn report to the July cycle of meetings. Annex 1 provides an update on these items including forecasts, along with further variances and mitigation items identified to date. This process includes major changes to areas such as transport and parking where change projects are being delivered, processes have been followed and committee approval sought.
- 14 In some cases, where the saving is delayed, in part or in full, it is a temporary position and the saving will be delivered in 2024/25, this however still presents a pressure in the current 2023/24 year which requires further mitigation. For any 2023/24 approved budget items that are not deliverable in year or in the medium, further permanent mitigation will need to be identified into 2024/25, in addition to in year mitigation.
- 15 It is acknowledged some savings proposals have been challenging to deliver and impact on residents. However, without the successful delivery of these items, the 2023/24 forecast outturn position would be worse and members would need to consider further options.
- 16 Some key projects include:
- (a) Demand in Adult Social Care – unit cost inflation, complexity and investment (MTFS 1, 2 & 3)
 - (b) Growth in Children’s Social Care (MTFS 26)
 - (c) School transport pressures (MTFS 24)
 - (d) Strategic Leisure Review and Libraries Service Review (MTFS 90, 93)

- (e) Review Waste Collection Service - Green waste (MTFS 92)
 - (f) Car Parking (MTFS 108)
 - (g) Increasing income (MTFS 11: Client contribution yield, MTFS 42: Review of funding streams and income opportunities within Education and Skills)
 - (h) Integrated service models and service reviews (MTFS 35 Integrated Children's Service Strategy)
 - (i) The Dedicated Schools Grant Management Plan (to reduce the growing deficit in High Needs expenditure)
- 17 The financial pressures being experienced by Cheshire East Council are not unique. Headlines have been published about local government finance including the BBC highlighting that:
- (a) councils will be £5.2bn short by April 2026 (after making £2.5bn of planned reductions)
 - (b) the average council facing a £33m deficit
 - (c) £1.1bn of reserves will be required to balance in 2023/24
- 18 The County Councils Network have stated their member authorities are "facing some of their toughest budgetary decisions to date."
- 19 Local authorities that have committed, or are likely to commit to, financial activities beyond their legal means must issue a s.114 notice. This has already happened for various reasons at eight local authorities to date (Birmingham, Northamptonshire, Nottingham, Northumberland, Croydon, Woking, Thurrock, and Slough). The pressures quoted in these councils are between £35m and £1.5bn.
- 20 See Financial Implications (paragraph 59-61) for risks and consequences relating to a s.114 notice.
- 21 Press articles are now regularly reporting that several more councils are concerned that further s.114 notices are imminent. A simple search of such reports identifies Middlesbrough, Kirklees, Hastings, Kent, Stoke, Somerset, Guildford, Southampton as well as Bournemouth, Christchurch and Poole have all been linked to financial stress and potential s.114 notices. The pressures quoted in these councils range from £8.5m to £47m.
- 22 Local authorities, including Cheshire East Council, therefore continue to liaise with government departments over the severity of so many emerging financial issues. The Council achieves this liaison either directly or through professional or political networks. The focus of this

lobbying for Cheshire East Council would be on the following important local issues:

- (a) **High needs / special educational needs deficit.** The Council reported a cumulative deficit of £47m from 2022/23, which is set to rise to £85.9m by March 2024 and to £243.5m by 2027. The cost of maintaining this deficit in interest payments is forecast to exceed £3m in 2023/24. The Council is also funding transport costs of over £1m in excess of the 2023/24 budget to manage demand. The Council has completed work with DfE on the Delivering Better Value scheme and is now looking to enter the DfE's Safety Valve Scheme. This should bring additional funding but the timing of that needs consideration with the DfE and prioritisation given the cashflow impact.
- (b) **Capital Grant Funding.** Major highways schemes, in particular, are at risk due to construction costs inflation of 15% to 20%. Associated government grants are not subject to review so do not reflect up to date costs forecasts. The Council is therefore having to manage all additional costs. The MTFS includes £0.5bn of government capital grants, so this issue is material in the short to medium term. Two schemes in particular Middlewich Eastern Bypass and the A500 dualling projects were granted £48.0m and £53.m respectively from the Department of Transport (DfT) which accounted for almost 80% of the original cost to deliver the projects. If the grant had been increased in line with current estimated costs the grant receivable should be in the region of £74.0m for Middlewich Eastern Bypass and £69.0m for the A500 dualling. Therefore, maintaining the original funding percentage split between the DfT and the Council without the Council having to fund the gap.
- (c) **Children's Services.** Although government have provided additional funding for Adult Social Care the costs of Children's Services are not being addressed. New burdens funding is not being provided, nor are capital grants that could potentially create new provision of services reducing the reliance on private sector placements.
- (d) **Local Government Settlement.** Longer term settlements that address business rate retention, rurality and growth in demand are essential to providing longer term stability.

23 The findings of this early review also present an immediate need to mitigate emerging financial pressures. Locally the Council will therefore look to mitigations that focuses on several areas:

- 23.1 Corporate-wide spending management and control – freezing vacancies and controlling future recruitment for essential posts only; plus a continuation of the approach to stopping non-essential expenditure.
- 23.2 All prices to be reviewed with the intention to improve cost recovery where inflation has affected the associated costs.
- 23.3 Review of earmarked reserves – to identify the scope to forgo original plans for the reserves and support the Council's overall position. This will include the option to utilise the Capital Financing Budget Reserve in relation to corresponding budget pressures.
- 23.4 Corporate review of the capital programme – to identify scope to delay, reduce or stop spending on capital projects, to reduce expenditure, improve cashflow and save on borrowing costs. This inevitably means that some of the schemes that were to be funded from borrowing will need to be delayed.
- 23.5 Review use of agency and consultants by looking at staff retention, regional working and reflecting potential reductions in projects.
- 23.6 Review of workstreams across the Directorate to ensure that all available resources are directed towards the delivery of statutory functions, savings and efficiency plans.
- 23.7 Review profiling of budget savings with a view to accelerate or enhance savings opportunities.
- 23.8 Procurement Panel to be established to review contracts and future procurement activity.
- 23.9 Capitalise legitimate Transformation Activity to fund via receipts.
- 23.10 Identify further opportunities to capitalise or fund revenue expenditure, particularly where it relates to grants that allow administration costs to be included.
- 23.11 Review the Council's assets portfolio for additional disposals or opportunities to re-purpose assets.
- 24 The results of any further mitigations identified will be factored into the second and third financial reviews.
- 25 The MTFS highlights that the Council has relatively low levels of reserves as annual funding is required to manage ongoing service demand. This means financial pressure requires changes to ongoing spending and income rather than relying on management via reserves.
- 26 Annex 1 to this report includes details of the early review of the Council's forecast financial performance for 2023/24.

27 **Annex 1: First Financial Review 2023/24**

28 **Financial Stability:** Provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2023/24 is being funded, including the positions on overall service budgets, centrally held budgets, council tax and business rates. Further details are contained in the appendices.

29 **Appendices:**

Appendix 1 Adults and Health Committee.

Appendix 2 Children and Families Committee.

Appendix 3 Corporate Policy Committee.

Appendix 4 Economy and Growth Committee.

Appendix 5 Environment and Communities Committee.

Appendix 6 Highways and Transport Committee.

Appendix 7 Finance Sub-Committee.

Appendix 7a Update to the Treasury Management Strategy.

Appendix 7b Update to the Investment Strategy.

RECOMMENDATIONS

The Corporate Policy Committee:

1. Consider the factors leading to a forecast adverse Net Revenue financial pressure of £12.8m against a revised budget of £353.1m (3.6%).
2. Consider the forecast and further mitigations needing to be identified, aimed at bringing spending back in line with budget.
3. Consider the in-year forecast Capital Spending of £205.8m against an approved MTFS budget of £214.7m due to slippage that has been re-profiled into future years.
4. Scrutinise the contents of Annex 1 and each of the appendices and note that any financial mitigation decisions requiring approval will be made in line with relevant delegations.
5. Approve fully funded supplementary revenue estimates over £500,000 up to £1,000,000 in accordance with Financial Procedure Rules as detailed in

Appendix 1 Adults and Health Committee, Section 2 Corporate Grants Register, Table 3.

6. Approve fully funded supplementary revenue estimates over £500,000 up to £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 2 Children and Families Committee, Section 2 Corporate Grants Register, Table 3.**
7. Approve fully funded supplementary revenue estimates over £500,000 up to £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 4 Economy and Growth Committee, Section 2 Corporate Grants Register, Table 2.**
8. Approve fully funded supplementary revenue estimates over £500,000 up to £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 5 Environment and Communities Committee, Section 2 Corporate Grants Register, Table 2.**
9. Approve capital virements up to and including £5,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 7 Finance Sub-Committee, Section 5 Capital Strategy, Table 5.**
10. Note that Council will be asked to:
11. Approve fully funded supplementary revenue estimates over £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 7 Finance Sub-Committee, Section 2 Corporate Grants Register, Table 3.**
12. Approve capital supplementary estimates over £1,000,000 in **Appendix 7 Finance Sub-Committee, Section 5 Capital Strategy, Table 6.**

Background

- 30 Managing performance is essential to the achievement of outcomes. This is especially important in evidencing the achievement of value for money across an organisation the size of Cheshire East Council. The Council is the third largest local authority in the Northwest of England, responsible for approximately 500 services, supporting over 398,000 local people. Gross annual spending is over £750m, with a revised net revenue budget for 2023/24 of £353.1m.
- 31 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.

- 32 The political structure of the Council is organised into six committees, with a single sub-committee, all with financial responsibilities acutely aligned to the management structure. Performance against the 2023/24 Budget within each Committee, and the sub-committee, is outlined in Table 1 below.

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

2023/24	Revised Budget	Forecast Outturn	Forecast Variance	Further Net Mitigations	Revised Forecast Variance	Forecast Outturn 2022/23
	(NET) £m	£m	£m	£m	£m	£m
Service Committee						
Adults and Health	136.5	140.3	3.8	(3.5)	0.3	132.2
Children and Families	79.1	90.5	11.4	(4.4)	7.0	83.8
Corporate Policy	41.6	42.5	0.9	-	0.9	39.0
Economy and Growth	25.0	23.8	(1.2)	(0.7)	(1.9)	21.3
Environment and Communities	48.8	52.7	3.9	0.3	4.2	45.8
Highways and Transport	11.0	12.7	1.7	(0.5)	1.2	12.1
Sub-Committee						
Finance Sub	(342.0)	(335.9)	6.1	(5.0)	1.1	(328.2)
TOTAL	-	26.6	26.6	(13.8)	12.8	6.0

National Key issues causing the pressures

- 33 The national economic position of the UK has seen prevailing high inflation. The Office for Budget Responsibility (OBR) forecast that inflation should reduce to 2.9% by quarter 4 of 2023. However, quarter 2 inflation was still at 7.7%, which is higher than the OBR forecast of 6.9% at this stage in the year. The Council is affected by inflation in wages (for Council staff and staff of contracted services), utilities and fuel. But the Council cannot inflate in-year income from Council Tax, Business Rates or Government Grants. The forecast impact of additional pay inflation above the estimates in February is £2.7m.
- 34 The national economic position of the UK is seeing increasing interest rates. In January 2023, when the current MTFS was drafted, interest rates were at 3.5%. Current interest rates are 5.25%. The Council has loans of £242m, mainly acquired to support important Highway and Regeneration schemes, and is therefore exposed to financial pressure from increasing borrowing costs. The Council is receiving more money from investments, but this does not offer adequate compensation. Interest rates are forecast to reduce once inflation is controlled which means a shift to long-term borrowing at this point is not a favourable option.

- 35 Demand for public services, particularly those that are required to support the health and wellbeing of local residents, has increased since the pandemic. Temporary grants associated with the pandemic have ended though. The Council is experiencing demand for care for more individuals, which is driving up costs, as well as experiencing more complex demand that requires more hours of support in each case.

Scope for additional mitigating items for 2023/24

- 36 Further information on the mitigating factors will be considered in advance of the second and third financial reviews. The summary table below sets out the overall scale currently identified, with more detail included in the detailed appendices as summarised below:

Committee	Value (£m)
Adults and Health	3.5
Childrens and Families	4.4
Corporate Policy	0.0
Economy and Growth	0.7
Environment and Communities	(0.3)
Highways and Transport	0.5
Finance Sub Committee	5.0
All Committees	13.8

- 37 Adults & Health Committee – Potential mitigating actions in the region of £3.5m have been identified, including the use of newly announced Market Sustainability Grant (£2.2m) subject to compliance with grant conditions, plus further reviews on staffing in social work operations and transformation activity across Adult Social Care to release potential ongoing reductions contributing up to £1m.
- 38 Children & Families Committee - Further mitigating actions in-house action savings could be in the region of £4.4m including benefit from early receipt of safety valve funding through lobbying government. Other areas include:
- Reduce spend following an in-depth review of Legal Costs and Educational Psychologists.
 - Holding none-qualified role vacancies, recruitment drive to reduce the requirement for agency workers including working with regional partners.
 - Review subsidy and funding related to school catering services.
- 39 Corporate Policy Committee – Some deliverable in year mitigations have been reflected in the forecast outturn position covering

transformational activity in ICT, reviews of ICT Strategy and Elections spend plus the use of the Business Change reserve. Further mitigations are to be determined but may include a vacancy freeze and delay of some projects.

- 40 Economy and Growth Committee – some deliverable in year mitigations totalling £0.7m are reflected in the forecast outturn position reflecting a reduction in Place Directorate spending, releasing earmarked reserves and actions to reduce Economic Development expenditure. Further mitigations to be determined include stopping non-essential spending, continued vacancy management and energy costs reductions in Council buildings.
- 41 Environment and Communities Committee - stop non-essential spend and continued vacancy management, financial impact to be determined.
- 42 Highways and Transport Committee - some deliverable in year mitigations totalling £0.5m are included in the forecast outturn position reflecting the partial release of the flooding reserve. Further mitigations to be determined include stopping non-essential spending, continued vacancy management and lobbying government on recognition of inflation on highway schemes funded from grants.
- 43 Finance Sub Committee – Use £5m from Capital Financing Reserve to cover the pressure on the associated capital financing budget arising due to increasing interest rates.

The financial effects of other potential mitigations are to be determined, but include:

- Capital Programme Review to identify scope to delay, reduce or stop spending on capital projects, to improve cashflow and save on borrowing costs.
 - Review earmarked reserves.
 - Lobby government on potential mitigation of cashflow implications from High Needs spending.
 - Review economic factors, such as forecast interest rates.
- 44 In addition to the above, reviewing the scope for further use of flexible capital receipts for transformation costs across all areas is being considered.

Consultation and Engagement

- 45 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

- 46 The overall process for managing the Council's resources focuses on value for money, good governance and stewardship. The approach to these responsibilities is captured in the Medium-Term Financial Strategy.
- 47 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.
- 48 This report provides strong links between the Council's statutory reporting requirements and the in-year monitoring processes for financial and non-financial management of resources.
- 49 In approving the Cheshire East Council Medium-Term Financial Strategy Members of the Council had regard to the robustness of estimates and adequacy of reserves as reported by the s.151 Officer. The s.151 Officer's report highlighted the importance of each element of the MTFS and the requirement to achieve all the proposals within it. The recommendations of this report highlight the need for ongoing activity to manage the financial pressure being experienced by the Council.

Other Options Considered

- 50 None. This report is important to ensure Members of the Committee are sighted on the financial pressure the Council is facing and the activity to date to try and mitigate this issue. Activity is required to ensure the Council balances its expenditure and income without serious impact on essential Council services.
- 51 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

- 52 The legal implications surrounding the process of setting the 2023 to 2027 Medium-Term Financial Strategy were dealt with in the reports relating to that process. The purpose of this paper is to provide a progress report for 2023/24. Implications arising from individual proposals regarding service growth and savings have and will continue to be the subject of ongoing advice and support.
- 53 Implications arising directly from this report relating to the internal processes of approving supplementary estimates and virements referred to governed by the Constitution and in particular the Finance Procedure Rules.
- 54 In relation the proposed review to ensure that all available resources are directed towards the delivery of statutory functions, savings and efficiency plans, it should be noted that local authorities are creatures of statute. They are created by statute and are regulated through the legislative regime and whilst they have in more recent time 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.

Section 151 Officer/Finance

- 55 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.
- 56 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.
- 57 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.

- 58 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.
- 59 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.
- 60 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.
- 61 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.
- 62 Further consequences would be highly likely and could include the appointment of Commissioners from the DLUHC, and potential restrictions on the decision-making powers of local leaders.

Policy

- 63 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.
- 64 The forecast outturn position, ongoing considerations for future years, and the impact on general reserves will be fed into the assumptions underpinning the 2024 to 2028 Medium-Term Financial Strategy.
- 65 The approval of supplementary estimates and virements are governed by the Finance Procedure Rules section of the Constitution.

Equality, Diversity and Inclusion

- 66 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.

Human Resources

- 67 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

- 68 Financial risks are assessed and reported on a regular basis, and remedial action taken if required. Risks associated with the achievement of the 2022/23 budget and the level of general reserves were factored into the 2023/24 financial scenario, budget, and reserves strategy.

Rural Communities

- 69 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)

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

Public Health

- 71 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

- 72 There are no direct implications for climate change.

Access to Information	
Contact Officer:	<p>Alex Thompson</p> <p>Director of Finance and Customer Services (Section 151 Officer)</p> <p>alex.thompson@cheshireeast.gov.uk</p> <p>01270 685876</p>
Appendices:	<p>Annex 1 including:</p> <p>Section 1 provides information on the overall financial stability and resilience of the Council. Further details are contained in the appendices.</p> <p>Appendix 1 Adults and Health Committee.</p> <p>Appendix 2 Children and Families Committee.</p> <p>Appendix 3 Corporate Policy Committee.</p> <p>Appendix 4 Economy and Growth Committee.</p> <p>Appendix 5 Environment and Communities Committee.</p> <p>Appendix 6 Highways and Transport Committee.</p> <p>Appendix 7 Finance Sub-Committee.</p> <p>Appendix 7a Update to the Treasury Management Strategy.</p> <p>Appendix 7b Update to the Investment Strategy.</p>
Background Papers:	<p>The following are links to key background documents:</p> <p>Medium Term Financial Strategy 2023-2027</p>



First Financial Review 2023/24

October 2023

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

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

RandC@cheshireeast.gov.uk

Introduction

Cheshire East Council is the third largest Council in the Northwest of England, supporting over 398,000 local people with annual spending of over £750m.

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

Demand for Council services is increasing, with more individuals and families needing support and services than ever before. This reflects an increase in population but also reflects changes in demographics and the national cost of living increases. This demand is resulting in a forecast outturn of £12.8m against a net revenue budget of £353.1m. The most significant impact is within the rising costs of Children's Social Care. Further activity is required to identify other mitigating measures.

When the 2023/24 budget was set, in February 2023, it was highlighted that the use of reserves was not sustainable in the medium term. Net spending therefore needs to be contained within the estimates of expenditure that form the budget. The forecasts at first review highlight pressures due to demand, inflation, interest rates and pay negotiations. These will almost certainly affect the medium term finances of the Council. This situation must be addressed now and as part of the MTFS process for 2024 to 2028.

To support openness and transparency, and provide evidence of strong governance, the report has a main section, to provide background and context, and then nine supporting appendices with detailed information about allocation and management of public money during 2023/24.

The **Financial Stability** section provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2023/24 is being funded, including the positions on overall service budgets, centrally held budgets, Council Tax and Business Rates. Further details are contained in the appendices.

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

Alex Thompson

Director of Finance and Customer Services
(Section 151 Officer)

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2023/24 Outturn Forecast - Financial Position

2023/24	Revised Budget (NET) £m	Forecast Outturn £m	Forecast Variance £m	For further information please see the following sections
SERVICE DIRECTORATES				
Adults, Health and Integration	136.5	136.8	0.3	Appendix 1
Children's Services	79.1	86.1	7.0	Appendix 2
Place - Directorate/Growth & Enterprise	25.0	23.1	(1.9)	Appendix 4
Place - Environment & Neighbourhood Services	48.8	53.0	4.2	Appendix 5
Place - Highways & Infrastructure	11.0	12.2	1.2	Appendix 6
Corporate Services	41.6	42.5	0.9	Appendix 3
Total Services Net Expenditure	342.0	353.7	11.7	
CENTRAL BUDGETS				
Capital Financing	19.0	19.4	0.4	Appendix 7 Section 5
Transfer to/(from) Earmarked Reserves	(6.1)	(6.1)	-	Appendix 7 Section 6
Transfer from MTFs Earmarked Reserve	-	-	-	Appendix 7 Section 6
Corporate Contributions / Central Budgets	(1.8)	(1.1)	0.7	Appendix 7
TOTAL NET EXPENDITURE	353.1	365.9	12.8	
Business Rates Retention Scheme	(55.3)	(55.3)	-	Appendix 7 Section 2
Specific Grants	(26.7)	(26.7)	-	Appendix 7 Section 3
Council Tax	(271.1)	(271.1)	-	Appendix 7 Section 2
Net Funding	(353.1)	(353.1)	-	
NET (SURPLUS) / DEFICIT	(0.0)	12.8	12.8	

Financial Stability

Introduction

1. The Council has a track record of sound financial management. Nevertheless, in common with all UK local authorities the Council finds itself in a position where pressures on the revenue budget are intensifying as a result of inflation, the legacy impact of the Coronavirus pandemic on people and on the economy and increasing cost of living pressure on households. These issues have the effect of increasing the demand for services and increasing costs of services.
2. Complexity and market sustainability in Adults' and Children's Social Care remains the most significant financial pressure for the Council in the medium term. The affects of inflation on contracts, utilities and wage levels are affecting costs across all services.
3. **Table 1** provides a service summary of financial performance. The current forecast is that services will be £11.7m over budget in the current year which includes mitigating actions identified to date. The 2023/24 Approved Budget Policy Changes and Forecast Variances provide further details and changes to service net budgets since the Medium-Term Financial Strategy (Section 2 in the **Appendices 1-6**).
4. It also shows that central budgets are forecast to be £1.1m over budget resulting in an overall forecast outturn of £12.8m against a net revenue budget of £353.1m.
5. Further items impacting on the level of the Council's balances are detailed in **Appendix 7**.

Table 1 - Service Revenue Outturn Forecasts

2023/24	Revised Budget	Forecast Outturn	Forecast Variance
	(NET)		
	£m	£m	£m
SERVICE DIRECTORATES			
Adult Social Care - Operations	137.9	138.2	0.2
Commissioning	(1.4)	(1.4)	0.1
Public Health	-	-	-
Adults and Health Committee	136.5	136.8	0.3
Directorate	(0.8)	(0.2)	0.7
Children's Social Care	49.7	54.5	4.8
Strong Start, Family Help and Integration	7.0	6.4	(0.6)
Education & 14-19 Skills	23.2	25.3	2.1
Children and Families Committee	79.1	86.1	7.0
Directorate	0.1	(0.1)	(0.2)
Growth & Enterprise	24.9	23.2	(1.7)
Economy and Growth Committee	25.0	23.1	(1.9)
Environment & Neighbourhood Services	48.8	53.0	4.2
Environment and Communities Committee	48.8	53.0	4.2
Highways & Infrastructure	11.0	12.2	1.2
Highways and Transport Committee	11.0	12.2	1.2
Directorate	0.6	0.8	0.2
Finance & Customer Services	13.4	13.8	0.5
Governance & Compliance Services	10.8	10.8	0.1
Communications	0.7	0.7	(0.0)
HR	2.6	2.6	-
ICT	11.6	11.9	0.3
Policy & Change	2.0	1.9	(0.1)
Corporate Policy Committee	41.6	42.5	0.9
TOTAL SERVICES NET EXPENDITURE	342.0	353.7	11.7
CENTRAL BUDGETS			
Capital Financing	19.0	19.4	0.4
Transfer to/(from) Earmarked Reserves	(6.1)	(6.1)	-
Corporate Contributions / Central Budgets	(1.8)	(1.1)	0.7
Finance Sub-Committee - Central Budgets	11.1	12.2	1.1
TOTAL NET EXPENDITURE	353.1	365.9	12.8
Business Rates Retention Scheme	(55.3)	(55.3)	-
Specific Grants	(26.7)	(26.7)	-
Council Tax	(271.1)	(271.1)	-
Finance Sub-Committee - Net Funding	(353.1)	(353.1)	-
NET (SURPLUS) / DEFICIT	(0.0)	12.8	12.8

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Appendix 1 : Adults and Health Committee

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Appendix 1

Adults and Health Committee

1. Changes to Revenue Budget 2023/24 since Medium Term Financial Strategy

	MTFS Net Budget £000	Restructuring & Realignments £000	First Review Revised Net Budget £000	Unringfence Grants to be Actioned £000
Adults				
Adult Social Care Operations	134,211	3,712	137,923	-
Commissioning	2,121	(3,554)	(1,433)	-
Public Health	-	-	-	-
Adults and Health Committee	136,332	158	136,490	-

Note the unringfenced grants to be actioned column includes the expenditure part of centrally held unringfenced grants. These budget adjustments will take place once all first quarter approvals have been given. No adjustments are required as part of this review.

The restructuring and realignments of £158,000 relate to: the transfer of system software budget to ICT (-£25,000); drawdown from reserves to fund changes to pay structure (£41,000); and drawdown from reserves for grant carried forward in to 2023/24 (£142,000). Further realignments of budgets have taken place within the services to reflect the detailed allocation of MTFS budget changes.

Commissioning Income includes grant income budgets for Market Sustainability and Investment Fund, and Discharge Fund.

Adults and Health Committee

2. 2023/24 Approved Budget Policy Changes and Forecast Variances

Forecast Outturn Commentary:

The cost and demand pressures that drove the deficit in adult social care and health services in 2022/23 continue, locally and nationally, and this is reflected in the forecast outturn at the end of quarter 1 for 2023/24, with the forecast pressure of £3.8m split between commissioning costs and staffing costs.

The budget strategy set out a number of critical actions to bring down the underlying budget pressures. These included:

- A reduction in the use of short-term residential and nursing placements – all of the additional beds that were in use during 2022/23 have now been closed. A number of people have converted to long-term residential or nursing placements and this is reflected in the above average number of placements. This was not unexpected.
- Investment in domiciliary care – this has generated an increase in the number of available domiciliary care hours, and we have seen an increase in the number of people supported to live at home. We are monitoring activity closely to ensure that our plan to increase domiciliary care so that we can reduce our reliance on residential and nursing care is being achieved.
- Capping price increases – we continue to see demands for price increases on residential, nursing and complex care beyond that which we set out in our plan. We are investing in a pricing tool that allows us to scrutinise provider costs to ensure that they are in-line with expectations and the level of service commissioned and it is our expectation that this will assist in ensuring prices stay in line with expectations.

Unusually this year internal staffing costs internally are forecast to rise above budgeted levels for two reasons, the pay award for Council staff is above that which was budgeted and will have a disproportionately higher impact in adult social care because we employ more staff on lower grades. We have also seen an increase in agency costs for social care staff because of the shortage nationally of qualified staff. Our internal programme to support the qualification of social workers and occupational therapists is successful but cannot close this gap quickly. We are reviewing our current usage of agency staff to identify how we can bring this expenditure down in-year.

Potential mitigating actions in the region of £3.5m have been identified, including the use of newly announced Market Sustainability Grant (£2.2m) subject to compliance with grant conditions, plus further reviews on staffing in social work operations and transformation activity across Adult Social Care to release potential ongoing reductions contributing up to £1m.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
	Adults and Health Committee	15.274		
1	Demand in Adult Social Care - unit cost inflation	12.652	-	Care budget growth in line with forecasts at year end 2022/23. This has taken affect with an uplift to the external care budget in 2023/24.
2	Demand in Adult Social Care - complexity	10.351	-	Care budget growth in line with forecasts at year end 2022/23. This has taken affect with an uplift to the external care budget in 2023/24.
3	Investment in Adult Social Care	5.400	1.000	Emerging pressure on care costs. Demand remains strong, providers continue to seek price increases. The impact on both the Council and the Integrated Care Board of closing short term beds (item 8) is currently being worked through.
4	Pay inflation	3.155	0.778	The total cost of pay inflation may exceed 5% based on national pay negotiations. This may be mitigated through management of vacancies.
5	Care Fee Uplifts in Adult Social Care	2.000	0.500	Volatility in relation to complex care packages (supported living) is creating risk above the funds provided through the Market Sustainability Plan.
6	Direct Payment (Personal Assistants) Uplift	0.691	-	On track. Growth in budget has been applied to the personal assistant budget for direct payments.
7	Revenue grants for Adult Social Care	-3.600	-	On track. Technical financial adjustment to the budget. Grants are being received as planned.
8	Home First Strategy - increased care at home capacity	-4.000	-	The phased plan of reductions on short term bed is on track. The weekly commitment has reduced from £0.219m to £0.120m by the end June.
9	Pension Costs Adjustment	-2.082	-	On track, subject to ongoing monitoring, dependent on in-year staffing costs.
10	Learning Disabilities Future Service Development and Review	-1.750	-	On track. Savings are being independently monitored by senior managers in adults in collaboration with finance.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
11	Client contribution yield offsetting growth	-1.200	-	On track. The existing fees and charges policy ensures income is appropriately received; this has been verified through a review of income received during first financial review for 2023/24.
12	Home First Strategy - alternative care provisions	-1.000	0.240	Challenges with delivery due to managing increasing general demand alongside the additional reviews required to achieve this saving. Alternative mitigations are being investigated, including working with Impower to review the use of technology enabled care (TEC). £720,000 of the saving is linked to alternative provision from reviews such as TEC which is anticipated to be the two thirds delivered.
13	Market Sustainability and Fair Cost of Care - Grant Income	-0.979	-	On track. Technical financial adjustment to the budget. Grants are being received as planned.
14	Resettlement Revenue Grants	-0.850	-	On track. Technical financial adjustment to the budget. Grants are being received as planned.
15	Communities Team	-0.750	-	On track. Grant funding relating to this has been received and future grants allocations have been confirmed.
16	Direct Payment - Audit Recoveries	-0.750	-	On track. Whilst further work is underway to verify, analysis of previous recovery exercise and amounts recovered to date gives reassurance that this will be achieved.
17	ASC Transformation Earmarked Reserve Release	-0.500	-	On track. Technical financial adjustment to the budget. The reserve will be drawdown in 2023/24 as planned.
18	Maximisation of Supported Living	-0.369	-	On track. Savings are being independently monitored by senior managers in adults in collaboration with finance.
19	Productivity and Efficiency in Adult Social Care	-0.271	0.271	Establishment work underway to quantify any remaining staffing budget pressures. This will involve a review of all existing agency appointments.
20	Building Based Short Breaks	-0.250	0.250	Pending outcome of consultation process. Whilst not expected to be fully achieved in 2023/24, the saving has been fully mitigated elsewhere in the Care4CE service, this has been reflected in the first financial review position.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
21	Adults and Health Non-Essential Commissioning/Contracts	-0.245	-	On track. Permanent recurrent funding has been identified within the directorate to ensure full delivery.
22	Building Based Day Services	-0.229	0.114	Pending outcome of consultation process. Whilst not expected to be fully achieved in 2023/24, the saving has been fully mitigated elsewhere in the Care4CE service, this has been reflected in the first financial review position.
23	Day Care Review	-0.150	-	On track. Savings are being independently monitored by senior managers in adults in collaboration with finance.
New	In-year pressures		0.650	Pressure on social work operations staffing budget (the variance on external care is covered within item 3 & 5).
	TOTAL FORECAST VARIANCE		3.803	
	Further Mitigating Actions anticipated in the region of £3.5m		3.500	<p>Demand and price pressures are continuing to rise. Continued work to contain this is underway.</p> <p>A review of the largest staffing area (social work operations) is underway. See note above (19).</p> <p>The detailed terms and conditions of the newly announced Market Sustainability Grant (£2.2m announced in July this year) are being analysed to ensure compliance and understand the financial impact on the Council. The results will be included within the second financial review.</p>
	REVISED FORECAST VARIANCE		0.303	

Adults and Health Committee

3. Corporate Grants Register

- 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 The increase in specific purpose grants relates mainly to Afghan Support-related funding, the Multiply – Supported Employment grant and an increase in the Public Health grant, reflecting the latest allocations. Other additional specific purpose grants have also been received and are detailed in **Table 2 to 5**.

- 3.4 **Table 2** shows additional specific purpose grant allocations that have been received over £1m that Council will be asked to approve.
- 3.5 **Table 3** shows additional specific purpose grant allocations that have been received which are over £500,000 and up to £1m, and are for Committee approval.
- 3.6 **Table 4** shows additional specific purpose grant allocations that have been received which are £500,000 or less and are for noting only.
- 3.7 **Table 5** shows delegated decisions for additional specific purpose grants previously named within the MTFS.

Table 1 – Corporate Grants Register

Grants 2023/24	Original Budget	Revised Forecast FR1	Change from Original Budget	Treatment of Grant
	2023/24 £000	2023/24 £000	2023/24 £000	Notes 2 - 5
ADULTS & HEALTH				
Specific Purpose (Held within Services)				
Additional Better Care (for Adult Social Care)	8,706	8,706	0	
Market Sustainability and Fair Cost of Care Fund	979	979	0	
Market Sustainability and Fair Cost of Care Fund - top-up	2,400	2,418	18	SRE
Trailblazer support funding - brought-forward	0	300	300	
Discharge Fund	1,200	1,221	21	SRE
Multiply - Supported Employment	0	536	536	SRE
Supported Internship Grant	29	29	0	
Asylum Dispersal Scheme	0	482	482	SRE
Afghan - Wrap Around support - brought-forward	910	910	0	
Afghan - Resettlement support - brought-forward	288	288	0	
Afghan - Flexible Housing Funding	0	426	426	SRE
Afghan - Integration Support	0	1,231	1,231	SRE
Afghan - Homelessness Funding	0	128	128	SRE
Afghan - Homeless Wrap Around Funding	0	306	306	SRE
Afghan - Caseworker Tariff	0	36	36	SRE
Homes for Ukraine Scheme - brought-forward	0	2,214	2,214	
Homes for Ukraine Scheme	0	236	236	SRE
Private Finance Initiative (PFI) credits	4,125	4,125	0	
Journey First and Parents First (originally provided by the European Social Fund but now DWP)	0	350	350	SRE
Total Adults & Health - Adult, Health & Integration - Specific Purpose	18,637	24,920	6,283	

Grants 2023/24	Original Budget	Revised Forecast FR1	Change from Original Budget	Treatment of Grant
	2023/24 £000	2023/24 £000	2023/24 £000	Notes 2 - 5
ADULTS & HEALTH				
Public Health Grant	17,405	17,972	567	ODR
COVID-19 COMF & T&T - brought-forward	0	527	527	
CHAMPS Health Protection / COVID-19 Recovery Funding	0	27	27	SRE
OHID SSMTR Supplementary Substance Misuse Treatment & Recovery Grant	353	354	1	
North West Probation Service funding for SMS rehabilitative and resettlement interventions	114	114	(0)	
CHAMPS Marmot Place Funding - encourage pregnant women to stop smoking - brought-forward	0	22	22	
CHAMPS SMS - inpatient detox	46	46	(0)	
Total Adults & Health - Public Health - Specific Purpose	17,918	19,060	1,142	
General Use (Held Corporately)				
Social Care Support Grant	12,426	12,426	0	
Local Reform & Community Voices	207	207	0	
Social Care in Prisons	73	73	0	
War Pension Scheme Disregard	60	60	0	
Total Adults & Health - Public Health - General Use	12,766	12,766	0	
TOTAL ADULTS & HEALTH	49,321	56,746	7,425	

Notes

- 2 SRE - Supplementary Revenue Estimate requested by relevant service.
- 3 ODR - Officer Decision Record to approve immediate budget change to relevant service.
- 4 Reserves - transfer to reserves at year end.
- 5 Balances - amount will be included as a variance to budget.

Table 2 – COUNCIL DECISION

Note that Council will be asked to Approve Supplementary Revenue Estimates of Additional Grant Funding (Specific Purpose) over £1m

Committee	Year	Type of Grant	£000	Details
Adults and Health	2023/24	Afghan - Integration Support (Specific Purpose)	1,231	This grant is from the Home Office (HO). Available where an individual or family has settled in the borough, to provide ongoing integration support.
Total Specific Purpose Allocation for Council Approval			1,231	

Table 3 – COMMITTEE DECISION

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

Committee	Year	Type of Grant	£000	Details
Adults and Health	2023/24	Multiply - Supported Employment (Specific Purpose)	536	This grant is from the Department for Education (DfE). Multiply is a government-funded programme to help adults improve their numeracy skills.
Total Specific Purpose Allocations over £500,000 up to £1,000,000 for Committee Approval			536	

Table 4 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) £500,000 or less

Committee	Year	Type of Grant	£000	Details
Adults and Health	2023/24	Asylum Dispersal Scheme (Specific Purpose)	482	This grant is from the Home Office (HO). Funding allocated by the Home Office for Cheshire East to support the Asylum Dispersal Scheme.
Adults and Health	2023/24	Afghan - Flexible Housing Funding (Specific Purpose)	426	This grant is from the Home Office (HO). To support moves from bridging hotels into settled accommodation. It can be used flexibly at the Council's discretion, including for (but not limited to) rental top-ups, landlord incentives, resource, and capital projects. Claimable as a lump sum in Year 1, once a person or household is confirmed as having moved into settled accommodation.
Adults and Health	2023/24	Afghan - Homelessness Funding (Specific Purpose)	128	This grant is from the Home Office (HO). This is to address homelessness arising from the closure of bridging hotels. It is available to councils who accept homelessness duties from those leaving bridging accommodation, to support with the temporary housing and administration costs of taking a homelessness application.
Adults and Health	2023/24	Afghan - Homeless Wrap Around Funding (Specific Purpose)	306	This grant is from the Home Office (HO). For wrap around support in bridging hotels, including support with moving families on. Increased flexibility for councils to allow them to support families into settled accommodation, including rental top ups, and capital spend (covering for example renovations/stock acquisition).

Committee	Year	Type of Grant	£000	Details
Adults and Health	2023/24	Afghan - Caseworker Tariff (Specific Purpose)	36	This grant is from the Home Office (HO). Provided to help fund Council and Voluntary and Community Sector (VCS) caseworkers.
Adults and Health	2023/24	Homes for Ukraine Scheme (Specific Purpose)	236	This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). Funding at a rate of £5,950 per person, to provide support to families to rebuild their lives and fully integrate into communities.
Adults and Health	2023/24	Journey First and Parents First (Specific Purpose)	350	This grant is from the Department for Work and Pensions (DWP). Increases in the grants received as claims to DWP / ESF are made on a quarterly basis reflecting match funded expenditure. The Journey First programme provides intensive 1-2-1 support for young people and adults, to identify and strengthen access to work skills – i.e., supporting with job searches and employment or access to further education or training. Increases in the grants received as claims to DWP / ESF are made on a quarterly basis reflecting match funded expenditure.
Adults and Health – Public Health	2023/24	Health Protection / Covid-19 Recovery Funding (Specific Purpose)	27	This grant is from CHAMPS Public Health Collaborative. At a recent System Leadership meeting the Cheshire and Merseyside Directors of Public Health agreed to a redistribution of collaborative funding to the value of £27,000 per local authority, to support local delivery of priorities relating the broader impact of Covid-19, including workforce and health and inequalities. This is a one-off payment.
Total Specific Purpose Allocations less than £500,000			1,991	

Table 5 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) previously named in the MTFS.

Committee	Year	Type of Grant	£000	Details
				On 22 February 2023 Council delegated authority to the Chief Finance Officer, to approve supplementary estimates if the value of any named grant changes from the figures contained within Appendix C, Annex 7 of the MTFS.
Adults and Health	2023/24	Public Health Grant (Specific Purpose)	567	The estimated Public Health grant value recorded in the MTFS is £17.405m. The actual grant value has been confirmed to be £17.972m.
Adults and Health	2023/24	Market Sustainability and Fair Cost of Care Fund - top-up (Specific Purpose)	18	Increase on MTFS 2023-27 estimate. This grant is from the Department of Health and Social Care (DHSC). Adjustment to the value of the MSF grant value to be received, main grant approved through the MTFS. Announced in November 2022, DHSC funding for improvements to adult social care services, to build capacity and improve market sustainability.
Adults and Health	2023/24	Discharge Fund (Specific Purpose)	21	Increase on MTFS 2023-27 estimate. This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). Adjustment to the value of the Discharge Fund grant value to be received, main grant approved through the MTFS. This funding has been pooled within the Better Care fund. It can be used flexibly on the interventions that best enable the discharge of patients from hospital to the most appropriate location for their ongoing care.
Total Delegated Decision Specific Purpose Allocations previously named in the MTFS			606	

Adults and Health Committee

4. Debt Management

	Outstanding Debt £000			Over 6 months old £000		
	Mar-23	Jun-23	Increase / (Decrease)	Mar-23	Jun-23	Increase / (Decrease)
Adults and Health Committee						
Adults, Public Health and Communities	10,449	12,123	1,674	6,679	7,051	372

Note: The increase in outstanding debt is due to a large amount of low value debt transactions and two invoices to a local authority which total £463,000.

Adults and Health Committee

5. Capital Strategy

Adults & Health												CAPITAL	
CAPITAL PROGRAMME 2023/24 - 2026/27													
	Forecast Expenditure							Forecast Funding					
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Total Forecast Budget 2023-27 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	Total Funding £000
Scheme Description													
Committed Schemes in progress													
Adults Services													
Electronic Call Monitoring System	389	0	389	0	0	0	389	0	0	389	0	0	389
People Planner System	94	41	13	40	0	0	53	53	0	0	0	0	53
Replacement Care4CE Devices	93	65	8	20	0	0	28	28	0	0	0	0	28
Total Committed Schemes	576	106	410	60	0	0	470	81	0	389	0	0	470
Total Adults and Health Schemes	576	106	410	60	0	0	470	81	0	389	0	0	470

Adults and Health Committee

6. Reserves Strategy

Adults and Health Committee

Name of Reserve	Opening Balance 1 April 2023 £000	Forecast Movement in Reserves 2023/24 £000	Forecast Closing Balance 31 March 2024 £000	Notes
<u>Adult Social Care Operations</u>				
Adults Directorate	1,020	(500)	520	To support a number of widespread projects within the Adults and Health Directorate.
DOL's Assessments	125	(125)	0	Reserve will be exhausted by September 2023, creating an underlying staff budget pressure within the revenue budget.
<u>Adults Social Care Commissioning</u>				
PFI Equalisation - Extra Care Housing	2,795	0	2,795	Surplus grant set aside to meet future payments on existing PFI contract which commenced in January 2009, and the anticipated gap at the end of the agreement.
NHB Community Grants Staffing	132	0	132	Initially to support administrative staffing costs in relation to Central Government's New Homes Bonus guidance for community projects. NHB grant scheme has since ended and the reserve no longer required for this use.
<u>Public Health</u>				
Public Health Reserve	3,010	(656)	2,354	Ring-fenced underspend to be invested in areas to improve performance against key targets. Including the creation of an Innovation Fund to support partners to deliver initiatives that tackle key health issues. Anticipated that the carry forward ringfenced grant will be spent across 2022/23 to 2025/26.
ADULTS AND HEALTH TOTAL	7,082	(1,281)	5,801	

Appendix 2 : Children and Families Committee

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Appendix 2

Children and Families Committee

1. Changes to Revenue Budget 2023/24 since Medium Term Financial Strategy

	MTFS Net Budget £000	Restructuring & Realignments £000	First Review Revised Net Budget £000	Unringfence Grants to be Actioned £000
Children's Services				
Directorate	(41)	(783)	(824)	-
Children's Social Care	49,478	230	49,708	187
Education & 14-19 Skills	22,743	(15,726)	7,017	256
Strong Start, Family Help and Integration (Previously Prevention & Early Help)	6,945	16,256	23,201	-
Children and Families Committee	79,125	(23)	79,102	443

Note the unringfenced grants to be actioned column includes the expenditure part of centrally held unringfenced grants. These budget adjustments will take place once all first quarter approvals have been given.

The restructuring and realignments of £23,000 relate to: the transfer of transport pay budget changes from Place (£28,000); drawdown from reserves to fund changes to pay structure (£45,000); and adjustments to ASDV support service charge (-£96,000). Further realignments of budgets have taken place within the services to reflect the detailed allocation of MTFS budget changes and any restructure of service areas.

Children and Families Committee

2. 2023/24 Approved Budget Policy Changes and Forecast Variances

Forecast Outturn Commentary:

The Children and Families First Financial Review for 2023/24 reflects a £11.4m in-year pressure. The breakdown of that position is shown in the main summary table.

The key pressure areas for the directorate include:

- Children's social care agency placements – where the number and complexity of children in care has continued to increase from 521 at April 2022 to 576 at Aug 2023 (compared with 522 at April 2021 to 529 at August 2022) and placement costs are increasing by significantly more than inflation and more than was projected for growth in-year. This has in part been affected by the disproportionate number of asylum seeking children in Cheshire East.
- The increased use and cost of agency staff in children's social care to cover vacant posts.
- Higher legal costs within children's social care with longer processes and more legal challenge.
- Home to school transport costs – where a mix of increasing numbers of pupils with an education, health and care plan (EHCP), driver shortages and increasing fuel costs have seen overall costs rise.
- Educational Psychologists – where there is the need for agency staff to cover posts whilst the developing cohort of trainee educational psychologists are fully trained and established. There are also challenges in recruiting and retaining staff..
- Schools Catering – where the costs of the service are above the current charged income level and base budget.

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 the MTFS process starts for 2024/25.

Dedicated School Grant (DSG)

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.

This has placed pressure on the grant used to provide funding for children with SEND in various settings and led to a £21.2m deficit in 2022/23. This adds on to the brought forward deficit of £25.7m to take the DSG Reserve to a £46.9m deficit position.

This is in line with the budget gap as determined by the Council's DSG Management Plan that was reported to Children and Families Committee in September 2022 and set out the planned expenditure and income on high needs over the medium term. An updated DSG Management Plan was presented to Committee in September 2023. This plan forecasts a deficit position at the end of 2023/24 of £85.9m

The deficit is currently being managed by an accounting override until 2026 which allows it to be treated as an un-usable reserve. At this stage the position is not recoverable unless there are significant changes to funding or demand or both. The deficit position is adding to the pressures of the Council as borrowing is required to cover the £46.9m deficit that has not been funded (forecast to increase to £85.9m by the end of 2023/24). This results in annual interest costs of £3.1m.

Further mitigating actions could be in the region of £4.4m including benefit from early receipt of safety valve funding through lobbying government. Other areas include:

- Reduce spend following an in-depth review of Legal Costs and Educational Psychologists.
- Holding none-qualified role vacancies, recruitment drive to reduce the requirement for agency workers including working with regional partners.
- Review subsidy and funding related to school catering services.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
	Children and Families Committee	5.623		
24	School transport pressures	4.000	1.134	<p>This item includes the growth in special educational needs transport and the planned savings from the review of transport. There are additional pressures in-year due to a mix of increasing numbers of pupils with an education, health and care plan (EHCP), driver shortages and increasing fuel costs have seen overall costs rise.</p> <p>A major work programme is underway (including input from the consultants) to deliver the savings to mitigate those pressures and effectively meet needs. Further updates will be taken to Children and Families Committee.</p>
25	Pay inflation	3.059	0.573	The total cost of pay inflation may exceed 5% based on national pay negotiations. This may be mitigated through management of vacancies.
26	Growth in Children's Social Care	1.900	5.100	The revised position for placements is under review. The service is facing a challenging position given the 2022/23 outturn results.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
				Children's social care agency placements – where the number and complexity of children in care has continued to increase from 521 at April 2022 to 576 at August 2023 (compared with 522 at April 2021 to 529 at August 2022) and placement costs are significantly more than inflation and more than was projected for growth in-year.
27	Recognise pressures in the Children's Social Care direct payments budget	0.743	0.086	Emerging pressures.
28	Statutory Education Psychology Service	0.600	0.150	Emerging pressures.
29	Reverse travel savings	0.430	-	Achieved.
30	Increase capacity to support statutory SEND service	0.300	-	Achieved although further pressures may emerge.
31	Household Support Fund Grant	-4.400	-	Achieved.
32	Household Support Fund into the Council's base budget (funded from grant)	4.400	-	Achieved.
33	Pension Costs Adjustment	-1.964	-	On track, subject to ongoing monitoring, dependent on in-year staffing costs.
NEW1	Delivering Better Value in SEND grant	-1.200	0.607	Achieved, change in profile.
NEW2	Delivering Better Value in SEND (funded from grant)	1.200	-0.607	Achieved, change in profile.
34	Use of Children & Families Transformation Reserve - estimated balance	-1.065	-	Achieved as a one-off mitigation.
35	Integrated Children's Service Strategy	-0.950	0.417	Project underway.
36	Holiday Activity Fund Grant	-0.900	-	Achieved.
37	Holiday Activity Fund into the Council's base budget (funded from grant)	0.900	-	Achieved.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
38	Review of commissioned services across the Children and Families Directorate	-0.450	0.230	Further work to do to find the whole saving.
39	Children's Development and Partnerships Service	-0.300	-	Achieved.
40	Early Help Redesign	-0.200	-	Achieved.
41	Deliver the Family Hub model	-0.150	-	Achieved.
42	Review of funding streams and income opportunities within Education and Skills	-0.230	-	Achieved.
43	Reduce Legacy Pension commitments	-0.100	-	Achieved.
44	Revenue costs for the Crewe Youth Zone (as above) aligned to Supporting Families Funding	-	-	Achieved.
45	Early Help budget to support funding towards the Crewe Youth Zone	-	-	Achieved.
	In-year Pressure Unaccompanied Asylum Seeking Children		1.032	Shortfall in Home Office grant compared to forecast cost.
	In-year Pressure Legal Care Proceedings		0.770	Higher legal costs within children's social care with longer processes and more legal challenge.
	In-year Pressure Staffing		0.994	Increased use and cost of agency staff in children's social care to cover vacant posts.
	In-year Pressure School Catering		0.521	The costs of the service are above the current charged income level and base budget.
	In-year Pressure		0.424	Increased demand/costs offset by savings due to vacant posts.
	TOTAL FORECAST VARIANCE		11.430	
	Further Mitigating Actions In-house action savings could be in the region of £4.4m		4.400	Ensure gap in in-year MTFS savings is achieved to align service areas, create efficiencies and avoid duplication, in line with the developing Integrated 4 year strategy.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
				<p>Reduce spend following an in-depth review of Legal Costs and Educational Psychologists.</p> <p>Review of total spend for UASC against funding to identify appropriate additional funding streams.</p> <p>Holding non statutory vacancies. Recruitment drive to reduce the requirement for agency workers including working with regional partners. Convert suitable agency workers to fill permanent statutory vacancies where appropriate. With HR support develop a new Children's Workforce Strategy to further improve recruitment and retention to key statutory posts.</p> <p>Re-deploy suitably qualified staff from non statutory into statutory posts.</p> <p>Bring educational psychology spend in budget in-year.</p> <p>Additional use of earmarked reserves and grants to deliver on key priorities within the directorate.</p> <p>Stop/defer non-essential spend.</p> <p>Review subsidy and funding related to school catering services.</p> <p>Liaise with Government on opportunities associated with the 'Safety Valve' programme to mitigate impact on the Council's revenue budget from transport and borrowing costs. Also lobby on potential additional funding for new burdens and the funding formula for schools .</p> <p>Increase senior management and commissioning controls of care costs to support holistic appraisal of financial impacts and opportunities.</p>
	REVISED FORECAST VARIANCE		7.030	

Children and Families Committee

3. Corporate Grants Register

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 The increase in specific purpose grants relates mainly to an increase in the Asylum Seekers grant and a new Early Years Supplementary Grant. There have also been additional, smaller grants and increases to existing grants. Requests for the allocation of the additional specific purpose and general use grants received are detailed in **Table 2 to 6**.

3.4 **Table 2** shows additional specific purpose grant allocations that have been received over £1m that Council will be asked to approve.

3.5 **Table 3** shows additional specific purpose grant allocations that have been received which are over £500,000 and up to £1m, and are for Committee approval.

3.6 **Table 4** shows additional specific purpose grant allocations that have been received which are £500,000 or less and are for noting only.

3.7 **Table 5** shows additional general purpose grant allocations that have been received which are £500,000 or less and are for noting only.

3.8 **Table 6** shows delegated decisions for additional specific purpose grants previously named within the MTFS.

Table 1 – Corporate Grants Register

Grants 2023/24	Original Budget	Revised Forecast FR1	Change from Original Budget	Treatment of Grant
	2023/24 £000	2023/24 £000	2023/24 £000	Notes 2 - 5
CHILDREN & FAMILIES				
Specific Purpose (Held within Services)¹				
Dedicated Schools Grant	165,459	156,147	(9,312)	
Pupil Premium Grant	4,500	4,958	458	SRE
Pupil Premium Plus - Post 16 Funding	0	56	56	SRE
Sixth Forms Grant	2,729	2,815	86	SRE
Universal Infant Free School Meals	1,732	1,926	194	SRE
Primary Physical Education Sports Grant	981	981	0	
Teachers Pension Grant	0	47	47	SRE
COVID-19 Recovery Premium	0	150	150	SRE
School Led Tutoring Grant	0	221	221	SRE
Milk Subsidy	10	20	10	SRE
Schools' Supplementary Grant	2,548	2,543	(5)	
Senior Mental Health Lead Training Grant	0	2	2	SRE
Delivering Better Value in SEND	1,200	593	(608)	
Apprentice Incentive Scheme	0	2	2	SRE
Digital Education Platform	0	3	3	SRE
National Professional Qualification Grant	0	10	10	SRE
Early Years Supplementary Grant	0	1,262	1,262	SRE
Total Children & Families - Schools - Specific Purpose	179,159	171,737	(7,422)	

Grants 2023/24	Original Budget	Revised Forecast FR1	Change from Original Budget	Treatment of Grant
	2023/24 £000	2023/24 £000	2023/24 £000	Notes 2 - 5
CHILDREN & FAMILIES				
Specific Purpose (Held within Services)¹				
Asylum Seekers	788	2,893	2,105	SRE
Supporting Families (previously Tackling Troubled Families)	0	280	280	SRE
Supporting Families (Payments by Results) Upfront Grant	719	720	1	SRE
Reducing Parental Conflict Grant	0	35	35	SRE
Adoption Support Fund	28	28	0	
KS2 Moderation & Phonics	11	11	0	
NHS Cheshire CCG Grant to fund CEIAS Services	10	0	(10)	
Skills & Lifelong Learning	903	897	(6)	
Remand Grant	20	107	87	SRE
Domestic Abuse Safe Accommodation Housing Grant	650	663	13	SRE
Holiday Activities & Food Programme Grant	900	1,069	169	SRE
Extension of the Role of Virtual School Heads to children with a social worker Implementation	118	118	0	
Homes for Ukraine, education and childcare elements	0	31	31	SRE
Household Support Fund	4,400	4,400	0	
Hong Kong UK Welcome Programme (British Nationals)	0	53	53	SRE
Early Years - Professional Development programme	0	8	8	SRE
Early Years - Experts and Mentors Programme	0	4	4	SRE
Early Years - Childminder Programme	0	12	12	SRE
Family Hubs Transformation Funding	0	248	248	SRE
Leaving Care Allowance Uplift Implementation Grant (New Burdens)	0	72	72	SRE
Staying Close Award	0	602	602	SRE
Total Children & Families - Children's Services - Specific Purpose	8,547	12,249	3,702	

Grants 2023/24	Original Budget	Revised Forecast FR1	Change from Original Budget	Treatment of Grant
	2023/24 £000	2023/24 £000	2023/24 £000	Notes 2 - 5
CHILDREN & FAMILIES				
General Use (Held Corporately)				
Social Care Support Grant	6,939	6,939	0	
Staying Put Implementation Grant	0	130	130	SRE
Extended Rights to Free Transport (Home to School Transport)	0	256	256	SRE
Extended Personal Adviser Duty Implementation	0	57	57	SRE
Total Children & Families - General Use	6,939	7,383	444	
TOTAL CHILDREN & FAMILIES	194,645	191,369	(3,276)	

Notes

- 1 The Dedicated Schools Grant, Pupil Premium Grant, Sixth Form Grant and Other School Specific Grant from the Education Funding Agency (EFA) figures are based on actual anticipated allocations. Changes are for in-year increases/decreases to allocations by the DfE and conversions to academy status.
- 2 SRE - Supplementary Revenue Estimate requested by relevant service.
- 3 ODR - Officer Decision Record to approve immediate budget change to relevant service.
- 4 Reserves - transfer to reserves at year end.
- 5 Balances - amount will be included as a variance to budget.

Table 2 – COUNCIL DECISION

Note that Council will be asked to Approve Supplementary Revenue Estimates of Additional Grant Funding (Specific Purpose) over £1m

Committee	Year	Type of Grant	£000	Details
Children and Families – Schools	2023/24	Early Years Supplementary Grant (Specific Purpose)	1,262	This grant is from the Education & Skills Funding Agency (ESFA). The ESFA will provide nationally £204 million of supplementary funding to local authorities through a new early year's supplementary grant (EYSG). This will be used to increase the hourly amounts paid to local authorities, so that they can increase the amount of funding their early years childcare providers receive for delivering the entitlements for the period September 2023 to March 2024. The grant amount is an estimation as the grant determination has not yet been confirmed.
Total Specific Purpose Allocation for Council Approval			1,262	

Table 3 – COMMITTEE DECISION

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

Committee	Year	Type of Grant	£000	Details
Children and Families – Children's Services	2023/24	Staying Close Award (Specific Purpose)	602	This grant is from the Department for Education (DfE). Staying Close is a programme that aims to radically improve outcomes for young people transitioning from residential care. It intends to address the 'cliff edge' faced by young people leaving residential care by improving and extending the support provided by care leaver's former residential units during the transition to independent adulthood.
Total Specific Purpose Allocations over £500,000 up to £1,000,000 for Committee Approval			602	

Table 4 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) £500,000 or less

Committee	Year	Type of Grant	£000	Details
Children and Families - Schools	2023/24	Pupil Premium Grant – Post 16 Funding (Specific Purpose)	56	This grant is from the Department for Education (DfE). The Department for Education (DfE) has provided eligible local authorities with funding to promote the outcomes of looked-after children and care leavers supported by their Virtual School. It is intended that the funding will be used to improve education outcomes, in particular the attendance, retention, and attainment of this cohort at post-16, and enable them to have sustained involvement in employment, education and training. The funding has been allocated on a proportional basis specifically focused on looked after children and care leavers between 16-18.
Children and Families - Schools	2023/24	Sixth Forms Grant (Specific Purpose)	86	This grant is from the Education & Skills Funding Agency (ESFA). Funding is based on Pupil Numbers which makes up the main funding profile, the MTFS estimate will have been based on pupils in 2022/23 being forecast for the remainder of financial year. This will now have been updated for 2023/24 pupil numbers. Sixth Form providers also receive a High Value Course Premium based on the number of pupils taking high value courses.
Children and Families - Schools	2023/24	Universal Infant Free School Meals (UIFSM) (Specific Purpose)	194	This grant is from the Education & Skills Funding Agency (ESFA). The grant received from the Education & Skills Funding Agency (ESFA) to supports schools in delivering the legal requirement to offer free school meals, meeting the school food standards, to all their reception, year 1 and year 2 pupils. The funding allocation is

Committee	Year	Type of Grant	£000	Details
				based on the total number of eligible meals taken on October and January census multiplied by a set rate. This rate has increased for the 2023/24 academic year from £2.41 to £2.53.
Children and Families - Schools	2023/24	Teachers' Pension Grant (Specific Purpose)	47	This grant is from the Education & Skills Funding Agency (ESFA). The teachers' pension employer contribution grant (TPECG) supports schools and local authorities with the cost of the increase in employer contributions to the teachers' pension scheme. Local authorities must follow the terms and conditions set out in the conditions of grant.
Children and Families - Schools	2023/24	Covid-19 Recovery Premium (Specific Purpose)	150	This grant is from the Education & Skills Funding Agency (ESFA). Recovery premium received on behalf of schools and allocated out as per funding schedule (breakdown by school).
Children and Families - Schools	2023/24	School Led Tutoring Grant (Specific Purpose)	221	This grant is from the Department for Education (DfE). This grant will give schools and academy trusts the flexibility in determining how best to provide tutoring intervention to support catch-up for lost education due to the coronavirus (Covid-19) pandemic.
Children and Families - Schools	2023/24	Senior Mental Health Lead Training Grant (Specific Purpose)	2	This grant is from the Department for Education (DfE). The Department for Education (DfE) is offering a grant of £1,200 for eligible state-funded schools and colleges in England to train a senior mental health lead to develop and implement a whole school or college approach to mental health and wellbeing. This training is not compulsory, but

Committee	Year	Type of Grant	£000	Details
				it is part of the government's commitment to offer this training to all eligible schools and colleges by 2025. Grants will be provided to cover (or contribute to) the cost of attending a quality assured course and may also be used to hire supply staff whilst leads are engaged in learning.
Children and Families - Schools	2023/24	Apprentice Incentive Scheme (Specific Purpose)	2	This grant is from the Department for Education (DfE). Incentive payments available for hiring a new apprentice. Employers are able to use their levy funds to cover the cost of an apprentice's training and assessment. Payments passported to schools. Grant conditions .
Children and Families - Schools	2023/24	Digital Education Platform (Specific Purpose)	3	This grant is from the Department for Education (DfE). When schools and colleges closed due to the coronavirus pandemic, teachers needed a way to continue teaching students at home. The solution was to provide digital education platforms. This is the name we give to a set of tools and technologies that together enable pupils to learn online in virtual classrooms. Digital education platforms are purpose-built for remote learning and they are so much more than just a school website. Funding is available for schools to help them get set up on one of two platforms, either G Suite for Education (Google Classroom) or Office 365 Education (Microsoft Teams). Both are free to use. Payments passported to schools.
Children and Families – Schools	2023/24	National Professional Qualification Grant	10	This grant is from the Education and Skills Funding Agency (ESFA). Targeted support funding is designed to increase uptake of

Committee	Year	Type of Grant	£000	Details
		(Specific Purpose)		evidenced-based professional development among teachers and leaders. Funding will be available from the autumn term 2023 to incentivise participation in national professional qualifications (NPQs). Local authorities must make the grant available to their schools irrespective of any deficit relating to the expenditure of the school's budget share. Funding for NPQs is not part of schools' budget shares and is not part of the individual schools' budget. It is not to be counted for the purpose of calculating the minimum funding guarantee.
Children and Families – Children's Services	2023/24	Supporting Families (previously Tackling Troubled Families) (Specific Purpose)	280	This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). Supporting Families (previously Troubled Families) this programme focuses on providing targeted interventions for families with complex interconnected problems including unemployment, poor school attendance, mental and physical health problems, involvement in crime and antisocial behaviour, domestic abuse, and children in need of help and protection. A results-based payment of £800 will be offered for each family for whom the local authority claims a successful family outcome.
Children and Families – Children's Services	2023/24	Reducing Parental Conflict Grant (Specific Purpose)	35	This grant is from the Department for Work and Pensions (DWP). The grant is to support local authorities to further embed support to address parental conflict in their area, to improve outcomes for children.

Committee	Year	Type of Grant	£000	Details
Children and Families – Children's Services	2023/24	Remand Grant (Specific Purpose)	87	This grant is from the Home (Office). HM Prison & Probation Service has provided Cheshire East confirmation of funding allocation in 2023/24. This funding is support local authorities to meet the costs incurred in the remands to youth detention accommodation of children and young people (under 18 years of age). The overall funding to local authorities for remands to Young Offender Institutions (YOI) will be £21.3m in 2023/24 which includes £18m of remand funding. Due to the net increase in bed nights and bed night prices, this is an increase on the previous year and has been calculated by multiplying the YOI sector price by the number of YOI bed nights in 2022/23.
Children and Families – Children's Services	2023/24	Homes for Ukraine, education and childcare elements (Specific Purpose)	31	This grant is from the Education and Skills Funding Agency (ESFA). Funding to provide education and childcare services for children who have entered England via the Homes for Ukraine scheme in 2022 to 2023. The additional funding in 2023/24 financial year relates to arrivals between December 2022 and February 2023.
Children and Families – Children's Services	2023/24	Hong Kong UK Welcome Programme (British Nationals) (Specific Purpose)	53	This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). Funding is being provided as part of the Hong Kong UK Welcome Programme which is intended to provide funding to local authorities in England to provide targeted support to BN(O) status holders who need additional English language support and destitution support for those whose circumstances change.

Committee	Year	Type of Grant	£000	Details
Children and Families – Children's Services	2023/24	Early Years - Professional Development Programme (Specific Purpose)	8	This grant is from the Department for Education (DfE). The Early Years Professional Development Programme is a key element of the national government initiative to improve children's outcomes in early language, literacy and mathematics.
Children and Families – Children's Services	2023/24	Early Years - Experts and Mentors Programme (Specific Purpose)	4	This grant is from the Department for Education (DfE). The experts and mentors programme supports private, voluntary or independent (PVI) nursery settings, maintained nursery schools and school-based nurseries.
Children and Families – Children's Services	2023/24	Early Years - Childminder Programme (Specific Purpose)	12	This grant is from the Department for Education (DfE). The Early Years Childminder Mentor programme from the Department for Education is focused on supporting early years childminders, to address the impact of the pandemic on the youngest children. The programme is available nationally, across England. At the end of each term, Mentors will move on to support a new group of childminders. Mentors will offer mostly online support. Groups will be allowed to meet face-to-face, if this is feasible for both the Mentor and the childminders they are supporting.
Children and Families – Children's Services	2023/24	Family Hubs Transformation Funding (Specific Purpose)	248	This grant is from the Department for Education (DfE). The Department for Education (DfE) launched the £12 million family hubs transformation fund in November 2021 to support local authorities in England to open family hubs.

Committee	Year	Type of Grant	£000	Details
Children and Families – Children’s Services	2023/24	Leaving Care Allowance Uplift Implementation Grant (New Burdens) (Specific Purpose)	72	This grant is from the Department for Education (DfE). Statutory guidance requires local authorities to provide a leaving care allowance, to enable care leavers to purchase essentials (such as furniture, white goods and carpets/curtains) when they move into their first home. DfE guidance currently recommends that local authorities should pay a minimum of £2,000.
Total Specific Purpose Allocations less than £500,000			1,601	

Table 5 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (General Use) £500,000 or less

Committee	Year	Type of Grant	£000	Details
Children and Families – Children’s Services	2023/24	Extended Rights to Free Transport (Home to School Transport) (General Use)	256	This funding is from the Department for Education. The Department for Education provides additional transport funding to local authorities to support children from low-income families to be able to attend schools further from home than the statutory walking distances. The funding is paid as a non-ring-fenced grant paid via the Department for Communities and Local Government under the Local Services Support Grant (section 31 of the Local Government Act 2003).
Children and Families – Children’s Services	2023/24	Staying Put Implementation (General Use)	130	This funding is from the Department for Education. The purpose of the grant is to provide support for local authorities in England for expenditure lawfully incurred or to be incurred by them, in respect of a young person aged 18 and their former foster carer, who wish to continue living together in a ‘Staying Put’ arrangement. For the

Committee	Year	Type of Grant	£000	Details
				purposes of this grant 'young person' means a former relevant child who was looked after immediately prior to their 18 th birthday. This supported arrangement can continue until the young person's 21 st birthday.
Children and Families – Children's Services	2023/24	Extended Personal Adviser Duty Implementation (General Use)	57	This funding is from the Department for Education. The Children and Social Work Act 2017 introduced a new duty on local authorities, requiring them to offer Personal Adviser support to all care leavers up to age 25. This duty came into force on 1 st April 2018. The purpose of this grant is to provide support to local authorities in England, to help them to meet the requirements of this duty, in response to young people that may request such support from the local authority after the age of 21 and up to their 25 th birthday.
Total General Use Allocations less than £500,000			443	

Table 6 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) previously named in the MTFS.

Committee	Year	Type of Grant	£000	Details
				On 22 February 2023 Council delegated authority to the Chief Finance Officer, to approve supplementary estimates if the value of any named grant changes from the figures contained within Appendix C, Annex 7 of the MTFS.
Children and Families – Children’s Services	2023/24	Asylum Seekers (Specific Purpose)	2,105	Increase on MTFS 2023-27 estimate. This grant is from the Home Office (HO). Based on clients’ claims so therefore will fluctuate based on age / numbers of claims – we are also receiving some additional funding from those that move through the National Transfer Scheme. Looking at claims in the current year there have been additions to the UASC population, therefore this has likely seen an increase in the amount receiving the higher rate. In addition, possibly an element of being cautious with MTFS items as this can vary significantly purely based on the numbers as said above.
Children and Families - Schools	2023/24	Pupil Premium Grant (Specific Purpose)	458	Increase on MTFS 2023-27 estimate. This grant is from the Department for Education (DfE). Pupil premium is funding to improve education outcomes for disadvantaged pupils in schools in England. Evidence shows that disadvantaged children generally face additional challenges in reaching their potential at school and often do not perform as well as other pupils.

Committee	Year	Type of Grant	£000	Details
Children and Families - Schools	2023/24	Milk Subsidy (Specific Purpose)	10	Increase on MTFS 2023-27 estimate. This grant is from the Rural Payments Agency. The scheme subsidises the cost of milk, certain milk products and yoghurts for schoolchildren in England, Scotland and Wales. This means that the products can be sold to schoolchildren at a lower price. Schools must offer drinking milk before they can supply other eligible milk products or yoghurts. Schools, local authorities, suppliers or other organisations can claim for the subsidy.
Children and Families – Children's Services	2023/24	Supporting Families (Payments by Results) Upfront Grant (Specific Purpose)	1	Increase on MTFS 2023-27 estimate. This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). Local councils and partners supporting vulnerable families to thrive. Providing help to those families who need support so they get it at the right point, in the right way, as early as possible.
Children and Families – Children's Services	2023/24	Domestic Abuse Safe Accommodation Housing Grant (Specific Purpose)	13	Increase on MTFS 2023-27 estimate. This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). The Domestic Abuse Act 2021 placed new duties on local authorities across England to ensure that victims of domestic abuse and their children can access the right support in safe accommodation when they need it.
Children and Families – Children's Services	2023/24	Holiday Activities & Food Programme Grant (Specific Purpose)	169	Increase on MTFS 2023-27 estimate. This grant is from the Department for Education (DfE). 2022/23 was the first of a 3-year funding settlement of over £200 million per year for holiday activities and food programme (HAF). This funding is for the 153 upper tier local authorities to coordinate and

Committee	Year	Type of Grant	£000	Details
				provide free holiday provision, including healthy food and enriching activities. The programme will again be available to children in every local authority in England with the funding confirmed on an annual basis.
Total Delegated Decision Specific Purpose Allocations previously named in the MTFS			2,756	

Children and Families Committee

4. Debt Management

	Outstanding Debt £000			Over 6 months old £000		
	Mar-23	Jun-23	Increase / (Decrease)	Mar-23	Jun-23	Increase / (Decrease)
Children and Families Committee						
Children's Social Care (Incl. Directorate)	12	7	(5)	-	-	-
Education and 14-19 Skills	6	-	(6)	2	-	(2)
Strong Start, Family Help and Integration	67	84	17	3	18	15
Schools	2	71	69	-	-	-
	87	162	75	5	18	13

Note: Education & 14-19 Skills debt is now included in Strong Start, Family Help and Integration. The increase in over 6 months debt for Strong Start, Family Help and Integration is due to 4 invoices. Schools outstanding debt has increased due to 16 invoices now being 1-3 months overdue (this includes one invoice for £42,000).

Children and Families Committee

5. Capital Strategy

Children & Families													CAPITAL
CAPITAL PROGRAMME 2023/24 - 2026/27													
Scheme Description	Forecast Expenditure							Forecast Funding					
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Total Forecast Budget 2023-27 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	Total Funding £000
Committed Schemes in progress													
Childrens Social Care													
Foster Carers Capacity Scheme	634	404	231	0	0	0	231	0	0	0	0	231	231
Crewe Youth Zone	4,200	395	3,047	758	0	0	3,805	1,607	0	0	0	2,198	3,805
Family Hubs Transformation	95	6	89	0	0	0	89	89	0	0	0	0	89
Children's Home Sufficiency Scheme	2,100	0	2,100	0	0	0	2,100	0	0	0	0	2,100	2,100
Strong Start, Family Help & Integration													
Beechwood Nursery Expansion	868	856	12	0	0	0	12	0	0	12	0	0	12
Early Years Sufficiency Capital Fund	1,036	913	123	0	0	0	123	123	0	0	0	0	123
Education and 14-19 Skills													
Adelaide Academy	788	39	100	649	0	0	749	579	0	0	0	170	749
Basic Need Grant Allocation	9,542	0	2,292	4,808	2,442	0	9,542	9,542	0	0	0	0	9,542
Congleton Planning Area	5,045	639	4,000	406	0	0	4,406	2,212	2,194	0	0	0	4,406
Congleton Planning Area - Primary (1)	2,209	9	500	1,700	0	0	2,200	900	1,300	0	0	0	2,200
Congleton Planning Area - Primary (2)	628	66	562	0	0	0	562	562	0	0	0	0	562
Congleton Planning Area - Primary (3)	7,504	4	250	1,500	5,750	0	7,500	4,300	3,200	0	0	0	7,500
Devolved Formula Capital	1,927	0	947	340	330	310	1,927	1,927	0	0	0	0	1,927
Energy Efficiency Capital	713	48	666	0	0	0	666	666	0	0	0	0	666
Handforth Planning Area - New School	13,003	3	0	500	8,500	4,000	13,000	136	12,864	0	0	0	13,000
Holmes Chapel Planning Area	3,631	1,778	1,853	0	0	0	1,853	1,610	243	0	0	0	1,853
Little Angels Satellite Sites	29	3	26	0	0	0	26	26	0	0	0	0	26
Macclesfield Academy Resource Provision	103	3	100	0	0	0	100	100	0	0	0	0	100
Macclesfield Planning Area - secondary	4,091	1,113	100	2,878	0	0	2,978	2,978	0	0	0	0	2,978
Macclesfield Planning Area - secondary new	603	3	100	500	0	0	600	600	0	0	0	0	600
Macclesfield Planning Area - New school	4,001	1	0	0	2,000	2,000	4,000	0	4,000	0	0	0	4,000
Malbank High School	1,922	1,861	61	0	0	0	61	61	0	0	0	0	61
Mobberley Primary School	908	23	200	685	0	0	885	585	0	0	300	0	885

CAPITAL PROGRAMME 2023/24 - 2026/27

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Total Forecast Budget 2023-27 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
Committed Schemes in progress													
Nantwich Planning Area (Primary)	7,861	515	500	2,500	4,346	0	7,346	4,326	3,020	0	0	0	7,346
Nantwich Planning Area (Secondary)	701	1	700	0	0	0	700	700	0	0	0	0	700
Provision of Sufficient School Places - SEND	7,182	293	3,890	3,000	0	0	6,890	1,361	0	0	0	5,528	6,890
Puss Bank SEN Expansion	532	509	23	0	0	0	23	0	0	0	0	23	23
Resource Provision - Wistaston	1,406	6	1,000	400	0	0	1,400	1,100	0	0	0	300	1,400
Sandbach High School - Basic Need	1,776	1,773	3	0	0	0	3	3	0	0	0	0	3
Sandbach Boys School - Basic Need	1,742	1,703	39	0	0	0	39	39	0	0	0	0	39
Sandbach Planning Area - Primary	3,694	11	1,683	2,000	0	0	3,683	3,173	510	0	0	0	3,683
School Condition Capital Grant	9,762	779	2,983	2,000	2,000	2,000	8,983	8,929	0	54	0	0	8,983
SEN/High Needs Grant Allocation	307	158	149	0	0	0	149	149	0	0	0	0	149
Shavington Planning Area - Primary	8,040	131	150	500	5,000	2,259	7,909	5,549	2,360	0	0	0	7,909
Shavington Planning Area - secondary	3,506	168	1,782	1,557	0	0	3,339	3,339	0	0	0	0	3,339
Special Provision Fund Capital Grant	725	603	123	0	0	0	123	116	0	6	0	0	123
Springfield Satellite Site (Dean Row)	6,112	807	4,805	500	0	0	5,305	4,505	0	0	0	800	5,305
The Dingle Primary School Expansion	1,395	67	1,328	0	0	0	1,328	1,328	0	0	0	0	1,328
Wilmslow High School BN	13,954	4,923	5,745	3,286	0	0	9,031	7,012	1,971	0	0	48	9,031
Wilmslow Primary Planning Area	626	1	0	625	0	0	625	125	500	0	0	0	625
Total Committed Schemes	134,902	20,613	42,259	31,092	30,368	10,569	114,289	70,356	32,162	73	300	11,398	114,289
New Schemes													
Education and 14-19 Skills													
Poynton Planning Area	1,500	0	20	1,480	0	0	1,500	697	803	0	0	0	1,500
SEN Free School 1	500	0	0	500	0	0	500	500	0	0	0	0	500
SEN Free School 2	500	0	0	500	0	0	500	500	0	0	0	0	500
Total New Schemes	0	0	20	2,480	0	0	2,500	1,697	803	0	0	0	2,500
Total Children and Families	134,902	20,613	42,279	33,572	30,368	10,569	116,789	72,053	32,965	73	300	11,398	116,789

Children and Families Committee

6. Reserves Strategy

<u>Children and Families Committee</u>				
Name of Reserve	Opening Balance 1 April 2023	Forecast Movement in Reserves 2023/24	Forecast Closing Balance 31 March 2024	Notes
	£000	£000	£000	
<u>Directorate</u>				
Childrens Directorate - Transformation Funding	779	(714)	65	Budgeted drawdowns as per MTFS 2023-27.
Childrens Directorate - C&F ED	422	(351)	71	Budgeted drawdowns as per MTFS 2023-27.
<u>Childrens Social Care</u>				
Domestic Abuse Partnership	146	0	146	To sustain preventative services to vulnerable people as a result of partnership funding in previous years. Further analysis to be completed by Second Financial Review to assess drawdown requirements.
<u>Strong Start, Family Help and Integration</u>				
Troubled Fams Initiative	1,949	(1,949)	0	Crewe Youth Zone and ACT have been assigned funding from shared outcomes of the Supporting Families Programme.
Public Sector Transformation – contribution to Early Youth Inclusion Fund	57	(57)	0	Revenue grant carried forward, to be fully utilised in year.
Complex Dependencies	21	(21)	0	Revenue grant carried forward, to be fully utilised in year.
CHILDREN AND FAMILIES TOTAL	3,374	(3,092)	282	

Dedicated Schools Grant Deficit

Dedicated Schools Grant Deficit	£m
Deficit Balance B/F	46.9
Additional In-year Pressures	39.0
Deficit Balance at 31st March 2024	85.9

- 6.1 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 and health care plan. This has created a deficit DSG reserve balance which is held in an unusable reserve. The ongoing pressure is regularly reviewed; at the end of 2022/23 the deficit was £46.9m; the deficit is forecast to increase to £85.9m by the end of 2023/24. The Council's DSG Management Plan sets out the planned expenditure and income on high needs over the medium term, these figures are based on the updated plan which will be going to Committee in September 2023 for approval.

Appendix 3 : Corporate Policy Committee

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Appendix 3

Corporate Policy Committee

1. Changes to Revenue Budget 2023/24 since Medium Term Financial Strategy

	MTFS Net Budget £000	Restructuring & Realignments £000	First Review Revised Net Budget £000	Unringfence Grants to be Actioned £000
CORPORATE				
Directorate	2,126	(1,546)	580	-
Finance & Customer Services	12,567	784	13,351	25
Governance and Compliance Services	10,344	424	10,768	-
HR	2,464	124	2,588	-
ICT	10,819	769	11,588	-
Communications	690	6	696	-
Policy and Change	1,978	26	2,004	-
Corporate Policy Committee	40,988	587	41,575	25

Note the unringfenced grants to be actioned column includes the expenditure part of centrally held unringfenced grants. These budget adjustments will take place once all first quarter approvals have been given.

The restructuring and realignments of £587,000 relate to: the transfer of system software budget from Adults to ICT (£25,000); drawdown from reserves to fund changes to pay structure (£73,000); adjustments to ASDV support service charges (£145,000); and drawdown from reserves for grant carried forward in to 2023/24 (£344,000). Further realignments of budgets have taken place within the services to reflect the detailed allocation of MTFS budget changes and any movement of service areas.

Corporate Policy Committee

2. 2023/24 Approved Budget Policy Changes and Forecast Variances

Forecast Outturn Commentary:

The Corporate Policy Committee has responsibilities across the Corporate Directorate. Services cover back office functions such as Finance, Legal, HR and ICT as well as front line services such as Customer Services, Revenues and Benefits, Registration and Consultation Services. Services across the directorate are important in enabling activities, for example providing ICT Systems, project management, legal advice and HR support.

Spending pressure is largely related to higher than forecast pay inflation. But there is also a large reduction in commissioned shared ICT services that reduces the ability to charge costs to capital. Most of the financial changes identified within the 2023/24 budget are on track, although further work is required to achieve the cost of democracy savings. Mitigation for high spending will be achieved through vacancy and contract management.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
	Corporate Policy Committee	2.551		
46	Pay inflation	2.587	0.406	The total cost of pay inflation may exceed 5% based on national pay negotiations. This may be mitigated through management of vacancies.
47	Shared Services Review – move to hybrid model	0.390	-	Project has mobilised and identified appropriate resources. Financial profile is being analysed. Activities are currently up to date including procurement of the delivery partner for the tenancy split. Further HR support is required, although not in excess of the project budget. Reporting will continue to the Shared Services Joint Committee.
48	Revenue implications of capital: IT Procurements and Application Lifecycle Management	0.511	-	On track, subject to ongoing monitoring.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
49	Infrastructure Investment Programme	0.239	-	On track, subject to ongoing monitoring.
50	Accelerate digital transformation / robotics and related Digital Savings	0.150	-	Structure of digital transformation is being reviewed. No growth incurred to date whilst plans are being developed. Co-ordination and oversight of digital workstreams within ICT is improving under the implementation of the Digital Strategy.
51	Mitigation of reduction in the Dedicated Schools Grant	0.122	-	On track, subject to ongoing monitoring.
52	Remove Commercial Workstream Income Target	0.100	-	Action complete – budget adjusted.
53	Coroners Restructure Costs	0.060	-	Action complete – budget adjusted.
54	Improved Debt Recovery and correcting budgeted court costs income targets to reflect actual levels	0.013	-	On track, subject to ongoing monitoring.
55	Pension Costs Adjustment	-0.996	-	On track, subject to ongoing monitoring, dependent on in-year staffing costs.
56	ICT Operational Efficiencies	-0.310	-	Reduction in end user licence costs achieved. Further review of resources and third party contracts. Subject to ongoing monitoring.
57	Reduce cost of Democracy	-0.135	0.100	Saving decision deferred by Full Council to Dec 2023.
58	Elections Act 2022 additional costs (funded by New Burdens grant funding)	-0.132	-	Action complete – budget adjusted.
59	Elections Act 2022 additional costs (funded by New Burdens grant funding)	0.132	-	Action complete – budget adjusted.
60	Revenue implications of capital: Vendor Management Phase 3 to drive improvements in procurement	-0.089	-	On track, subject to ongoing monitoring.
61	Brighter Futures Together Programme Customer Experience	-0.081	0.081	Savings relate to staffing reductions. These may not be realistic in 2023/24 due to significant change projects requiring support to customers.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
62	Across the board efficiencies, including procurement and income generation etc	-0.010	-	On track, subject to ongoing monitoring.
63	Review of leadership and management, including MARS and redefine 'core offer'	-	-	On track, subject to ongoing monitoring, savings are not forecast until 2024/25.
	In-year pressure Communications		0.006	Slight pressure due to staffing costs. The figures include costs for 6 months of a Grade 8 post which may be funded from the Business Change reserve, if this is used the pressure could be reduced by approximately £25,000.
	In-year Directorate		-0.190	Underspend mainly due to vacant Executive Director post.
	In-year pressure Finance & Customer Services		0.386	Transactional Service Centre (TSC) forecast to a deficit of £171,000, Finance has pressures of £151,000 mainly as a result of staffing costs. Customer Services reporting a £50,000 pressure on staffing, Revs & Bens have a pressure of £50,000, this is due to systems development printing £46,000 and BID ballot costs £4,000. Partially offset by £30,000 underspend in Business Solutions, and £5,000 savings in Procurement.
	In-year Governance & Compliance		-0.008	Democratic Services: Elections Reserve and 23/24 budget insufficient to meet May 2023 Election costs +£80,000, offset by Registrations income over budget -£310,000. Legal Services have a forecast pressure of £222,000 due to counsel fees, income shortfall, and staffing/agency pressure in the People team.
	In-year Pressure ICT		0.561	Currently forecasting to budget for CEC ICT Strategy. Anticipating fully utilising the funding given for ALM due to dependencies on the hybrid programme and cyber security risk. A forecast pressure of £561,000 is the CEC 50% share of ICT Shared Service forecast deficit position. Forecast assumed 70,000 commissioned hours which is felt to be the worst expected position. Work packages for the hybrid model are being finalised and once this has been completed a firmer view will be available for the planned commissioned hours in the current year.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
	In-year Policy & Change		-0.123	PMO balanced due to use of reserves, Business Intelligence People balanced, Business Intelligence Research & Consultation underspent by £72,000, Subscriptions overspent by £50,000 (due to increased costs of the only two remaining subscriptions, Local Government Association and the County Councils Network) partially offset by equality and diversity underspend £21,000. Further underspend of £80,000 due to vacant management post, restructure planned to go out to Consultation in 2023/24.
	Mitigating Actions Transformational Activity		-0.021	Transformational work being undertaken by Corporate Services Directors could potentially be supported by Flexible Capital Receipts.
	Mitigating Actions Transformational Activity ICT		-0.030	Transformational work being undertaken within ICT at management level could potentially be supported by Capital Flexible Receipts.
	Mitigating Actions Review of ICT Strategy		-0.200	Potential underspend on ICT Strategy (subject to further review).
	Mitigating Actions Reduced Expenditure Election Services		-0.030	Further review of Elections spend suggests forecast FR1 pressure was overstated by £30,000.
	Mitigating Actions Use of Reserve		-0.025	Use of Business Change reserve to fund 6 months of a post in Communications.
	TOTAL FORECAST VARIANCE		0.913	
	Further Mitigating Actions		TBD	Tighter vacancy management across Corporate Services. Delay of additional Customer Experience projects during Adults / Childrens transformation activity. Reduced temporary staffing levels. Further delay growth items to explore further digital service options.
	REVISED FORECAST VARIANCE		0.913	

Corporate Policy Committee

3. Corporate Grants Register

- 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 The increase in specific purpose grants relates mainly to the Business Rates Relief grant. Since the baseline funding level for business rates retention was set back in 2013/14, there have been many policy changes around reliefs for different business types. With each policy change, all local authorities are compensated for their share of business rates foregone. In 2023/24, £6.6m of this compensation has been included within the business rates budget, with the remaining compensation received being credited to the Collection Fund Earmarked Reserve to continue to support any future risks around

business rate funding. Other additional specific purpose grants have also been received, reflecting the latest allocations, and are detailed in **Table 2 to 5**.

- 3.4 **Table 2** shows additional specific purpose grant allocations that have been received over £1m that Council will be asked to approve.
- 3.5 **Table 3** shows additional specific purpose grant allocations that have been received which are £500,000 or less and are for noting only.
- 3.6 **Table 4** shows additional general use grant allocations that have been received which are £500,000 or less and are for noting only.
- 3.7 **Table 5** shows delegated decisions for additional specific purpose grants previously named within the MTFS.

Table 1 – Corporate Grants Register

Grants 2023/24	Original Budget	Revised Forecast FR1	Change from Original Budget	Treatment of Grant
	2023/24 £000	2023/24 £000	2023/24 £000	Notes 2 - 5
CORPORATE POLICY				
Specific Purpose (Held within Services)				
Revenues and Housing Benefits:				
Housing Benefit Subsidy	46,652	49,599	2,947	SRE
Discretionary Housing Payments Grant	314	349	35	SRE
Housing Benefit (HB) Award Accuracy Initiative	29	21	(8)	
LADS - VEP (RTI) funding	24	2	(22)	
New Burdens: Universal Credit, maintenance & natural migration	8	8	(0)	
LADS - New Burdens - Discretionary Housing Payments (DHP)	0	60	60	SRE
LADS - New Burdens - Benefit Cap	0	1	1	SRE
LADS - New Burdens - Welfare Reform Changes (S4/2022)	62	1	(61)	
LADS - New Burdens - Supported & Temporary Accommodation Change Request	2	0	(2)	
LADS - New Burdens - Supported & Temporary Accommodation	5	0	(5)	
LADS - New Burdens - Single Housing Benefit Extract Automation	5	0	(5)	
Incapacity Benefit Reassessment (S5/2022)	2	0	(2)	
Energy Bills Support Scheme Alternative Funding	0	2,089	2,089	SRE
Democratic Services:				
Police and Crime Commissioner's Panel grant	65	65	0	
Electoral Integrity Programme - New Burdens	132	132	0	
Total Corporate Policy - Specific Purposes	47,300	52,326	5,026	

Grants 2023/24	Original Budget	Revised Forecast FR1	Change from Original Budget	Treatment of Grant
	2023/24 £000	2023/24 £000	2023/24 £000	Notes 2 - 5
CORPORATE POLICY				
General Use (Held Corporately)				
Revenue Support Grant	388	388	0	
Housing Benefit Administration Subsidy	626	626	0	
NNDR Administration Allowance	587	587	0	
New Homes Bonus	3,794	3,794	(0)	
Services Grant	1,720	1,720	0	
Council Tax Support Fund	0	521	521	Reserves
Council Tax Support New Burdens	0	25	25	SRE
Business Rates Reliefs Grant 2023/24	0	21,039	21,039	Reserves
Total Corporate Policy - General Use	7,115	28,701	21,586	
TOTAL CORPORATE POLICY	54,415	81,026	26,612	

2 SRE - Supplementary Revenue Estimate requested by relevant service.
3 ODR - Officer Decision Record to approve immediate budget change to relevant service.
4 Reserves - transfer to reserves at year end.
5 Balances - amount will be included as a variance to budget.

Table 2 – COUNCIL DECISION

Note that Council will be asked to Approve Supplementary Revenue Estimates of Additional Grant Funding (Specific Purpose) over £1m

Committee	Year	Type of Grant	£000	Details
Corporate Policy	2023/24	Energy Bills Support Scheme Alternative Funding (Specific Purpose)	2,089	This funding is from the Department for Energy Security & Net Zero (DESNZ). It relates to the payment of alternative fuel grants to qualifying Cheshire East residents in accordance with Government guidance. The grant is aimed at providing support to households not eligible for the automatic Energy Bills Support Scheme (£400 payment paid by the energy suppliers).
Total Specific Purpose Allocation for Council Approval			2,089	

Table 3 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) £500,000 or less

Committee	Year	Type of Grant	£000	Details
Corporate Policy	2023/24	LADS - New Burdens - Discretionary Housing Payments (DHP) (Specific Purpose)	60	This grant is from the Department for Work and Pensions (DWP). Discretionary Housing Payments provide extra money when a local authority decides that someone needs extra help to meet their housing costs. This New Burden funding relates to the costs incurred by local authorities in administering the DHP scheme in England and Wales, as part of the Welfare Reform changes.
Corporate Policy	2023/24	LADS - New Burdens - Benefit Cap (Specific Purpose)	1	This grant is from the Department for Work and Pensions (DWP). The Benefit Cap is a limit on the total amount of benefit that most working age people can get. This New Burdens funding relates to the extra costs of delivering the benefit cap regulations. The funding has been allocated to

Committee	Year	Type of Grant	£000	Details
				local authorities based on the expected benefit cap caseloads under housing benefit, considering the forecast rollout of Universal Credit to local authorities in the financial year ending March 2024.
Total Specific Purpose Allocations less than £500,000			61	

Table 4 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (General Use) £500,000 or less

Committee	Year	Type of Grant	£000	Details
Corporate Policy	2023/24	Council Tax Support New Burdens (General Use)	25	This funding is from the Department for Levelling-Up, Housing and Communities (DLUHC) and is a new grant. The New Burdens funding is intended to support the administration of the Council Tax support payments which have been processed by Council Tax staff. It supports any resource required either during the processing or afterwards where backlogs caused by the additional tasks have built up and need addressing.
Total General Use Allocations less than £500,000			25	

Table 5 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) previously named in the MTFS.

Committee	Year	Type of Grant	£000	Details
				On 22 February 2023 Council delegated authority to the Chief Finance Officer, to approve supplementary estimates if the value of any named grant changes from the figures contained within Appendix C, Annex 7 of the MTFS.
Corporate Policy	2023/24	Housing Benefit Subsidy (Specific Purpose)	2,947	Increase on MTFS 2023-27 estimate. This grant is from the Department for Work and Pensions. Payment of claims administration within Housing Benefits.
Corporate Policy	2023/24	Discretionary Housing Payments Grant (Specific Purpose)	35	Increase on MTFS 2023-27 estimate. This grant is from the Department for Work and Pensions (DWP). DHPs provide financial support towards housing costs and are paid by a local authority when they are satisfied that a claimant needs further financial assistance with housing costs, and is in receipt of either Housing Benefit (HB) or Universal Credit (UC) with housing costs towards rental liability. Grant is capped although local authorities can choose to pay out more if they wish to from their own resource.
Total Delegated Decision Specific Purpose Allocations previously named in the MTFS			2,982	

Corporate Policy Committee

4. Debt Management

	Outstanding Debt £000			Over 6 months old £000		
	Mar-23	Jun-23	Increase / (Decrease)	Mar-23	Jun-23	Increase / (Decrease)
Corporate Policy Committee						
Finance and Customer Services	83	187	104	57	56	(1)
Governance and Compliance	20	3	(17)	-	2	2
Human Resources	-	18	18	-	-	-
ICT	205	350	145	-	1	1
	308	558	250	57	59	2

Note: Finance and Customer Services outstanding debt has increased due to 27 invoices which total £127,000 now being 1-3 months overdue.

Governance and Compliance outstanding debt has decreased, 7 invoices overdue at end of March have now been paid. Two invoices are over 6 months old.

Human Resources outstanding debt has increased due to 2 invoices now being 1-3 months overdue.

ICT – At the end of June £348,000 of outstanding debt was 1-3 months overdue of which £346,000 had been paid by early August. Two invoices are over 6 months old.

Corporate Policy Committee

5. Capital Strategy

Corporate Policy								CAPITAL					
CAPITAL PROGRAMME 2023/24 - 2026/27													
Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Total Forecast Budget 2023-27 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
Committed Schemes in progress													
ICT Services													
Care Act Phase 2	6,314	4,130	1,146	1,038	0	0	2,184	0	0	0	0	2,184	2,184
Digital Customer - Delivery Programme Phase 1	250	129	121	0	0	0	121	0	0	0	0	121	121
Digital Customer Enablement	2,874	1,010	1,390	474	0	0	1,864	0	0	0	0	1,864	1,864
ICT Device Replacement	456	453	3	0	0	0	3	0	0	3	0	0	3
IADM (Information Assurance and Data Management) Programme	19,465	15,183	2,432	1,850	0	0	4,282	0	0	0	0	4,282	4,282
Infrastructure Investment Programme (IIP)	36,371	30,068	2,396	2,094	1,814	0	6,303	0	0	0	0	6,303	6,303
Unified Communications Project	1,206	1,008	198	0	0	0	198	0	0	0	0	198	198
Vendor Management	1,006	743	263	0	0	0	263	0	0	0	0	263	263
Finance & Customer Services													
Core Financials	11,318	8,813	1,044	720	741	0	2,505	0	0	0	0	2,505	2,505
Strategic Capital Projects	19,352	8,578	3,686	4,000	3,087	0	10,773	0	0	0	0	10,773	10,773
Vendor Management - Phase 2	320	19	0	0	301	0	301	0	0	0	0	301	301
Total Committed Schemes	98,931	70,134	12,679	10,176	5,943	0	28,797	0	0	3	0	28,794	28,797
New Schemes													
ICT Services													
ICT Hybrid Model	1,553	0	926	627	0	0	1,553	0	0	0	0	1,553	1,553
Total New Schemes	0	0	926	627	0	0	1,553	0	0	0	0	1,553	1,553
Total Corporate Policy	98,931	70,134	13,604	10,803	5,943	0	30,349	0	0	3	0	30,346	30,349

Corporate Policy Committee

6. Reserves Strategy

Name of Reserve	Opening Balance 1 April 2023 £000	Forecast Movement in Reserves 2023/24 £000	Forecast Closing Balance 31 March 2024 £000	Notes
<u>Directorate</u>				
Corporate Directorate	1,356	(625)	731	To support a number of widespread projects within the Corporate Directorate.
<u>Finance and Customer Services</u>				
Collection Fund Management	17,819	(6,198)	11,621	To manage cash flow implications as part of the Business Rates Retention Scheme. Includes liabilities that will not be paid until future years.
Capital Financing Reserve	12,886	(6,241)	6,645	To provide for financing of capital schemes, other projects and initiatives.
MTFS Reserve	5,147	(4,761)	386	To support the financial strategy and risk management.
Section 151 Revenue Grants	558	(558)	0	Unspent specific use grant carried forward into 2023/24.
<u>Governance and Compliance</u>				
Insurance Reserve - Cheshire County Fund	(647)	0	(647)	To settle insurance claims and manage excess costs.
Insurance Reserve - Cheshire East Fund	5,623	0	5,623	To settle insurance claims and manage excess costs.
Elections General	640	(640)	0	To provide funds for Election costs every 4 years.
Brexit Funding	13	0	13	
<u>Human Resources</u>				
HR (CARE4CE Review, Culture Change, Pay realignment, Learning Mgt System)	59	(59)	0	To fund HR expenditure in relation to the Care4CE review, culture change programme, pay realignment and the Learning Management System.
Pay Structure (M Grade Review)	306	(278)	28	To fund ongoing changes to pay structure.
<u>Policy and Change</u>				
Brighter Future Transformation Programme	1,789	(1,271)	518	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.
CORPORATE POLICY TOTAL	45,549	(20,631)	24,918	

Appendix 4 : Economy and Growth Committee

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Appendix 4

Economy and Growth Committee

1. Changes to Revenue Budget 2023/24 since Medium Term Financial Strategy

	MTFS Net Budget £000	Restructuring & Realignments £000	First Review Revised Net Budget £000	Unringfence Grants to be Actioned £000
PLACE				
Directorate	846	(707)	139	-
Growth & Enterprise	24,198	683	24,881	-
Economy and Growth Committee	25,044	(24)	25,020	-

Note the unringfenced grants to be actioned column includes the expenditure part of centrally held unringfenced grants. These budget adjustments will take place once all first quarter approvals have been given. No adjustments are required as part of this review.

The restructuring and realignments of £24,000 relate to: the transfer from Highways & Transport and Environment & Communities of the Restructuring Potential saving to be held centrally (-£622,000); achieved restructure savings to offset against the central MTFS item (£209,000); drawdown from reserves to fund changes to pay structure (£47,000); and drawdown from reserves for business rate adjustment as per MTFS (£343,000). Further realignments of budgets have taken place within the services to reflect the detailed allocation of MTFS budget changes and any movement of service areas.

Economy and Growth Committee

2. 2023/24 Approved Budget Policy Changes and Forecast Variances

Forecast Outturn Commentary:

Growth & Enterprise have an underspend of £1.9m against a net budget of £24.9m. Staff vacancies are being held across all services and non-staffing budgets are being controlled to help with the overall Council financial position. Grant funding is being utilised wherever possible to relieve the pressure on base budgets. A one-off rates rebate dating back to 2017 has also improved the outturn forecast for Estates and has helped to mitigate the increased reactive maintenance pressures in-year. A £0.2m pressure is forecast because of the pay award being higher than the original budget.

Some deliverable in-year mitigations totalling £0.7m are reflected in the forecast outturn position reflecting a reduction in Place Directorate spending, releasing earmarked reserves and actions to reduce Economic Development expenditure. Further mitigations to be determined include stopping non-essential spending, continued vacancy management and energy costs reductions in Council buildings.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
	Economy and Growth Committee	1.045**		**Totals will not match to MTFS as Place Restructuring items all moved under E&G
64	Assets - Buildings and Operational	2.480	-	Growth identified for increases in costs for the operation of our building continues to be monitored.
65	Pay inflation	1.437	0.246	The total cost of pay inflation may exceed 5% based on national pay negotiations. This may be mitigated through management of vacancies.
66	Rates increase for Cheshire East properties	0.343	-	Budgets in place for increase in rateable values for Cheshire East Council properties.
67	Rates increase from Collection Fund EMR	-0.343	-	Funding for increase in rateable values for Cheshire East properties is in place for 2023/24.
68	Office Estate Rationalisation	0.210	0.050	Consultation ongoing with proposals being developed for consideration by Committee.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
69	Rural and Visitor Economy	0.165	-	Provision of additional funding to manage increased costs of materials and staffing. This is expected to be on budget.
70	Cultural	0.072	-	Growth to support cultural framework required for regeneration projects across the borough and safeguarding museum collections. This is on track.
71	Housing	-	-	Growth identified for First Homes initiative in 2024/25.
72	Assets - Transactions	0.023	-	Removal of prior year savings target offset by increased property disposals and proactive management lease renewals and rent reviews. On track for the end of the year.
73	Inflation in Utility costs and enhanced Carbon Management	-1.500	-	Removal of one-off budget for 2022/23.
74	Pension Costs Adjustment	-0.675	-	On track, subject to ongoing monitoring, dependent on in-year staffing costs.
75	Restructuring Potential	-1.009	-	The total saving for the Directorate and the three Place committees is placed under Economy & Growth. Partial savings captured through vacancy management and capitalisation, with further saving opportunities being explored.
76	Investment in Public Rights of Way	-0.100*	-	Removal of one-off budget for 2022/23.
77	Tatton Park	-0.028	-	Savings resulting from income and efficiencies generated through the investment programme in the facilities at Tatton Park.
78	Asset / Service Transfer	-0.020	-	Savings should be met by the end of the year.
79	Transfer of Congleton Visitor Information Centre	-0.010	-	Savings on target, transfer is complete.
	Estates mitigations		-0.849	Mainly due to rates rebate for prior years.
	Economic Development & Housing savings		-0.732	Staffing savings and utilisation of grants.
	In-year variances across Economy & Growth		-0.070	

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
	Mitigating Actions Reduced Place directorate spend and release of earmarked reserve		-0.200	
	Mitigating Actions Reduced Economic Development expenditure and release of earmarked reserves		-0.349	
	TOTAL FORECAST VARIANCE		-1.904	
	Further Mitigating Actions		TBD	Stop non-essential spend and continued vacancy management, reduce energy costs in Council buildings through partition of under-utilised areas.
	REVISED FORECAST VARIANCE		-1.904	

* Item represented a one-off spend in 2022/23. As it is not a permanent part of the budget, the value of the proposal is reversed in 2023/24

Economy and Growth Committee

3. Corporate Grants Register

- 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 The increase in specific purpose grants relates mainly to Homelessness Prevention and Rough Sleeping Initiative grants. The Shared Prosperity Fund has had £1.2m brought-forward from 2022/23 for use in the current financial year.

Other additional specific purpose grants, reflecting the latest allocations, have also been received and are detailed in **Table 2 to 4**.

- 3.4 **Table 2** shows additional specific purpose use grant allocations that have been received which are over £500,000 and up to £1m, and are for Committee approval.
- 3.5 **Table 3** shows additional specific purpose grant allocations that have been received which are £500,000 or less and are for noting only.
- 3.6 **Table 4** shows delegated decisions for additional specific purpose grants previously named within the MTFS.

Table 1 – Corporate Grants Register

Grants 2023/24	Original Budget	Revised Forecast FR1	Change from Original Budget	Treatment of Grant
	2023/24 £000	2023/24 £000	2023/24 £000	Notes 2 - 5
ECONOMY & GROWTH				
Specific Purpose (Held within Services)				
Rough Sleeping Initiative	0	319	319	SRE
Homelessness Prevention Grant	0	608	608	SRE
Homelessness Prevention Grant: Homes for Ukraine top-up 2023/24	0	422	422	SRE
Shared Prosperity Fund - brought-forward	0	1,166	1,166	
Local Enterprise Partnership (LEP): Core Funding	375	250	(125)	
Local Enterprise Partnership (LEP): Growth Hub Funding	231	261	30	SRE
Local Enterprise Partnership (LEP): NP (Northern Powerhouse) 11	500	500	0	
Local Enterprise Partnership (LEP): Skills Bootcamp	1,500	1,355	(145)	
Impossible Perspectives – Digital Arts Project	0	49	49	SRE
Towns Fund - Ice Cream Van	0	15	15	SRE
Total Economy & Growth - Specific Purpose	2,606	4,946	2,340	
TOTAL ECONOMY & GROWTH	2,606	4,946	2,340	

Notes

- 2 SRE - Supplementary Revenue Estimate requested by relevant service.
- 3 ODR - Officer Decision Record to approve immediate budget change to relevant service.
- 4 Reserves - transfer to reserves at year end.
- 5 Balances - amount will be included as a variance to budget.

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	Year	Type of Grant	£000	Details
Economy and Growth	2023/24	Homelessness Prevention Grant (Specific Purpose)	608	<p>This grant is from the Department for Levelling-Up and Communities (DLUHC). The purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred by them in supporting local authorities to discharge their homelessness duties under homelessness legislation. The grant is ring-fenced for 2023-2024 and is to be spent in adherence with the following principles:</p> <ol style="list-style-type: none"> 1. To fully enforce the Homelessness Reduction Act and contribute to ending rough sleeping by increasing activity to prevent single homelessness. 2. Reduce family temporary accommodation numbers through maximising family homelessness prevention and reduce the use of unsuitable B&Bs for families. 3. Ensure service financial viability of services by contributing to the costs of statutory duties, including implementing the Homelessness Reduction Act and supporting with the costs of temporary accommodation.
Total Specific Purpose Allocations over £500,000 up to £1,000,000 for Committee Approval			608	

Table 3 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) £500,000 or less

Committee	Year	Type of Grant	£000	Details
Economy and Growth	2023/24	Rough Sleeping Initiative (Specific Purpose)	319	This grant is from the Department for Levelling Up, Housing and Communities (DLUHC). Funding has been used to establish or continue Rough Sleeping Initiative services agreed by the Department for Levelling Up, Housing and Communities (DLUHC) to immediately intervene in, prevent and reduce rough sleeping.
Economy and Growth	2023/24	Homelessness Prevention Grant: Homes for Ukraine top-up 2023/24 (Specific Purpose)	422	This grant is from the Department for Levelling-Up and Communities (DLUHC). Earlier intervention to prevent homelessness is more effective, and provides better value for money, than responding to households becoming homeless at a point of crisis. It is anticipated this funding will be used to maximise upstream homelessness prevention to stop vulnerable households from becoming homeless, as well as helping to meet temporary accommodation costs where necessary. The grant is ring-fenced.
Economy and Growth	2023/24	Impossible Perspectives – Digital Arts Project (Specific Purpose)	49	This grant is from the Arts Fund UK. Impossible Perspectives is an exciting new collaboration across heritage, arts and innovation. A grant application was required to start the project off as part of the inception for a proposed major new exhibition planned for 2025 called ‘Canaletto - The Immersive Grand Tour’. This, for the first time, will bring together Canaletto paintings and objects that explore the unique connection between the artist and Tatton Park.

Committee	Year	Type of Grant	£000	Details
Economy and Growth	2023/24	Towns Fund - Ice Cream Van (Specific Purpose)	15	This grant is from the Department for Levelling-Up and Communities (DLUHC). Towns Fund revenue grant to facilitate the onward grant to a third-party educational establishment to facilitate the sourcing and placement of an Ice Cream van within the public realm being created through the History Centre Public Realm project (Towns Fund Project 5). Funding is to be spent by March 2026.
Total Specific Purpose Allocations less than £500,000			805	

Table 4 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) previously named in the MTFS.

Committee	Year	Type of Grant	£000	Details
				On 22 February 2023 Council delegated authority to the Chief Finance Officer, to approve supplementary estimates if the value of any named grant changes from the figures contained within Appendix C, Annex 7 of the MTFS.
Economy and Growth	2023/24	Local Enterprise Partnership (LEP): Growth Hub Funding (Specific Purpose)	30	Increase on MTFS 2023-27 estimate. This grant is from Business, Energy and Industrial Strategy (BEIS). The Core Growth Hub Grant is offered under Section 11 of the Industrial Development Act 1982 to provide advice and guidance via Growth Hubs and simplify access to support for businesses. The funding is delivered via the Cheshire and Warrington LEP.
Total Delegated Decision Specific Purpose Allocations previously named in the MTFS			30	

Economy and Growth Committee

4. Debt Management

	Outstanding Debt £000			Over 6 months old £000		
	Mar-23	Jun-23	Increase / (Decrease)	Mar-23	Jun-23	Increase / (Decrease)
Economy and Growth Committee						
Growth and Enterprise	519	607	88	207	265	58

Note: Outstanding debt has increased mainly due to one invoice for £61,000 now being 1-3 months overdue.

The increase in debt over 6 months old is due to an invoice for £50,000 owed by a company which is in administration.

Economy and Growth Committee

5. Capital Strategy

Economy & Growth								CAPITAL						
CAPITAL PROGRAMME 2023/24 - 2026/27														
Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000	
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Total Forecast Budget 2023-27 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000		
Committed Schemes in progress														
Facilities Management														
Public Sector Decarbonisation Fund - FM 1	1,855	1,759	96	0	0	0	96	96	0	0	0	0	96	
Public Sector Decarbonisation Fund - FM 2	604	452	153	0	0	0	153	153	0	0	0	0	153	
Public Sector Decarbonisation Fund - FM 3	5,214	3,931	1,283	0	0	0	1,283	285	0	0	0	998	1,283	
PSDS - 3B - Lot 1	2,100	0	200	1,900	0	0	2,100	2,100	0	0	0	0	2,100	
PSDS - 3B - Lot 3 (schools)	4,975	0	4,975	0	0	0	4,975	4,600	0	375	0	0	4,975	
Septic Tanks	636	280	356	0	0	0	356	0	0	0	0	356	356	
Schools Capital Maintenance	6,478	4,639	1,838	0	0	0	1,838	1,558	0	281	0	0	1,838	
Corporate Landlord - Operational	1,027	962	65	0	0	0	65	0	0	0	0	65	65	
Premises Capital (FM)	40,272	30,705	3,598	3,500	2,469	0	9,567	0	0	0	0	9,567	9,567	
Poynton Pool Spillway	1,380	296	1,084	0	0	0	1,084	0	0	200	0	884	1,084	
Housing														
Home Upgrade Grant Phase 2	6,210	0	3,105	3,105	0	0	6,210	6,210	0	0	0	0	6,210	
Crewe Towns Fund - Warm and Healthy Homes	100	10	0	90	0	0	90	90	0	0	0	0	90	
Social Housing Decarbonisation Fund	1,565	86	1,479	0	0	0	1,479	1,479	0	0	0	0	1,479	
Future High Street Funding - Chester Street	408	3	5	400	0	0	405	405	0	0	0	0	405	
Future High Street Funding - Delamere Street	432	5	7	420	0	0	427	427	0	0	0	0	427	
Green Homes Grant	3,898	2,249	1,649	0	0	0	1,649	862	787	0	0	0	1,649	
Sustainable Warmth - Home Upgrade Grant	2,810	631	2,179	0	0	0	2,179	2,179	0	0	0	0	2,179	
Home Repairs Vulnerable People	1,285	659	226	200	200	0	626	0	0	0	0	626	626	
Disabled Facilities	15,614	6,989	3,940	2,342	2,342	0	8,625	7,697	0	0	0	928	8,625	
Warm Homes Fund	239	198	41	0	0	0	41	41	0	0	0	0	41	
Temporary Accommodation	958	878	80	0	0	0	80	0	54	26	0	0	80	
Gypsy and Traveller Sites	4,136	1,289	2,847	0	0	0	2,847	700	436	0	0	1,712	2,847	
Estates														
Corporate Landlord - Non-Operational	1,336	0	1,336	0	0	0	1,336	0	0	0	0	1,336	1,336	
Malkins Bank Landfill Site	1,360	565	250	545	0	0	795	0	0	0	7	788	795	
Farms Strategy	3,380	1,671	314	306	306	784	1,710	0	0	0	1,710	0	1,710	
Red Roofs Hole Farm Alderley Edge - Acquisition	15	12	3	0	0	0	3	0	0	0	0	3	3	

CAPITAL PROGRAMME 2023/24 - 2026/27

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Total Forecast Budget 2023-27 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
Committed Schemes in progress													
Economic Development													
Crewe Towns Fund - Repurposing Our High Streets	1,450	38	540	399	474	0	1,412	1,412	0	0	0	0	1,412
Crewe Towns Fund - Flag Lane Baths	2,800	306	2,494	0	0	0	2,494	2,494	0	0	0	0	2,494
Crewe Towns Fund - Mirion St	732	30	78	625	0	0	703	703	0	0	0	0	703
Crewe Towns Fund - Crewe Youth Zone non-grant costs	978	49	218	711	0	0	929	929	0	0	0	0	929
Crewe Towns Fund	14,074	0	1,652	8,520	3,901	0	14,074	14,074	0	0	0	0	14,074
Handforth Heat Network	13,219	0	680	1,924	6,692	3,923	13,219	2,604	7,428	0	0	3,187	13,219
Demolition of Crewe Library & Concourse (Future High Street	3,040	181	1,489	1,370	0	0	2,859	1,336	0	0	0	1,523	2,859
Future High Street Funding - CEC Innovation Centre	3,323	59	3,265	0	0	0	3,265	3,265	0	0	0	0	3,265
Future High Street Funding - Christ Church Innovation Centre	480	80	400	0	0	0	400	400	0	0	0	0	400
Crewe Town Centre Regeneration	32,019	15,058	15,444	0	1,517	0	16,961	131	0	0	0	16,829	16,961
Macclesfield Indoor Market Toilet Refurbishment	160	12	148	0	0	0	148	40	98	10	0	0	148
Macclesfield Town Centre	2,219	1,861	0	358	0	0	358	0	0	0	0	358	358
South Macclesfield Development Area	34,630	3,237	145	11,248	20,000	0	31,393	10,000	10,000	0	11,393	0	31,393
North Cheshire Garden Village	64,707	6,002	2,400	18,989	37,317	0	58,706	21,189	0	0	21,700	15,817	58,706
Leighton Green	2,096	1,464	100	532	0	0	632	0	0	0	0	632	632
Connecting Cheshire Phase 3	8,000	0	1,600	2,400	4,000	0	8,000	0	8,000	0	0	0	8,000
Connecting Cheshire 2020	9,250	3,709	2,303	2,238	1,000	0	5,541	7,143	0	0	0	-1,601	5,541
Connecting Cheshire Phase 2	6,235	5,352	0	0	883	0	883	0	313	0	177	393	883
Connecting Cheshire	29,524	28,929	0	0	595	0	595	0	48	0	0	547	595
Culture & Tourism													
Countryside Vehicles	1,579	580	587	193	219	0	999	0	0	965	33	0	999
Culture & Tourism S106 Schemes	209	65	98	47	0	0	144	0	144	0	0	0	144
New Archives Premises	10,256	0	4,106	5,699	451	0	10,256	0	0	0	0	10,256	10,256
PROW Capital Works	1,055	957	98	0	0	0	98	98	0	0	0	0	98
PROW CMM A6 MARR	100	9	91	0	0	0	91	91	0	0	0	0	91
PROW Flood Damage Investment	72	63	8	0	0	0	8	0	0	0	0	8	8
Tatton Park Investment Phase 2	3,280	1,407	268	1,605	0	0	1,873	0	0	0	0	1,873	1,873
		0	0	0	0	0	0	0	0	0	0	0	0
Total Committed Schemes	353,774	127,716	69,319	69,667	82,364	4,707	226,058	94,789	27,307	1,857	35,020	67,085	226,058
New Schemes													
Housing													
Local Authority Housing Fund	978	0	978	0	0	0	978	978	0	0	0	0	978
Culture & Tourism													
Cattle Handling Facility - Oakwood Farm	190	0	190	0	0	0	190	0	0	190	0	0	190
Total New Schemes	190	0	1,168	0	0	0	1,168	978	0	190	0	0	1,168
Total Growth & Enterprise	353,964	127,716	70,487	69,667	82,364	4,707	227,225	95,767	27,307	2,047	35,020	67,085	227,225

Economy and Growth Committee

6. Reserves Strategy

Economy and Growth Committee

Name of Reserve	Opening Balance 1 April 2023 £000	Forecast Movement in Reserves 2023/24 £000	Forecast Closing Balance 31 March 2024 £000	Notes
<u>Directorate</u>				
Place Directorate	1,722	(1,249)	473	To support a number of widespread projects within the Place Directorate.
Investment (Sustainability)	648	(221)	427	To support investment that can increase longer term financial independence and stability of the Council.
<u>Growth and Enterprise</u>				
Legal Proceedings	228	(124)	104	To enable legal proceedings on land and property matters.
Investment Portfolio	361	174	535	Reserve being built up to be used in the future if the site is vacated. Current lease extends beyond 2026.
Homelessness & Housing Options - Revenue Grants	130	(130)	0	To cover costs of purchase and refurbishment of properties to be used as temporary accommodation to house vulnerable families. Remaining portion of historic grants - not been used due to high levels of ringfenced Homeless Prevention & Rough Sleepers Grants being utilised.
Tatton Park Trading Reserve	0	0	0	Ringfenced Trading Reserve used to support projects and overall position at Tatton.
Royal Arcade Crewe	20	(20)	0	Original purpose was to fund vacant possession related costs for the Royal Arcade until demolition. The balance will now be used to pay for ongoing rates and maintenance costs for Crewe Bus station.
ECONOMY AND GROWTH TOTAL	3,109	(1,570)	1,539	

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Appendix 5

Environment and Communities Committee

1. Changes to Revenue Budget 2023/24 since Medium Term Financial Strategy

	MTFS Net Budget £000	Restructuring & Realignments £000	First Review Revised Net Budget £000	Unringfence Grants to be Actioned £000
PLACE				
Environment & Neighbourhood Service	48,321	468	48,789	-
Environment and Communities Committee	48,321	468	48,789	-

Note the unringfenced grants to be actioned column includes the expenditure part of centrally held unringfenced grants. These budget adjustments will take place once all first quarter approvals have been given. No adjustments are required as part of this review.

The restructuring and realignments of £468,000 relate to: adjustment to ASDV support service charges (-£8,000); the transfer of the Restructuring Potential MTFS saving to Economy & Growth to be managed centrally (£500,000); transfer of MTFS saving for single contractor for green spaces to Highways & Transport (£75,000); transfer of transport pay budget changes to Highways & Transport and Children & Families (-£114,000); the movement of achieved restructure savings to offset against central policy proposal including MARS savings (-£72,000); drawdown from reserves to fund changes to pay structure (£32,000); and drawdown from reserves for grant carried forward in to 2023/24 (£56,000). Further realignments of budgets have taken place within the services to reflect the detailed allocation of MTFS budget changes and any movement of service areas.

Environment and Communities Committee

2. 2023/24 Approved Budget Policy Changes and Forecast Variances

Forecast Outturn Commentary:

Environment & Neighbourhood Services are reporting a pressure of £4.2m against a net budget of £48.8m. £1.4m of this relates to ongoing income pressures in Planning and Building Control. There are pressures of £1.8m comprising continued increased contract inflation for the waste disposal contracts (+£0.9m) plus impact of recycling income shortfall due to a decline in the market (+£1.2m) offset by a reduction in fuel inflation (-£0.3m). The anticipated pay rise above budget rates is expected to result in a £0.3m pressure for Cheshire East services and £0.5m for the wholly owned companies. Implications related to one off changes to staff contracts have been included in the forecast for Libraries as a result of the recently approved reduction in opening hours.

Further mitigations - Stop non-essential spend and continued vacancy management, financial impact to be determined.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
	Environment and Communities Committee	4.543**		** Totals will not match to MTFS as Place Restructuring items all moved under E&G. No.98 moved to H&T.
80	Waste Disposal - Contract Inflation and Tonnage Growth	4.976	1.849	Regular monitoring of actual vs forecast tonnages continues to be undertaken across all waste streams collected. This monitoring also covers the unit rate disposal costs where these vary due to market forces, such as recyclates collected at the kerbside.
81	Pay Inflation – Wholly Owned Companies	1.378	0.368	The total cost of pay inflation may exceed 5% based on national pay negotiations. This may be mitigated through management of vacancies.
82	Pay inflation - CEC	1.239	0.259	The total cost of pay inflation may exceed 5% based on national pay negotiations. This may be mitigated through management of vacancies.
83	Planning and Building Control income	0.800	1.381	Budget adjusted for 2023/24. Delays in implementing the national planning application fee regulations, along with a

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
				national drop in planning application submissions has resulted in a first quarter pressure. This will need to be monitored through the year to see if income improves – this is subject to national economic trends. Current government announcements advise national planning application fee increases will be implemented from April 2024 – this should mitigate this pressure in the following financial year.
84	Environmental Hub maintenance	0.447	-	Maintenance works to this key Council owned operational facility are ongoing and continue to be delivered within forecast budget.
85	Review of governance of Council Wholly Owned Companies and seeking increased opportunities for savings / commercial opportunities	0.240	-	Budget adjustment only to balance previous under recovery of savings target – now actioned.
86	Orbitas management fee uplift	0.175	-	Now included in agreed Orbitas management fee for 2023/24.
87	Bereavement income	-0.175	-	Now included in agreed Environment Commissioning budget for 2023/24 and latest income forecasts are ahead of original projection (shown as part of in-year savings line below).
88	Closed Cemeteries	0.093	-	A single closed cemetery has now transferred to Cheshire East Council and regular works have been incorporated within commissioned maintenance schedules.
89	Local Plan Review	0.036	-	<p>On track, subject to ongoing monitoring. Anticipated new legislation may change the spend profile for the review however this is not known at this time as further details are not available from Government.</p> <p>Government communications now suggest the new Regulations being issues in Autumn 2024 so these must be imminent.</p>
90	Strategic Leisure Review	-1.291	-	The Strategic Leisure Review is now well established in terms of governance and collating the relevant public health data sets

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
				which will inform the outcomes. Target is to seek approval to consult on the draft review outcomes at a November Committee. 2023/24 savings have been secured, where appropriate under the operating contract with Everybody Health & Leisure and via a forecast grant receipt from Sport England relating to maintaining public swimming pools.
91	Maintenance of green spaces	-0.398	0.198	Works to develop a new draft maintenance schedule policy are now well progressed with a report scheduled to be taken to September Committee date targeted to seeking approval to consult publicly. Environmental Services as the commissioner continue to work with ANSA Environmental Services as the appointed provider to mitigate any in-year effects.
92	Review Waste Collection Service - Green Waste	-0.900	-	Environment and Communities Committee approved the implementation of the green waste subscription charge on 27 July 2023. Final stages of implementation works are proceeding in advance of opening for subscription payments in October and commencement of paid for collections in January 2024.
93	Libraries - Service Review	-0.519	0.300	Environment and Communities Committee approved the implementation of the revised opening hours informed by public consultation on 27 July 2023. Allowance has now been made within the forecast for any changes to staff contracts as a one off which will be influenced by the level of take up from Town and Parish Councils to the top up scheme.
94	Pension Costs Adjustment	-0.676	-	On track, subject to ongoing monitoring, dependent on in-year staffing costs.
95	Investment in improving the customer experience in Planning Services	-0.500*	-	Action complete – budget adjusted.
97	Review Closed Landfill Sites	-0.300	-	Budget line adjustment only – now actioned.
99	Environment Strategy and Carbon Neutrality	-0.061	-	Budget line adjustment only – now actioned.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
100	CCTV	-	-	Income opportunities are currently being explored both new and by expansion of existing external customer base offer.
101	Household Waste and Recycling Centres - introduce residency checks	-0.021	-	Implementation of the physical site checks has been delayed but the budget saving has been secured through the operating contract.
	In-year savings across Environment & Communities		-0.178	
	TOTAL FORECAST VARIANCE		4.177	
	Further Mitigating Actions		TBD	Stop non-essential spend and continued vacancy management
	REVISED FORECAST VARIANCE		4.177	

* Item represented a one-off spend in 2022/23. As it is not a permanent part of the budget, the value of the proposal is reversed in 2023/24

Environment and Communities Committee

3. Corporate Grants Register

- 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 The increase in specific purpose grants relates mainly to High Speed 2 (HS2) funding. Other additional specific purpose
- grants have also been received and are detailed in **Table 2** and **3**.

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.

3.5 **Table 3** shows additional specific purpose grant allocations that have been received which are £500,000 or less and are for noting only.

Table 1 – Corporate Grants Register

Grants 2023/24	Original Budget	Revised Forecast FR1	Change from Original Budget	Treatment of Grant
	2023/24 £000	2023/24 £000	2023/24 £000	Notes 2 - 5
ENVIRONMENT & COMMUNITIES				
Specific Purpose (Held within Services)				
Bikeability Grant	240	240	0	
Enforcement Grant (Planning) - brought forward	0	30	30	
High Speed 2 (HS2) Ltd	0	850	850	SRE
Air Quality Grant (Awareness) - brought-forward	0	25	25	
Air Quality Grant (Cycling) - brought-forward	0	10	10	
Offensive weapons - brought-forward	0	4	4	
Cosmetic fillers - brought-forward	0	7	7	
Food Information Grant - Natasha's Law - brought forward	0	11	11	
Food Standards Agency - 22-23	0	1	1	SRE
Food Standards Agency 23-24	0	1	1	SRE
Section 31 grant - Biodiversity net gain	0	20	20	SRE
Natural England - Stewardship scheme	0	2	2	SRE
Natural England - Stewardship scheme	0	7	7	SRE
Apprentice Incentive Scheme	0	2	2	SRE
Total Environment & Communities - Specific Purpose	240	1,209	969	
TOTAL ENVIRONMENT & COMMUNITIES	240	1,209	969	

Notes

- 2 SRE - Supplementary Revenue Estimate requested by relevant service.
- 3 ODR - Officer Decision Record to approve immediate budget change to relevant service.
- 4 Reserves - transfer to reserves at year end.
- 5 Balances - amount will be included as a variance to budget.

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	Year	Type of Grant	£000	Details
Environment and Communities	2023/24	High Speed 2 (HS2) Ltd (Specific Purpose)	850	This grant is from High Speed 2 (HS2) Ltd. The HS2 Environment and Landscape Fund is provided for landscaping/ecological mitigation as part of the HS2 Phase 2A.
Total Specific Purpose Allocations over £500,000 up to £1,000,000 for Committee Approval			850	

Table 3 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) £500,000 or less

Committee	Year	Type of Grant	£000	Details
Environment and Communities	2023/24	Food Standards Agency 2022/23 and 2023/24 (Specific Purpose)	2	This grant is from the Foods Standards Agency (FSA). Food Standards Agency grants for data cleansing work to improve data quality within our Management Information System for food hygiene / food standards.
Environment and Communities	2023/24	Section 31 grant - Biodiversity net gain (Specific Purpose)	20	This grant is from the Department for Environment, Food and Rural Affairs (DEFRA). This funding will allow the Planning service to adopt the mandatory Biodiversity Net Gain approach to Development coming into force in 2023, to ensure that natural habitats are extended or improved as part of a project or development.
Environment and Communities	2023/24	Natural England - Stewardship scheme (Specific Purpose)	9	This grant is from Natural England. This is for grant aided ecological works on various Countryside sites within Cheshire East.
Environment and Communities	2023/24	Apprentice Incentive Scheme (Specific Purpose)	2	This grant is from the Department for Education. Payment for taking on an apprentice and can be spent on any costs associated with supporting an apprentice in the workplace including salary. his allocated via Children's Services. Payment is for an apprentice based at Home Farm Tatton Park. Grant conditions .
Total Specific Purpose Allocations less than £500,000			33	

Environment and Communities Committee

4. Debt Management

	Outstanding Debt £000			Over 6 months old £000		
	Mar-23	Jun-23	Increase / (Decrease)	Mar-23	Jun-23	Increase / (Decrease)
Environment and Communities Committee						
Environment and Neighbourhood Services	1,116	266	(850)	243	219	(24)

Note: Outstanding debt has decreased due to a credit note being applied to an invoice for £850,000.

Environment and Communities Committee

5. Capital Strategy

Environment & Communities								CAPITAL						
CAPITAL PROGRAMME 2023/24 - 2026/27														
Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000	
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Total Forecast Budget 2023-27 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000		
Committed Schemes in progress														
Environment Services														
Arnold Rhodes Public Open Space Improvements Phase 2	94	89	5	0	0	0	5	0	5	0	0	0	5	
Bereavement Service Data System	35	6	29	0	0	0	29	0	0	29	0	0	29	
Carbon Offset Investment	1,000	78	172	250	500	0	922	0	0	0	0	922	922	
Chelford Village Hall Open Space and Sport Improvements	164	115	50	0	0	0	50	0	50	0	0	0	50	
Church Lane Community Park Development	95	93	2	0	0	0	2	0	2	0	0	0	2	
Congleton Household Waste Recycling Centre Development	50	20	30	0	0	0	30	0	0	0	0	30	30	
Energy Improvements at Cledford Lane	985	890	95	0	0	0	95	0	0	0	0	95	95	
Future High Street Funding - Sustainable Energy Network	1,695	289	1,406	0	0	0	1,406	1,406	0	0	0	0	1,406	
Green Investment Scheme (Solar Farm)	3,950	339	3,611	0	0	0	3,611	0	0	0	0	3,611	3,611	
Household Waste Recycling Centres	860	39	821	0	0	0	821	0	0	0	0	821	821	
Litter and Recycling Bins	208	111	46	52	0	0	97	0	0	0	0	97	97	
Little Lindow Open Space Improvements	69	63	5	0	0	0	5	0	5	0	0	0	5	
Nantwich Cemetery Roadway Extension	75	72	3	0	0	0	3	0	0	3	0	0	3	
Newtown Sports Facilities Improvements	99	81	18	0	0	0	18	0	18	0	0	0	18	
Park Development Fund	931	577	204	150	0	0	354	0	0	0	0	354	354	
Pastures Wood De-carbonisation	51	31	20	0	0	0	20	0	0	20	0	0	20	
Pitch Improvements - Alderley Edge Park and Chorley Hall Lane Playing Fields	25	13	12	0	0	0	12	0	12	0	0	0	12	
Queens Park Lake Planting	18	17	1	0	0	0	1	0	1	0	0	0	1	
Rotherhead Drive Open Space and Play Area	141	113	28	0	0	0	28	0	28	0	0	0	28	
Solar Energy Generation	14,180	48	252	13,880	0	0	14,132	0	0	0	0	14,132	14,132	
Victoria Park Pitch Improvements	29	5	24	0	0	0	24	0	24	0	0	0	24	
Woodland South of Coppice Way, Handforth	89	66	22	0	0	0	22	0	22	0	0	0	22	
Wynbunbury Parish Open Space	5	1	4	0	0	0	4	0	4	0	0	0	4	
Neighbourhood Services														
Congleton Leisure Centre	12,860	12,676	184	0	0	0	184	0	0	0	0	184	184	
Crewe Towns Fund - Valley Brook Green Corridor	100	54	46	0	0	0	46	46	0	0	0	0	46	
Macclesfield Leisure Centre Improvements	3,865	3,398	467	0	0	0	467	0	0	0	0	467	467	
Middlewich Leisure Centre	60	51	9	0	0	0	9	0	0	0	0	9	9	
Libraries - Next Generation - Self Service	374	329	44	0	0	0	44	0	0	0	0	44	44	
Poynton Leisure Centre	4,606	417	0	1,974	2,215	0	4,189	0	0	0	0	4,189	4,189	

CAPITAL PROGRAMME 2023/24 - 2026/27													
Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Total Forecast Budget 2023-27 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
Committed Schemes in progress													
Planning Services													
Regulatory Systems & Environmental Health ICT System	313	267	46	0	0	0	46	0	0	21	0	25	46
Replacement CCTV Cameras	301	135	166	0	0	0	166	0	0	166	0	0	166
Total Committed Schemes	47,326	20,483	7,823	16,306	2,715	0	26,844	1,452	172	239	0	24,981	26,844
New Schemes													
Environment Services													
Barony Skate Park Refurbishment	100	0	100	0	0	0	100	100	0	0	0	0	100
Fleet EV Transition	6,897	0	1,605	1,991	3,301	0	6,897	0	0	0	0	6,897	6,897
Fleet Vehicle Electric Charging	585	0	290	179	116	0	585	0	0	0	0	585	585
Macclesfield Chapel Refurbishment	429	0	343	86	0	0	429	0	0	0	0	429	429
Unsafe Cemetery Memorials	35	0	35	0	0	0	35	0	0	0	0	35	35
Cremator Flue Gas Modifications	30	0	30	0	0	0	30	0	0	0	0	30	30
Total New Schemes	0	0	2,403	2,256	3,417	0	8,076	100	0	0	0	7,976	8,076
Total Environment & Communities	47,326	20,483	10,226	18,562	6,132	0	34,919	1,552	172	239	0	32,956	34,919

Environment and Communities Committee

6. Reserves Strategy

Environment and Communities Committee

Name of Reserve	Opening Balance 1 April 2023 £000	Forecast Movement in Reserves 2023/24 £000	Forecast Closing Balance 31 March 2024 £000	Notes
<u>Environment and Neighbourhood Services</u>				
Strategic Planning	568	0	568	To meet costs associated with the Local Plan - site allocations, minerals and waste DPD.
Trees / Structures Risk Management	166	(56)	110	New reserve to respond to increases in risks relating to the environment, in particular the management of trees, structures and dealing with adverse weather events.
Spatial Planning - revenue grant	89	(47)	42	Funding IT costs over 4 years.
Neighbourhood Planning	82	0	82	To match income and expenditure.
Air Quality	36	(19)	17	Air Quality Management - DEFRA Action Plan. Relocating electric vehicle chargepoint in Congleton.
Street Cleansing	26	(26)	0	Committed expenditure on voluntary litter picking equipment and electric blowers.
Community Protection	17	(17)	0	£4k illicit tobacco grant; £13k Natasha's Law grant.
Licensing Enforcement	8	(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	Relating to Public Information Works.
ENVIRONMENT AND COMMUNITIES TOTAL	994	(173)	821	

Appendix 6 : Highways and Transport Committee

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 - Table 3: Delegated Decision Additional Grant Funding (Specific Purpose) £500,000 or less
4. Debt Management
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Appendix 6

Highways and Transport Committee

1. Changes to Revenue Budget 2023/24 since Medium Term Financial Strategy

	MTFS Net Budget £000	Restructuring & Realignments £000	First Review Revised Net Budget £000	Unringfence Grants to be Actioned £000
PLACE				
Highways & Infrastructure	11,007	(16)	10,991	-
Highways and Transport Committee	11,007	(16)	10,991	-

Note the unringfenced grants to be actioned column includes the expenditure part of centrally held unringfenced grants. These budget adjustments will take place once all first quarter approvals have been given. No adjustments are required as part of this review.

The restructuring and realignments of £16,000 relate to: the transfer of the Restructuring Potential MTFS saving to Economy & Growth to be managed centrally (£122,000) ; transfer of MTFS saving for single contractor for green spaces from Environment & Communities (-£75,000); transfer of transport pay budget changes from Environment & Communities (£86,000) ;adjustments to ASDV support service charges (-£40,000); the increased capitalisation of Highways & Infrastructure staff (-£137,000); drawdown from reserves to fund changes to pay structure (£14,000); and drawdown from reserves for grant carried forward in to 2023/24 (£15,000). Further realignments of budgets have taken place within the services to reflect the detailed allocation of MTFS budget changes and any movement of service areas.

Highways and Transport Committee

2. 2023/24 Approved Budget Policy Changes and Forecast Variances

Forecast Outturn Commentary:

Highways & Infrastructure are reporting a pressure of £1.2m against a net budget of £11m. £1.6m of this pressure is attributed to a reduction in income generation from parking services, which was part of the 2022/2023 MTFS. The programme of parking initiatives is due to be implemented from April 2024. There are £0.3m of pressures within Strategic Transport relating to an unachievable historic saving from the ASDV review and pressures within Ansa Transport. The expected pay rise above budget rates is forecast to lead to an additional pressure in-year of £0.1m. There are staffing savings across the majority of services as vacancies are held to help with the overall financial position. Higher income in Highways is also helping to offset increased energy costs due the time required to implement the energy saving for Street Lighting MTFS proposal. In addition, significant capital investment will be required to implement the Street Lighting MTFS proposal details of which will be provided shortly. Due to wet weather conditions experienced over the past few months there has been a significant increase in road defects (potholes) applying pressure to highways budgets.

Some deliverable in-year mitigations totalling £0.5m are included in the forecast outturn position reflecting the partial release of the flooding reserve. Further mitigations to be determined include stopping non-essential spending, continued vacancy management and lobbying government on recognition of inflation on highway schemes funded from grants.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
	Highways and Transport Committee	-0.842**		** Totals will not match to MTFS as Place Restructuring items all moved under E&G. No.98 moved to H&T.
98	Move to a single contractor to maintain all Council owned green spaces	-0.075	-	Works are continuing to migrate the grounds maintenance functions from highways to with ANSA Environmental Services Ltd as the single provider of these services. There is a slippage on delivery to 2024/25. This is being mitigated within Highways.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
102	Pay inflation	0.265	0.094	The total cost of pay inflation may exceed 5% based on national pay negotiations. This may be mitigated through management of vacancies.
103	Local Bus	0.080	0.353	Additional government funding to support local bus allocation to be determined with local Operators and H&T representatives.
104	Highways	-0.579	-	Budget adjustment on track as a result of a number of internal changes including greater capitalisation of highways maintenance works.
105	Energy saving measures from streetlights	-0.242	0.242	Lookig at a range of options for technological solutions and associated finance options to deliver the required energy savings. October consultation. The £0.242m saving is expected to be made in 2024/25 if the capital investment is made.
106	Pension Costs Adjustment	-0.172	-	On track, subject to ongoing monitoring, dependent on in-year staffing costs.
108	Parking	-0.119	1.575	Town by town analysis on parking well underway to inform consultation exercise. Car park usage monitoring now complete. The majority of the £1.575m income is expected in 2024/25 subject to committee decision.
	Increased Highways income to mitigate the energy saving from streetlights savings pressure		-0.242	
	Salary savings across HS2 and Infrastructure		-0.116	
	In-year savings and mitigations across Highways & Transport		-0.429	
	Mitigating Actions partial release of flooding and depot reserves		-0.253	
	TOTAL FORECAST VARIANCE		1.224	

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
	Further Mitigating Actions		TBD	Stop non-essential spend and continued vacancy management Lobby government on recognition of inflation on highway schemes funded from grants.
	REVISED FORECAST VARIANCE		1.224	

Highways and Transport Committee

3. Corporate Grants Register

- 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 The increase in specific purpose grants relates mainly to the Bus Service Improvement Plan, Bus Service Operators and

Local Transport Fund grants. Other additional specific purpose grants, reflecting the latest allocations, have also been received and are detailed in **Table 2** and **3**.

- 3.4 **Table 2** shows additional specific purpose grant allocations that have been received over £1m that Council will be asked to approve.
- 3.5 **Table 3** shows additional specific purpose grant allocations that have been received which are £500,000 or less and are for noting only.

Table 1 – Corporate Grants Register

Grants 2023/24	Original Budget	Revised Forecast FR1	Change from Original Budget	Treatment of Grant
	2023/24 £000	2023/24 £000	2023/24 £000	Notes 2 - 5
HIGHWAYS & TRANSPORT				
Specific Purpose (Held within Services)				
Bus Service Operators Grant	0	348	348	SRE
Bus Capacity Grant - brought-forward	0	179	179	
Local Transport Fund - brought-forward	0	219	219	
Local Transport Fund	0	198	198	SRE
Better Deal for Buses - Supported Bus Services - brought-forward	0	320	320	
Better Deal for Buses - Rural Mobility Grant - brought-forward	0	5	5	
Bus Support Grant - brought-forward	0	147	147	
Local Authority Capability Fund - brought-forward	0	154	154	
LTA Enhanced Partnership Grant - brought-forward	0	171	171	
Local Electric Vehicle Infrastructure (LEVI)	0	70	70	SRE
Bus Service Improvement Plan+ (BSIP+)	0	1,188	1,188	SRE
Bus Fare Cap Grant	0	1	1	SRE
Total Highways & Transport - Specific Purpose	0	2,999	2,999	
TOTAL HIGHWAYS & TRANSPORT	0	2,999	2,999	

Notes

- 2 SRE - Supplementary Revenue Estimate requested by relevant service.
- 3 ODR - Officer Decision Record to approve immediate budget change to relevant service.
- 4 Reserves - transfer to reserves at year end.
- 5 Balances - amount will be included as a variance to budget.

Table 2 – COUNCIL DECISION

Note that Council will be asked to Approve Supplementary Revenue Estimates of Additional Grant Funding (Specific Purpose) over £1m

Committee	Year	Type of Grant	£000	Details
Highways and Transport	2023/24	Bus Service Improvement Plan+ (BSIP+) (Specific Purpose)	1,188	This a new grant from the Department for Transport DfT). This is a continuation of the Bus Service Improvement funding and allows Local Authorities to support existing bus services and/or create new services with the overall aim of ensuring long term sustainability of this provision.
Total Specific Purpose Allocation for Council Approval			1,188	

Table 3 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (Specific Purpose) £500,000 or less

Committee	Year	Type of Grant	£000	Details
Highways and Transport	2023/24	Bus Service Operators Grant (Specific Purpose)	348	This a new grant from the Department for Transport DfT). This grant is to support the local bus operators with the cost of providing the services or for the provision of infrastructure supporting such services across the borough or into a neighbouring area.
Highways and Transport	2023/24	Local Transport Fund (Specific Purpose)	198	This a new grant from the Department for Transport (DfT). The Local Transport Fund (LTF) has been extended from 1 April 2023 to 30 June 2023. The LTF is a successor grant scheme to the Bus Recovery Grant paid to local authorities (hereafter LTA BRG). This funding is provided to Local Transport Authorities (LTAs) for the provision of bus services which require local authority support, including tendered bus services.
Highways and Transport	2023/24	Local Electric Vehicle Infrastructure (LEVI) (Specific Purpose)	70	This a new grant from the Department for Transport DfT). This is capability funding to ensure that local authorities have dedicated staff to undertake the planning and delivery of charging infrastructure.
Highways and Transport	2023/24	Bus Fare Cap Grant (Specific Purpose)	1	This a new grant from the Department for Transport DfT). This specifically provides financial support, in the same way as the Bus Service Operators Grant (BSOG), to one local bus operator which is not BSOG registered.
Total Specific Purpose Allocations less than £500,000			617	

Highways and Transport Committee

4. Debt Management

	Outstanding Debt £000			Over 6 months old £000		
	Mar-23	Jun-23	Increase / (Decrease)	Mar-23	Jun-23	Increase / (Decrease)
Highways and Transport Committee						
Highways and Infrastructure	994	968	(26)	521	596	75

Note: An invoice for £94,000 is now 6-9 months overdue.

Highways and Transport Committee

5. Capital Strategy

Highways & Transport												CAPITAL	
CAPITAL PROGRAMME 2023/24 - 2026/27													
Scheme Description	Forecast Expenditure							Forecast Funding					
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Total Forecast Budget 2023-27 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	Total Funding £000
Committed Schemes in progress													
Highways													
A532 Safer Road Fund Scheme	1,223	346	877	0	0	0	877	778	0	0	0	99	877
A536 Safer Road Fund Scheme	2,404	1,817	587	0	0	0	587	493	0	0	0	94	587
A537 Safer Road Fund Scheme	2,733	2,001	732	0	0	0	732	489	0	0	0	243	732
Air Quality Action Plan	463	339	123	0	0	0	123	108	0	0	0	15	123
Alderley Edge Bypass Scheme Implementation	60,611	60,358	253	0	0	0	253	0	0	0	0	253	253
Bridge Maintenance Minor Wks	9,869	7,641	2,228	0	0	0	2,228	1,524	0	0	0	703	2,228
Client Contract and Asset Mgmt	1,243	393	850	0	0	0	850	680	0	0	0	170	850
Crewe Rail Exchange	6,702	6,693	9	0	0	0	9	9	0	0	0	0	9
Highway Maintenance Minor Wks	52,505	36,919	15,585	0	0	0	15,585	11,404	0	0	0	4,181	15,585
Highway Pothole/Challenge Fund	8,353	8,074	279	0	0	0	279	0	0	0	0	279	279
Jack Mills Way Part 1 Claims	300	285	15	0	0	0	15	0	15	0	0	0	15
Local Highway Measures	7,602	6,531	1,071	0	0	0	1,071	695	0	0	0	376	1,071
Programme Management	1,211	967	244	0	0	0	244	244	0	0	0	0	244
Road Network & Linked Key Inf	83	78	5	0	0	0	5	5	0	0	0	0	5
Road Safety Schemes Minor Wks	6,128	5,528	599	0	0	0	599	374	0	0	0	225	599
Traffic Signs and Bollards - LED Replacement	1,250	913	337	0	0	0	337	0	0	0	0	337	337
Winter Service Facility	999	577	163	130	130	0	423	0	0	0	0	423	423
Infrastructure													
A500 Dualling scheme	89,456	10,415	1,257	5,719	36,066	36,000	79,041	53,284	4,300	0	0	21,457	79041
A50 / A54 Holmes Chapel	603	92	10	501	0	0	511	0	511	0	0	0	511
A54 / A533 Leadsmithy Street, Middlewich	563	152	50	361	0	0	411	0	411	0	0	0	411
A6 MARR CMM Disley	1,722	1,657	65	0	0	0	65	0	11	0	0	54	65
A6 MARR CMM Handforth	1,200	505	400	295	0	0	695	213	48	0	0	434	695
A6 MARR Technical Design	473	277	196	0	0	0	196	70	127	0	0	0	196
A556 Knutsford to Bowdon	504	361	45	98	0	0	143	0	143	0	0	0	143
Peacock Roundabout Junction	750	0	0	750	0	0	750	0	750	0	0	0	750
Congleton Link Road	88,443	71,453	2,456	6,040	2,900	5,594	16,991	316	14,130	0	0	2,545	16,991
Crewe Green Link Road	26,624	26,607	18	0	0	0	18	0	18	0	0	0	18
Crewe Green Roundabout	7,500	7,056	57	190	197	0	444	0	444	0	0	0	444
Flowerpot Phs 1 & Pinchpoint	10,037	1,437	500	5,835	2,265	0	8,601	2,139	726	0	0	5,736	8,601

CAPITAL PROGRAMME 2023/24 - 2026/27

Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Total Forecast Budget 2023-27 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
Committed Schemes in progress													
Infrastructure													
Future High Street Funding - Adaptive Signals	509	276	233	0	0	0	233	29	203	0	0	0	233
Future High Street Funding - Flag Lane Link	1,558	358	895	0	305	0	1,200	1,200	0	0	0	0	1,200
Future High Street Funding - Southern Gateway	4,631	443	1,955	2,232	0	0	4,187	4,187	0	0	0	0	4,187
Highways & Infrastructure S106 Funded Schemes	2,650	1,236	1,140	274	0	0	1,414	283	1,130	0	0	0	1,414
Infrastructure Scheme Development	325	0	163	163	0	0	325	325	0	0	0	0	325
Middlewich Eastern Bypass	91,157	20,247	11,521	18,291	24,917	16,181	70,910	46,779	12,816	0	0	11,315	70,910
North-West Crewe Package	42,351	22,374	12,874	6,603	100	400	19,977	0	12,249	0	1,730	5,997	19,977
Old Mill Road / The Hill Junction	1,325	173	140	1,012	0	0	1,152	0	1,152	0	0	0	1,152
Poynton Relief Road	52,657	43,682	2,236	1,355	5,385	0	8,976	2,236	5,740	0	1,000	0	8,976
Sydney Road Bridge	10,501	10,105	59	140	198	0	396	0	396	0	0	0	396
Strategic Transport and Parking													
Active Travel Fund	2,187	575	963	649	0	0	1,612	1,612	0	0	0	0	1,612
Active Travel (Cycling / Walking Route) Investment	3,000	2,570	430	0	0	0	430	365	0	0	0	65	430
Available Walking Routes	1	0	1	0	0	0	1	1	0	0	0	0	1
On-street Residential Charging	451	41	410	0	0	0	410	310	0	0	0	100	410
Route 55 Middlewood Way on Black Lane	669	116	552	0	0	0	552	552	0	0	0	0	552
Sustainable Travel Access Prog	3,574	1,626	1,948	0	0	0	1,948	1,401	309	0	0	238	1,948
Sustainable Modes of Travel to Schools Strategy (SMOTSS)	746	625	121	0	0	0	121	121	0	0	0	0	121
Public Transport Infrastructure	1,269	1,006	263	0	0	0	263	263	0	0	0	0	263
Local Access - Crewe Transport Access Studies	400	88	312	0	0	0	312	312	0	0	0	0	312
Local Access - Macclesfield Transport Access Studies	300	61	239	0	0	0	239	239	0	0	0	0	239
Middlewich Rail Study	20	0	20	0	0	0	20	20	0	0	0	0	20
Local LTP Strategy Studies	750	430	320	0	0	0	320	320	0	0	0	0	320
Digital Car Parking Solutions	140	93	20	27	0	0	47	0	0	0	0	47	47
Pay and Display Parking Meters	620	607	13	0	0	0	13	0	0	0	0	13	13
Car Parking Improvements (including residents parking)	322	266	30	26	0	0	56	0	0	10	0	46	56
HS2													
Crewe HS2 Hub Project Development	12,701	8,598	1,563	2,540	0	0	4,102	0	0	0	0	4,102	4,102
Total Committed Schemes	626,367	375,067	67,432	53,230	72,464	58,175	251,301	133,380	57,544	10	2,730	57,636	251,301

Highways & Transport

CAPITAL

CAPITAL PROGRAMME 2023/24 - 2026/27													
Scheme Description	Forecast Expenditure							Forecast Funding					Total Funding £000
	Total Approved Budget £000	Prior Years £000	Forecast Budget 2023/24 £000	Forecast Budget 2024/25 £000	Forecast Budget 2025/26 £000	Forecast Budget 2026/27 £000	Total Forecast Budget 2023-27 £000	Grants £000	External Contributions £000	Revenue Contributions £000	Capital Receipts £000	Prudential Borrowing £000	
New Schemes													
Highways													
Footpath Maintenance - Slurry Sealing & Reconstruction Works	1,319	0	1,319	0	0	0	1,319	1,319	0	0	0	0	1,319
Managing and Maintaining Highways	9,331	0	0	4,619	4,712	0	9,331	0	0	0	0	9,331	9,331
Pothole Funding	17,397	0	0	5,799	5,799	5,799	17,397	17,397	0	0	0	0	17,397
Integrated Block - LTP	6,009	0	0	2,003	2,003	2,003	6,009	6,009	0	0	0	0	6,009
Maintenance Block - LTP, plus CE funding for inflationary rise	21,287	0	0	7,609	7,878	5,799	21,287	17,397	0	0	0	3,890	21,287
Incentive Fund - LTP	4,350	0	0	1,450	1,450	1,450	4,350	4,350	0	0	0	0	4,350
Total New Schemes	59,693	0	1,319	21,480	21,842	15,051	59,693	46,472	0	0	0	13,221	59,693
Total Highways & Transport	686,059	375,067	68,750	74,711	94,306	73,226	310,992	179,852	55,630	10	2,730	72,771	310,992

Highways and Transport Committee

6. Reserves Strategy

Highways and Transport Committee

Name of Reserve	Opening Balance 1 April 2023 £000	Forecast Movement in Reserves 2023/24 £000	Forecast Closing Balance 31 March 2024 £000	Notes
<u>Highways and Infrastructure</u>				
HS2	785	(200)	585	To support the Council's ongoing programme in relation to Government's HS2 investment across the borough and Transport for the North's Northern Powerhouse Rail Business Case.
Flood Recovery Works	400	(200)	200	To be utilised for repairs due to any adverse weather events.
Parking Pay and Display Machines / Parking Studies	178	(178)	0	Reserve to be used to implement the parking savings agreed in the February 2023 MTFS.
Highways Procurement Proj	104	(66)	38	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	(19)	0	To fund the business case work for re-opening the Middleswich rail line. The remaining reserve will be fully required in 2023/24.
HIGHWAYS AND TRANSPORT TOTAL	1,486	(663)	823	

Appendix 7 : Finance Sub-Committee

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6. Reserves Strategy

Appendix 7

Finance Sub-Committee

1. Changes to Revenue Budget 2023/24 since Medium Term Financial Strategy

	MTFS Net Budget £000	Restructuring & Realignments £000	First Review Revised Net Budget £000	Unringfence Grants to be Actioned £000
CENTRAL BUDGETS				
Capital Financing	19,000	-	19,000	-
Corporate Contributions / Central Budgets	(1,650)	(54)	(1,704)	-
Contribution to / from Reserves	(5,042)	(1,096)	(6,138)	-
Finance Sub-Committee - Central Budgets	12,308	(1,150)	11,158	-
CENTRAL BUDGETS FUNDING				
Business Rates Retention Scheme	(55,277)	-	(55,277)	-
Specific Grants	(26,751)	-	(26,751)	(468)
Council Tax	(271,097)	-	(271,097)	-
Finance Sub-Committee - Net Funding	(353,125)	-	(353,125)	(468)

Note the unringfenced grants to be actioned column includes the expenditure part of centrally held unringfenced grants. These budget adjustments will take place once all first quarter approvals have been given.

The restructuring and realignments of £1,150,000 relate to the movement in reserves: drawdown from reserves to fund changes to pay structure (-£252,000); drawdown from reserves for grant carried forward in to 2023/24 (-£555,000); drawdown from reserves for business rate adjustment as per MTFS (-£343,000); and school contribution to capital reserve (£54,000 to reserve and -£54,000 contribution received).

Finance Sub-Committee

2. 2023/24 Approved Budget Policy Changes and Forecast Variances

Forecast Outturn Commentary:

Mitigations - Use £5m from Capital Financing Reserve to cover the pressure on the associated capital financing budget arising due to increasing interest rates.

The financial effects of other potential mitigations are to be determined, but include:

- Capital Programme Review to identify scope to delay, reduce or stop spending on capital projects, to improve cashflow and save on borrowing costs.
- Review earmarked reserves.
- Lobby government on potential mitigation of cashflow implications from High Needs spending.
- Review economic factors, such as forecast interest rates.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
	Finance Sub-Committee	-28.194		
109	Capital Financing – Minimum Revenue Provision	-	5.418	Interest rate rises, repayment of overpaid COVID grants and the High Needs deficit have impacted on the overall level and cost of borrowing.
110	Pension Costs Adjustment	5.350	-	Action complete – budget adjusted.
111	Bad Debt Provision adjustment	-0.800	-	Subject to ongoing monitoring.
112	Capital Receipts Income	-1.000	-	On track, subject to ongoing monitoring.
113	Use of Earmarked Reserves – MTFS reserve	-4.951	-	On track, subject to ongoing monitoring.

MTFS Ref No	Detailed List of Service Budget Changes	2023/24 £m	2023/24 Variance £m	Commentary
114	Use of Earmarked Reserves – Collection Fund reserve	1.674	-	On track, subject to ongoing monitoring.
115	Use of Earmarked Reserves – Capital Financing reserve	-1.700	-	On track, subject to ongoing monitoring.
116	Use of Earmarked Reserves – Transformation reserve	-1.371	-	Overall forecast of potential deficit for Council creates pressure on reserves.
117	Council Tax - % increase	-12.709	-	On track, subject to ongoing monitoring.
118	Council Tax – Base increase	-3.707	-	On track, subject to ongoing monitoring.
119	Business Rates	-6.191	-	On track, subject to ongoing monitoring.
120	Unring-fenced Grants + Revenue Support Grant	-2.789	-	On track, subject to ongoing monitoring.
	In-year pressure credit losses		0.641	Increased risks around credit losses due to economic climate.
	TOTAL FORECAST VARIANCE		6.059	
	Further Mitigating Actions could be in the region of £5m from the use of the Capital Financing Reserve.		5.000	<p>Capital Programme Review to identify scope to delay, reduce or stop spending on capital projects, to improve cashflow and save on borrowing costs.</p> <p>Review earmarked reserve including the option to utilise the Capital Financing Budget Reserve in relation to corresponding budget pressures. c.£5m.</p> <p>Lobby government on potential mitigation of cashflow implications from High Needs spending.</p> <p>Review economic factors, such as forecast interest rates.</p>
	REVISED FORECAST VARIANCE		1.059	

CENTRAL BUDGETS AND FUNDING

Table 1 – Central Outturn Forecasts

2023/24	Revised Budget	Forecast Outturn	Forecast Variance	Further Mitigating Action	Revised Forecast Variance
	(NET)				
	£m	£m	£m	£m	£m
CENTRAL BUDGETS					
Capital Financing	19.0	24.4	5.4		5.4
Transfer to/(from) Earmarked Reserves	(6.1)	(6.1)	-		-
Corporate Contributions / Central Budgets	(1.8)	(1.1)	0.7		0.7
Finance Sub-Committee - Central Budgets	11.1	17.2	6.1	-	6.1
Business Rates Retention Scheme	(55.3)	(55.3)	-		-
Specific Grants	(26.7)	(26.7)	-		-
Council Tax	(271.1)	(271.1)	-		-
Finance Sub-Committee - Net Funding	(353.1)	(353.1)	-	-	-

2.1 It is currently forecast that there will be a £6.1m variance to budget on the central budget. This is due to the affects of increased interest rates on the cost of borrowing and risks around credit losses.

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

Outturn Impact

2.3 The financial impact of the outturn forecast could decrease balances by £26.6m. This is more than the Council's General Reserves balance, so mitigating actions must be taken to reduce the pressure during the year. Any deficit at the end of the year will be drawn down from Earmarked Reserves.

2.4 The Council will continue to manage and review the financial forecasts in response to emerging pressures and how this affects the Council's revenue budget.

Collecting Local Taxes for Local Expenditure

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

Council Tax

2.6 Council tax is set locally and retained for spending locally. Council tax was set for 2023/24 at £1,707.39 for a Band D property. This is applied to the taxbase.

2.7 The taxbase for Cheshire East reflects the equivalent number of domestic properties in Band D that the Council is able to collect Council Tax from (after adjustments for relevant discounts, exemptions and an element of non-collection). The taxbase for 2023/24 was agreed at 158,778.54 which, when multiplied by the Band D charge, means that the expected income for the year is £271.1m.

2.8 In addition to this, Cheshire East Council collects Council Tax on behalf of the Cheshire Police and Crime Commissioner, the Cheshire Fire Authority and Parish Councils. **Table 3** shows these amounts separately, giving a total budgeted collectable amount of £334.9m.

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

2.10 This figure may also vary during the year to take account of changes to Council Tax Support payments, the granting of discounts and exemptions, and changes in numbers and value of properties. The amount billed to date is £334.7m.

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

	£m
Cheshire East Council	271.1
Cheshire Police and Crime Commissioner	39.8
Cheshire Fire Authority	13.9
Town and Parish Councils	10.1
Total	334.9

- 2.11 **Table 4** shows collection rates within three years and, following a slight drop below this rate during the Covid-19 pandemic, demonstrates that 99% collection rate is on target to be achieved within this period for 2023/24.

Table 4 – Over 98% of Council Tax is collected in three years

Financial Year	CEC Cumulative			
	2020/21	2021/22	2022/23	2023/24
	%	%	%	%
After 1 year	97.4	97.8	98.2	**
After 2 years	98.6	98.5	**	**
After 3 years	98.9	**	**	**

**data not yet available

- 2.12 The Council Tax in-year collection rate for the period up to the end of June 2023 is 28.94%. This is a very small decrease of 0.01% on the previous year, despite current cost of living pressures. Facilities are in place for residents to extend

payments where needed and staff are engaging with residents who need additional support.

- 2.13 Council Tax support payments were budgeted at £18.9m for 2023/24 and at the end of June 2023 the total Council Tax support awarded was £20.2m. This includes £0.5m additional Council Tax support fund.
- 2.14 Council Tax discounts awarded are £30.7m which is an increase of £2.4m in comparison to the same period in 2022/23. This increase is attributable to work related to raising awareness of the discounts available to residents.
- 2.15 Council Tax exemptions awarded is £7.9m, which is an increase of £1m in comparison to the same period in 2022/23.

Non-Domestic Rates (NDR)

- 2.16 NDR is collected from businesses in Cheshire East based on commercial rateable property values and a nationally set multiplier. The multiplier changes annually in line with inflation and takes account of the costs of small business rate relief.
- 2.17 The small business multiplier applied to businesses which qualify for the small business relief was frozen at 49.9p for 2023/24. The non-domestic multiplier was also frozen at 51.2p in the pound for 2023/24.
- 2.18 **Table 5** demonstrates how collection continues to improve even after year end. The table shows how 99% of non-domestic rates are collected within three years.
- 2.19 The business rates in-year collection rate for the period up to the end of June 2023 is 31.59%. This is a 1.18% decrease on last year, contributed to the rise in inflation and energy costs.

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

Financial Year	CEC Cumulative			
	2020/21	2021/22	2022/23	2023/24
	%	%	%	%
After 1 year	92.4	95.6	98.2	**
After 2 years	97.4	98.3	**	**
After 3 years	99.0	**	**	**

**data not yet available

Finance Sub-Committee

3. Corporate Grants Register

Government Grant Funding of Local Expenditure

- 3.1 Cheshire East Council receives two main types of Government grants; specific purpose grants and general use grants. The overall total of Government grant budgeted for in 2023/24 was £301.2m.
- 3.2 In 2023/24, Cheshire East Council's specific purpose grants held within the services was budgeted to be £274.4m, based on Government announcements to February 2023.
- 3.3 During the year there has been an increase in specific purpose grants of £15.0m to £289.4m.
- 3.4 Spending in relation to specific purpose grants must be in line with the purpose for which it is provided.
- 3.5 General use grants were budgeted to be £26.8m. Further in-year grant announcements have increased the amount

received to £48.8m (an increase of £22.0m) at the first financial review.

- 3.6 **Table 1** provides a summary of the updated forecast position for grants in 2023/24 by type and service.
- 3.7 Further details of general use grants are shown in **Table 2**, the Corporate Grants Register. At the First Financial Review, there is a £22.0m increase on the Original Budget forecast position. This is mainly due to the Business Rates Relief Compensation grant.
- 3.8 **Table 3** shows additional grant allocations that have been received over £1m that Council will be asked to approve.
- 3.9 **Table 4** shows additional general use grant allocations that have been received which are £500,000 or less and are for noting only.

Table 1 – Corporate Grants Register

Grants 2023/24	Original Budget	Revised Forecast FR1	Change from Original Budget
	2023/24 £m	2023/24 £m	2023/24 £m
SPECIFIC PURPOSE			
Children and Families	187.7	184.0	(3.7)
Adults and Health	36.6	44.0	7.4
Economy and Growth	2.6	4.9	2.3
Environment and Communities	0.2	1.2	1.0
Highways and Transport	0.0	3.0	3.0
Corporate Policy	47.3	52.3	5.0
TOTAL SPECIFIC PURPOSE	274.4	289.4	15.0
GENERAL USE			
Children and Families	6.9	7.4	0.4
Adults and Health	12.8	12.8	0.0
Economy and Growth	0.0	0.0	0.0
Environment and Communities	0.0	0.0	0.0
Highways and Transport	0.0	0.0	0.0
Corporate Policy	7.1	28.7	21.6
TOTAL GENERAL USE	26.8	48.8	22.0
TOTAL GRANT FUNDING	301.2	338.3	37.1

Source: Cheshire East Finance

Table 2 – Corporate Grants Register – General Use Grants

General Use Grants 2022/23 (Held Corporately)	Original Budget	Revised Forecast FR1	Change from Original Budget	Treatment of Grant
	2023/24 £000	2023/24 £000	2023/24 £000	<i>Notes 2 - 5</i>
CHILDREN & FAMILIES				
Social Care Support Grant (Children)	6,939	6,939	0	
Staying Put Implementation Grant	0	130	130	SRE
Extended Rights to Free Transport (Home to School Transport)	0	256	256	SRE
Extended Personal Adviser Duty Implementation	0	57	57	SRE
Total Children & Families Committee	6,939	7,383	444	
ADULTS & HEALTH				
Social Care Support Grant (Adults)	12,426	12,426	0	
Local Reform & Community Voices	207	207	0	
Social Care in Prisons	73	73	0	
War Pension Scheme Disregard	60	60	0	
Total Adults & Health Committee	12,766	12,766	0	
CORPORATE POLICY				
Revenue Support Grant	388	388	0	
Housing Benefit Administration Subsidy	626	626	0	
NNDR Administration Allowance	587	587	0	
New Homes Bonus	3,794	3,794	(0)	
Services Grant	1,720	1,720	0	
Council Tax Support Fund	0	521	521	Reserves
Council Tax Support New Burdens	0	25	25	SRE
Business Rates Reliefs Compensation Grant 2023/24	0	21,039	21,039	Reserves
Total Corporate Policy Committee	7,115	28,701	21,586	
TOTAL	26,820	48,849	22,029	

Table 3 – COUNCIL DECISION

Note that Council will be asked to Approve Supplementary Revenue Estimates of Additional Grant Funding over £1m

Committee	Year	Type of Grant	£000	Details
Adults and Health	2023/24	Afghan - Integration Support (Specific Purpose)	1,231	This grant is from the Home Office (HO). Available where an individual or family has settled in the borough, to provide ongoing integration support.
Children and Families – Schools	2023/24	Early Years Supplementary Grant (Specific Purpose)	1,262	This grant is from the Education & Skills Funding Agency (ESFA). The ESFA will provide nationally £204 million of supplementary funding to local authorities through a new early year's supplementary grant (EYSG). This will be used to increase the hourly amounts paid to local authorities, so that they can increase the amount of funding their early years childcare providers receive for delivering the entitlements for the period September 2023 to March 2024. The grant amount is an estimation as the grant determination has not yet been confirmed.
Corporate Policy	2023/24	Energy Bills Support Scheme Alternative Funding (Specific Purpose)	2,089	This funding is from the Department for Energy Security & Net Zero (DESNZ). It relates to the payment of alternative fuel grants to qualifying Cheshire East residents in accordance with Government guidance. The grant is aimed at providing support to households not eligible for the automatic Energy Bills Support Scheme (£400 payment paid by the energy suppliers).
Highways and Transport	2023/24	Bus Service Improvement Plan+ (BSIP+) (Specific Purpose)	1,188	This a new grant from the Department for Transport DfT). This is a continuation of the Bus Service Improvement funding and allows Local Authorities to support existing bus services and/or

Committee	Year	Type of Grant	£000	Details
				create new services with the overall aim of ensuring long term sustainability of this provision.
Total Specific Purpose Allocation for Council Approval			5,770	

Table 4 – DECISION DELEGATED TO OFFICERS

Supplementary Revenue Estimate Requests for Allocation of Additional Grant Funding (General Use) £500,000 or less

Committee	Year	Type of Grant	£000	Details
Finance Sub-Committee (Expenditure Children and Families – Children’s Services)	2023/24	Extended Rights to Free Transport (Home to School Transport) (General Use)	256	This funding is from the Department for Education. The Department for Education provides additional transport funding to local authorities to support children from low-income families to be able to attend schools further from home than the statutory walking distances. The funding is paid as a non-ring-fenced grant paid via the Department for Communities and Local Government under the Local Services Support Grant (section 31 of the Local Government Act 2003).
Finance Sub-Committee (Expenditure Children and Families – Children’s Services)	2023/24	Staying Put Implementation (General Use)	130	This funding is from the Department for Education. The purpose of the grant is to provide support for local authorities in England for expenditure lawfully incurred or to be incurred by them, in respect of a young person aged 18 and their former foster carer, who wish to continue living together in a ‘Staying Put’ arrangement. For the purposes of this grant ‘young person’ means a former relevant child who was looked after immediately prior to their 18 th birthday. This supported arrangement

Committee	Year	Type of Grant	£000	Details
				can continue until the young person's 21 st birthday.
Finance Sub-Committee (Expenditure Children and Families – Children's Services)	2023/24	Extended Personal Adviser Duty Implementation (General Use)	57	This funding is from the Department for Education. The Children and Social Work Act 2017 introduced a new duty on local authorities, requiring them to offer Personal Adviser support to all care leavers up to age 25. This duty came into force on 1 April 2018. The purpose of this grant is to provide support to local authorities in England, to help them to meet the requirements of this duty, in response to young people that may request such support from the local authority after the age of 21 and up to their 25 th birthday.
Finance Sub-Committee (Expenditure Corporate Policy)	2023/24	Council Tax Support New Burdens (General Use)	25	This funding is from the Department for Levelling-Up, Housing and Communities (DLUHC) and is a new grant. The New Burdens funding is intended to support the administration of the Council Tax support payments which have been processed by Council Tax staff. It supports any resource required either during the processing or afterwards where backlogs caused by the additional tasks have built up and need addressing.
Total General Purpose Allocations less than £500,000			468	

Finance Sub-Committee

4. Debt Management

- 4.1 Sundry debt includes all invoiced income due to the Council except for statutory taxes (Council Tax and Non-Domestic Rates). The balance of outstanding debt has increased by £1.2m since the end of March.
- 4.2 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.
- 4.3 The Council's standard collection terms require payment within 28 days of the invoice date, however, services receive immediate credit in their accounts for income due. The Council uses a combination of methods to ensure prompt payment of invoices. Recovery action against unpaid invoices may result in the use of debt collectors, court action or the securing of debts against property.
- 4.4 The Revenue Recovery team (using their experience gained in collecting Council Tax and Non-Domestic Rates) engage with services to offer advice and assistance in all aspects of debt management, including facilitating access to debt collection/enforcement agent services (currently provided by Bristow & Sutor).
- 4.5 After allowing for debt still within the payment terms, the amount of outstanding service debt at the end of June 2023 was £14.7m.

- 4.6 The total amount of service debt over six months old is £8.2m; provision of £7.6m has been made to cover doubtful debt in the event that it needs to be written off.

DEBT SUMMARY

	Outstanding Debt £000	Over 6 months old £000
Adults and Health Committee		
Adults, Public Health and Communities	12,123	7,051
Children and Families Committee		
Children's Social Care (Incl. Directorate)	7	-
Prevention and Early Help	84	18
Schools	71	-
Highways and Transport Committee		
Highways and Infrastructure	968	596
Economy and Growth Committee		
Growth and Enterprise	607	265
Environment and Communities Committee		
Environment and Neighbourhood Services	266	219
Corporate Policy Committee		
Finance and Customer Services	187	56
Governance and Compliance	3	2
Human Resources	18	-
ICT	350	1
	14,684	8,208

Finance Sub-Committee

5. Capital Strategy

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

Parameter	Value (£m)			
	2023/24	2024/25	2023/24	2026/27
Repayment of Borrowing				
Minimum Revenue Provision*	17.2	20.0	23.4	25.5
External Loan Interest	11.7	6.0	6.0	6.0
Investment Income	(2.6)	(2.4)	(2.4)	(2.3)
Contributions from Services Revenue Budgets	(1.3)	(1.6)	(2.6)	(3.5)
Total Capital Financing Costs	25.0	22.0	24.4	25.7
Use of Financing EMR	(6.0)	(2.0)	(3.4)	(3.7)
Actual CFB in MTFS	19.0	20.0	21.0	22.0
Capital Receipts targets*	1.0	1.0	1.0	1.0
Flexible use of Capital Receipts	1.0	1.0	1.0	1.0

*Anticipated MRP based on achieving capital receipts targets

Repayment of Borrowing

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



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

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

- 5.4 The nature and scale of the Council's capital programme means that it is a key factor in the Council's treasury management, including the need to borrow to fund capital works. The treasury management strategy for the Council is included in **Appendix 7a** of this report.
- 5.5 The Council's current strategy is to use available cash balances known as 'internal borrowing'. In addition, cash shortfalls are 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 has now significantly increased in line with base rate increases. Consideration is therefore, being given to some longer-term fixed rate loans which may be cheaper in the short term and provide surety of future interest costs protecting against any further sudden unexpected future rate increases.

Contributions from Services

- 5.6 All business cases supporting capital expenditure will include full analysis of the financial implications of the scheme alongside a clear indication of how the financial implications will be managed within the Medium-Term Financial Strategy (MTFS).
- 5.7 When including any scheme in the Council's Capital Programme the Section 151 Officer will determine the appropriate impact on the Revenue Budget. This impact will require service budgets within the MTFS to fund either all, part or none of the net capital costs of the scheme.

- 5.8 In making a determination about funding capital schemes from revenue budgets the level of potential revenue savings or additional revenue income will be considered. If a capital scheme will increase revenue costs within the MTFS, either from the future costs of maintaining the asset or from the costs of financing the capital expenditure, then the approach to funding such costs must be approved as part of the business planning process before the scheme can commence.
- 5.9 The Council's strategy is to use revenue contributions of £9.0m over the next four financial years to finance the Capital Programme to reduce the overall Capital Financing Budget. These contributions come from: £3.0m from the Investment Portfolio; £1.8m electric vehicle transition and charging programme £1.2m contribution from schools towards the schools transformation programme; £1.3m from Everybody Health and Leisure for the improvements to the Council's leisure facilities: the Green Investment schemes, including a solar farm £1.2m, £0.3m from Countryside Services for the vehicle replacement programme upgrade, and £0.2m from the Children's Home Sufficiency project.

Use of Financing Earmarked Reserve

- 5.10 To allow a longer-term approach to setting the Financial Parameters of the Capital Strategy the Council will maintain an earmarked reserve to minimise the financial impact of annual variations to the Capital Financing Budget.
- 5.11 The Council's Reserves Strategy determines the appropriate use of reserves and how they are set up and governed. In the first instance any variance to the Capital Finance Budget (CFB) within any financial year will provide a top-up or draw-down from the Financing Earmarked Reserve. In balancing the CFB over the period of the MTFS the Section 151 Officer

may also recommend appropriate use of the Financing Earmarked Reserve over the period.

- 5.12 The Council's current strategy is to draw-down the remaining balance from the Financing Earmarked Reserve over the next four years 2023/24 to 2026/27. Currently there is not enough in the reserve to cover the shortfalls in available budget. This will need to be addressed in the next Medium-term Financial strategy for 2024-28.

Capital Programme – Review Position

- 5.13 Since the Medium-term Financial Strategy (MTFS) was approved in February 2023, the capital programme has increased by £37.4m. This is mainly due to an increase in grant funding that the Council is due to receive but was confirmed after the MTFS was approved.
- 5.14 Some of the additional grants that have now been included in programme are the Public Sector De-carbonisation Grant (Lot 3b) £7.1m; Home Upgrade Grant £6.2m; Basic Need Grant £2.5m, Footpath Maintenance Grant £1.3m and Local Authority Housing Fund £1.0m.
- 5.15 The capital programme also slipped a further £8.8m at the Outturn position that has since been re-profiled into future years.
- 5.16 The current in-year position for 2023/24 has reduced to £205.8m from the £214.7m that was reported in the MTFS.
- 5.17 There is only one significant Supplementary Capital Estimate and that is the Active Travel Grant (Tranche 4) for £1.3m that will fund a scheme at Manchester Road, Wilmslow.
- 5.18 There are also two significant budget reductions, one is for £0.5m for the Handforth Heat Network project where the mix

of funding has changed and subsequently reduced and the second is for the Future High Street funded - Sustainable Energy Network where £1.5m of the funding has been returned to Business, Energy and Industrial Strategy. **Table 2** below shows a summary of the changes.

Table 2: Summary Capital Programme

	MTFS Budget	Slippage (+/-) from the Outturn position	Budget Reductions	SCEs/ Virements	Revised Budget
	2023/27 £m	2023/27 £m	2023/27 £m	2023/27 £m	2023/27 £m
Adults and Health	0.5	0	0	0	0.5
Children & Families	117.2	-0.4	0	0	116.8
Highways & Transport	296.4	13.3	0	1.3	311.0
Economy & Growth	205.5	22.2	(0.5)	-	227.2
Environment & Communities	34.6	1.8	(1.5)	0	34.9
Corporate Directorate	29.1	1.2	0	-	30.3
	683.3	38.1	(2.0)	1.3	720.7

- 5.19 The revised programme is funded from both direct income (grants, external contributions) and the Council's own resources (prudential borrowing, revenue contributions, capital reserve). A funding summary is shown in **Table 3**.
- 5.20 **Table 4** details requests of Supplementary Capital Estimates (SCE) up to and including £250,000 and Capital Virements up to and including £100,000 approved by delegated decision which are included for noting purposes only.
- 5.21 **Table 5** lists details of Capital Supplementary Estimates over £250,000 and up to £1,000,000 and Capital Virements over £100,000 and up to and including £5,000,000 that requires Committee to approve.
- 5.22 **Table 6** lists details of Capital Supplementary Estimates over £1,000,000 and Capital Virements over £5,000,000 that

requires Committee to make a recommendation to Council to approve.

5.23 **Table 7** lists details of reductions in Approved Budgets where schemes are completed and surpluses can now be removed. These are for noting purposes only.

5.24 Prudential Indicators are shown at the end of this section.

5.25 Capital programme detail is shown in other service committee **Appendices 1-7, Section 5.**

Table 3: Capital Programme Update

CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY					
CAPITAL PROGRAMME 2023/24 - 2026/27					
	Forecast 2023/24 £000	Forecast 2024/25 £000	Forecast 2025/26 £000	Forecast 2026/27 £000	Total Forecast 2023-27 £000
Committed Schemes - In					
Adults and Health	410	60	0	0	470
Children and Families	42,259	31,092	30,368	10,569	114,288
Highways & Transport	67,430	53,230	72,464	58,175	251,299
Economy & Growth	69,319	69,667	82,364	4,707	226,057
Environment & Communities	7,823	16,306	2,715	0	26,844
Corporate Policy	12,678	10,176	5,943	0	28,797
Total Committed Schemes - In Progress	199,919	180,531	193,854	73,451	647,755
CAPITAL PROGRAMME 2023/24 - 2026/27					
	Forecast 2023/24 £000	Forecast 2024/25 £000	Forecast 2025/26 £000	Forecast 2026/27 £000	Total Forecast 2023-27 £000
New Schemes					
Adults and Health	0	0	0	0	0
Children and Families	20	2,480	0	0	2,500
Highways & Transport	1,319	21,481	21,842	15,051	59,693
Economy & Growth	1,168	0	0	0	1,168
Environment & Communities	2,403	2,256	3,417	0	8,076
Corporate Policy	926	627	0	0	1,553
Total New Schemes	5,836	26,844	25,259	15,051	72,990
Total	205,755	207,375	219,113	88,502	720,745

CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY

CAPITAL PROGRAMME 2023/24 - 2026/27

	Forecast 2023/24 £000	Forecast 2024/25 £000	Forecast 2025/26 £000	Forecast 2026/27 £000	Total Forecast 2023-27 £000
Funding Requirement					
Indicative Funding					
Analysis: (See note 1)					
Government Grants	111,653	116,897	91,565	29,189	349,304
External Contributions	22,243	28,349	51,903	22,812	125,307
Revenue Contributions	2,338	193	219	0	2,750
Capital Receipts	2,361	1,922	32,983	784	38,050
Prudential Borrowing (See note 2)	67,160	60,014	42,443	35,717	205,334
Total	205,755	207,375	219,113	88,502	720,745

Note 1:

The funding requirement identified in the above table represents a balanced and affordable position, in the medium term. The Council will attempt to maximise external resources such as grants and external contributions in the first instance to fund the capital programme. Where the Council resources are required the preference will be to utilise capital receipts from asset disposals. The forecast for capital receipts over the next four years 2023-2027 assumes a prudent approach based on the work of the Asset Management team and their most recently updated Disposals Programme.

Note 2:

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

Table 4: DECISION DELEGATED TO OFFICERS

Requests for Supplementary Capital Estimates (SCEs) and Virements

Committee / Capital Scheme	Amount Requested £	Reason and Funding Source
Capital Budget Virements that have been made up to £100,000		
Children & Families		
Sandbach High School - Basic Need	37,585	Virement of remaining budget on Sandbach Planning Area project to cover expenditure in relation to Sandbach High School.
Special Provision Fund - Brereton PS Minor SEN Adaptations	4,315	Virement of amount from Special Provision Fund allocated pot to cover expenditure on Brereton PS SEN Adaptations.
Economy & Growth		
PROW Capital Works	4,182	Virement of the residual Local Transport Programme grant from the Countryside Capital project as that project is now complete.
Total Capital Budget Virements Approved	46,082	
Total Supplementary Capital Estimates and Virements	46,082	

Table 5: COMMITTEE DECISION

Requests for Supplementary Capital Estimates (SCEs) and Virements

Committee / Capital Scheme	Amount Requested £	Reason and Funding Source
Finance Sub Committee are asked to approve the Supplementary Capital Estimates and Virements		
Capital Budget Virements above £100,000 up to and including £5,000,000		
Highways and Transport		
Active Travel Fund	164,916	Virement to cover overspend against the Tranche 1, Emergency fund covered by project Active Travel (Cycling / Walking Route) Investment LTP funding.
Economy & Growth		
Future High Street Funding - CEC Innovation Centre	1,453,845	Future High Street Funding grant , virement from Christ Church Innovation Centre, originally intended for two pieces of work, but this was no longer a valid option.
Southern Gateway	1,576,921	Department for Levelling Up, Housing and Communities have approved the request to reallocate funding within our Future High Street Funding programme
History Centre Preparatory	275,434	
Municipal Technology Innovation Centre	700,000	
Sustainable Energy Network	558,077	
Total Capital Virements requested	4,729,193	
Total Supplementary Capital Estimates and Virements	4,729,193	

Table 6: COUNCIL DECISION

Recommendations for Approval for Supplementary Capital Estimates (SCEs) and Virements

Committee	Amount Requested	Reason and Funding Source
£		
Supplementary Capital Estimates over £1,000,000		
Highways & Transport Active Travel Fund	1,297,882	Following a bidding process, the Council have been awarded £1,297,882 from Active Travel England to deliver a scheme at Manchester Road in Wilmslow (Tranche 4)
Total Supplementary Capital Estimates Requested	1,297,882	
Total Supplementary Capital Estimates and Virements	1,297,882	

Table 7: TO NOTE - Capital Budget Reductions

Committee / Capital Scheme	Approved Budget £	Revised Approval £	Reduction £	Reason and Funding Source
Finance Sub Committee are asked to note the reductions in Approved Budgets				
Children and Families				
Devolved Formula Capital	350,000	346,178	3,822	The allocation for the 2023/24 Devolved Formula capital to schools is slightly less than the estimate in the 2023/27 MTFS - therefore a reduction in budget is required.
Highways and Transport				
On-street Residential Charging	455,330	451,100	4,230	Budget includes "On-street Residential Chargepoint" grant £155,330, the confirmed amount for this grant is actually £151,100.
Economy & Growth				
Handforth Heat Network	13,710,000	13,219,000	491,000	Overall reduction due to funding changes to this project, Grants -£2.816m; External Contributions +£2.538m; Prudential Borrowing -£0.213m
Environment & Communities				
Future High Street Funding - Sustainable Energy Network	2,642,501	1,137,336	1,505,165	The level of funding has now changed for this project as £1.505m of funding has been returned to the Department for Business, Energy & Industrial Strategy (BEIS)
	17,157,831	15,153,614	2,004,217	

Prudential Indicators revisions to: 2021/22 and 2023/24 – 2024/25, and future years

Background

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

Estimates of Capital Expenditure

5.24 In 2023/24, the Council estimates to spend £205.8m on capital expenditure as summarised below.

Capital Expenditure	2022/23 Actual £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	Future years £m
Total	116.4	205.8	207.3	219.1	88.5

Source: Cheshire East Finance

Capital Financing

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

Capital Financing	2022/23 Actual £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	Future years £m
Capital receipts	1.0	2.4	1.9	32.9	1.0
Government Grants	47.1	111.7	116.9	91.6	29.1
External Contributions	6.7	22.2	28.3	51.9	22.8
Revenue Contributions	1.2	2.4	0.2	0.2	0.0
Total Financing	56.0	138.7	147.3	176.6	52.9
Prudential Borrowing	60.4	67.1	60.0	42.5	35.6
Total Funding	60.4	67.1	60.0	42.5	35.6
Total Financing and Funding	116.4	205.8	207.3	219.1	88.5

Source: Cheshire East Finance

Replacement of debt finance

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

Replacement of debt finance	2022/23 Actual £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m
Total	15.0	17.2	19.9	23.4	25.5

Source: Cheshire East Finance

Estimates of Capital Financing Requirement

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

replace debt. The CFR will increase by £52m during 2023/24. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows.

Capital Financing Requirement	2022/23 Actual £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m
Total	467	519	557	578	557

Source: Cheshire East Finance

Asset disposals

- 5.28 When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts. The Council received £4.9m of capital receipts from asset sales in 2022/23 and plans to receive a further £4.8m in future years.

Capital Receipts	2022/23 Actual £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m
Asset Sales	4.3	1.0	1.0	1.0	1.0
Loans Repaid	0.6	0.2	0.2	0.2	0.2
Total	4.9	1.2	1.2	1.2	1.2

Source: Cheshire East Finance

Gross Debt and the Capital Financing Requirement

- 5.29 The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in the future. These objectives are often conflicting and the Council therefore seeks to strike a balance between cheap short term loans (currently available at around 5.3%) and long term fixed rate loans where the future cost is known but higher (currently 5.4%– 5.6%).

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

Gross Debt and the Capital Financing Requirement	2022/23 Actual £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m
Borrowing	261	321	354	411	386
PFI Liabilities	19	18	17	17	15
Total Debt	280	339	371	428	401
Capital Financing Req.	467	519	557	578	557

Source: Cheshire East Finance

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

Liability Benchmark

- 5.32 To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £20m at each year end. This benchmark is currently £239m and is forecast to rise to £351m over the next four years.

Borrowing and the Liability Benchmark	2022/23 Actual £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m
Outstanding Debt	261	321	354	411	386
Liability Benchmark	239	285	335	362	351

Source: Cheshire East Finance

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

Affordable borrowing limit

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

	2022/23 limit £m	2023/24 limit £m	2024/25 limit £m	2025/26 limit £m	2026/27 limit £m
Authorised Limit for Borrowing	480	540	570	590	570
Authorised Limit for Other Long-Term Liabilities	19	18	17	17	15
Authorised Limit for External Debt	499	558	587	607	585
Operational Boundary for Borrowing	470	530	560	580	560
Operational Boundary for Other Long-Term Liabilities	19	18	17	17	15
Operational Boundary for External Debt	489	548	577	597	575

Investment Strategy

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

5.36 The Council’s policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising

risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with money market funds, other local authorities or selected high quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in shares and property, to balance the risk of loss against the risk of returns below inflation.

Treasury Management Investments	31/03/23 Actual £m	31/03/24 Estimate £m	31/03/25 Estimate £m	31/03/26 Estimate £m	31/03/27 Estimate £m
Short term	32	20	20	20	20
Long term	20	20	20	20	20
Total Investments	52	40	40	40	40

Source: Cheshire East Finance

5.37 Further details on treasury investments are in pages of the Treasury Management Strategy, **Appendix 7a**.

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

5.39 Further details on investments for service purposes and commercial activities are in the Investment Strategy, **Appendix 7b**.

5.40 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by an investment income

receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e., the amount funded from Council Tax, Business Rates and general government grants.

Ratio of Financing Costs to Net Revenue Stream	31/03/23 Actual	31/03/24 Estimate	31/03/25 Estimate	31/03/26 Estimate	31/03/27 Estimate
Financing Costs (£m)	19.0	19.0	20.0	21.0	22.0
Proportion of net revenue stream %	5.80	5.38	5.37	5.50	5.59
Source: Cheshire East Finance					

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

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

Finance Sub-Committee

6. Reserves Strategy

Management of Council Reserves

- 6.2 The Council’s Reserves Strategy states that the Council will maintain reserves to protect against risk and support investment.
- 6.3 The opening balance at 1 April 2023 in the Council’s General Reserves was £14.1m, as published in the Council’s Statement of Accounts for 2022/23.
- 6.4 The General Reserves provides some protection against emerging risks such as inflation and particularly the DSG deficit, which was highlighted in the MTFS as having no alternative funding.
- 6.5 The Council also maintains Earmarked Revenue Reserves for specific purposes. At 31 March 2023 balances on these reserves stood at £61.6m, excluding balances held by Schools.
- 6.6 Unspent schools budgets that have been delegated, as laid down in the Schools Standards Framework Act 1998, remain at the disposal of the school and are not available to the Council to use.

- 6.7 During 2023/24, an estimated £27.4m will be drawn down and applied to fund service expenditure specifically provided for. Service outturn forecasts take account of this expenditure and funding. The closing balance at 31 March 2024 is forecast at £34.2m.
- 6.8 The first review position presents a pressure of £26.6m. Any variation to budget at year-end will be managed through the Council’s Earmarked Reserves.

Table 1 – Forecast Reserves Position

	£m
General Reserve	14.1
Earmarked Reserves (excluding Schools)	34.2
Total Reserves Balance at 31 March 2024	48.3

- 6.9 Details of individual reserves are shown in the relevant Service Committee appendix and in summary in **Table 2**.

Table 2 – Earmarked Reserves Summary

Earmarked Reserves Summary

Committee Reserves	Opening Balance 1 April 2023 £000	Forecast Movement in Reserves 2023/24 £000	Forecast Closing Balance 31 March 2024 £000
Adults and Health Committee	7,082	(1,281)	5,801
Children and Families Committee	3,374	(3,092)	282
Corporate Policy Committee	45,549	(20,631)	24,918
Economy and Growth Committee	3,109	(1,570)	1,539
Environment and Communities Committee	994	(173)	821
Highways and Transport Committee	1,486	(663)	823
TOTAL EARMARKED RESERVES MOVEMENT	61,594	(27,410)	34,184

**Excluding schools' balances*

Dedicated Schools Grant

- 6.10 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 and health care plan. This has created a deficit DSG reserve balance which is held in an unusable reserve. The ongoing pressure is regularly reviewed; at the end of 2022/23 the deficit was £46.9m; the deficit is forecast to increase to £85.9m by the end of 2023/24. The Council's DSG Management

Plan sets out the planned expenditure and income on high needs over the medium term, these figures are based on the updated plan which will be going to Committee in September 2023 for approval.

Table 3 – DSG Deficit

Dedicated Schools Grant Deficit	£m
Deficit Balance B/F	46.9
Additional In-year Pressures	39.0
Deficit Balance at 31st March 2024	85.9

Appendix 7a

Treasury Management Strategy

Treasury Management Report

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1. Background

- 1.1 Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.
- 1.2 Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.
- 1.3 Investments held for service purposes or for commercial profit are considered in the Investment Report (**Appendix 7b**).

2. External Context

- 1.4 **Economic background:** From the start of the quarter until May it looked like peak global monetary policy rates were in sight as inflation continued to ease and central banks turned more dovish in tone. Only a few weeks later, stronger and more persistent inflation data, particularly in the UK, changed the picture.
- 1.5 The UK situation was not welcome news for the Bank of England. GDP growth was weak, confirmed at 0.1% in Q1, although more recent monthly GDP data has been somewhat better. The housing market has stalled, consumer demand is weak but seemingly recovering despite higher interest rates, and labour demand remained strong, with repercussions for wage growth which is accelerating.
- 1.6 April data showed the unemployment rate increased to 3.8% while the employment rate rose to 76.0%. Pay growth was 6.5% for total pay (including bonuses) and 7.2% for regular pay, the largest growth rate of the latter outside of the Covid pandemic. Once adjusted for inflation, however, growth in total pay and regular pay remained negative.
- 1.7 Inflation fell from its peak of 11.1% reached in October 2022, but annual headline CPI in May 2023 was higher than the consensus forecast at 8.7% (8.4% expected), largely driven by services inflation, while the annual measure of underlying core inflation rose to 7.1% from 6.8%.
- 1.8 After a sharp rise in interest rate expectations, with clearly serious implications for mortgage markets due to higher inflation and wage data, the Bank of England's Monetary

Policy Committee reaccelerated monetary policy tightening over the period with a 0.25% rise in May to a 0.5% rise in June, taking Bank Rate to 5.0%. At both meetings the vote was 7-2 in favour of increasing rates, with the two dissenters preferring to keep rates on hold.

- 1.9 Interest rate expectations priced in further hikes in policy rates. Arlingclose, the authority's treasury adviser, revised its forecast to forecast a further 0.5% of monetary tightening to take Bank Rate to 5.5%. The risks, however, are that rates could be higher; financial markets are forecasting policy interest rates above 6%.
- 1.10 With many mortgages at low fixed rates now systematically being re-set over the next 12-24 months at higher rates, there has been a lagged effect of the feed through of monetary policy on households' disposable income. The economic slowdown is expected to develop over time and therefore, despite the GfK measure of consumer confidence rising to -24 in June, it is likely confidence will be negatively affected at some point. The manufacturing sector contracted during the quarter according to survey data, which will eventually feed into services, whose expansion is slowing.
- 1.11 **Financial Markets:** Financial market sentiment and bond yields remained volatile, the latter continuing their general upward trend as uncertainty and concern over higher inflation and higher interest rates continued to dominate.
- 1.12 Gilt yields rose over the period. The 5-year UK benchmark gilt yield rose from 3.30% to 4.67%, the 10-year gilt yield

from 3.43% to 4.39%, and the 20-year yield from 3.75% to 4.51%. The Sterling Overnight Rate (SONIA) averaged 4.37% over the quarter.

- 1.13 **Credit Review:** Having completed a review of its credit advice on unsecured deposits at UK and non-UK banks following concerns of a wider financial crisis after the collapse of Silicon Valley Bank, the purchase of Credit Suisse by UBS, as well as other well-publicised banking sector issues, in March Arlingclose reduced the advised maximum duration limit for all banks on its recommended counterparty list to 35 days.
- 1.14 Arlingclose continued to monitor and assess credit default swap levels for signs of credit stress but made no changes to the counterparty list or recommended durations over the quarter. Nevertheless, heightened market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remains under constant review.
- 1.15 An outlook for the remainder of 2023/24 and interest rate forecast provided by Arlingclose is attached at **Annex A**.

3. Local Context

- 1.16 As at 30 June 2023 the Authority has borrowings of £261m and investments of £37m. This is set out in further detail at **Annex B**. Forecast changes in these sums are shown in the balance sheet analysis in **Table 1** below.

Table 1: Balance Sheet Summary and Forecast

	31/03/23 Actual £m	31/03/24 Estimate £m	31/03/25 Estimate £m	31/03/26 Estimate £m
General Fund CFR	467	518	557	577
Less: Other long term liabilities *	(19)	(18)	(17)	(17)
Loans CFR	448	500	540	560
Less: External borrowing **	(261)	(321)	(354)	(411)
Internal (over) borrowing	187	179	186	149
Less: Usable reserves	(165)	(156)	(151)	(146)
Less: Working capital	(64)	(80)	(75)	(73)
Investments (or New borrowing)	(42)	(57)	(40)	(70)

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

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

- 1.17 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.
- 1.18 CIPFA's Prudential Code for Capital Finance recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. **Table 1**

shows that the Authority expects to comply with this recommendation during 2023/24.

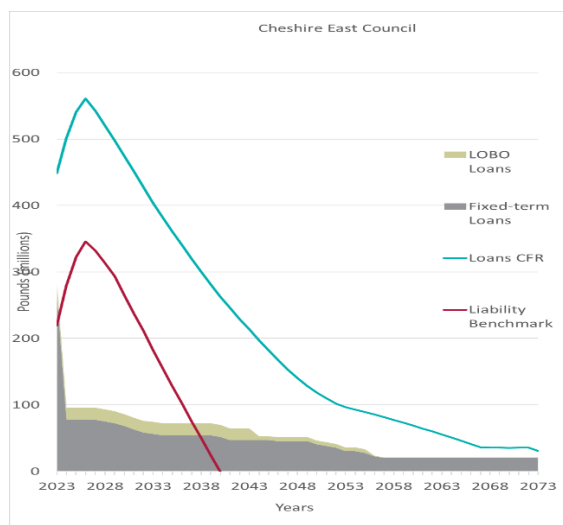
- 1.19 **Liability Benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as **Table 1** above, but that cash and investment balances are kept to a minimum level of £20m at each year-end to maintain a core strategic investment.

Table 2: Liability Benchmark

	31/03/23 Actual £m	31/03/24 Estimate £m	31/03/25 Estimate £m	31/03/26 Estimate £m
Loans CFR	448	500	540	560
Less: Usable reserves	(165)	(156)	(151)	(146)
Less: Working capital	(64)	(80)	(75)	(73)
Plus: Minimum investments	20	20	20	20
Liability Benchmark	239	284	334	361

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

Chart 1: Liability Benchmark Chart



4. Borrowing Strategy

- 1.21 The Authority currently holds loans of £242m, a decrease of £19m since 31 March 2023. However, this will increase to a higher level, currently forecast as £321m at 31 March 2024.

- 1.22 Between 2022/21 and 2022/23, receipt of Government funding for Covid relief measures, energy grants and other schemes in advance of expenditure had reduced the Councils borrowing requirement. These funds have now mostly been used or repaid which has significantly increased the amounts need to be borrowed to more realistic levels.

- 1.23 At the moment, cash shortfalls are being be 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 has now significantly increased in line with base rate increases. Consideration is, therefore, being given to some longer term fixed rate loans which may be cheaper in the short term and provide surety of future interest costs protecting against any further sudden unexpected future rate increases. The cost of short term borrowing in this quarter is 3.84% and rising, compared to 1.66% for 2022/23. A full list of current temporary borrowings is shown in **Annex C**.

- 1.24 **LOBO's:** The Authority holds £17m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBOS have options during 2023/24. Due to rising interest rates it is becoming more likely that the lender may exercise their options. If this happens, the Authority is likely to take the option to repay

LOBO loans at no cost although this may lead to slightly higher refinancing costs in the short term.

5. Investment Strategy

- 1.25 The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. Due to the overriding need for short term borrowing, other than £20m invested strategically in managed funds, the investments are generally short term for liquidity purposes. The level at 30 June 2023 is £37m.
- 1.26 The CIPFA Code requires the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 1.27 The maximum amount that can be invested with any one organisation is set in the Treasury Management Strategy Report. The maximum amount and duration of investments with any institution depends on the organisations credit rating, the type of investment and for banks and building societies, the security of the investment. Generally credit rated banks and building societies have been set at a maximum value of £6m for unsecured investments and £12m for secured investments. Any limits also apply to the banking group that each bank belongs to. Limits for each Money Market

fund have been set at a maximum value of £12m per fund. All potential counterparties are kept under continual review by our treasury advisors and advisory lower limits than those contained in the strategy are applied.

- 1.28 Treasury Management income to 30 June 2023 is £650,000 which is higher than the budgeted £215,000. However, borrowing costs are also higher than budgeted at £2,67m compared to budget of £1,17m. This is caused by a combination of increasing interest rates with an increased borrowing requirement. From the projected cash flows for the remainder of 2023/24 the net additional financing costs (borrowing less investment interest is expected to be £6m in excess of that budgeted).
- The average daily investment balance including managed funds up to 30 June 2023 is £53.0m
 - The average annualized interest rate received on in-house investments up to 30 June 2023 is 4.28%
 - The average annualized interest rate received on the externally managed funds up to 30 June 2023 is 5.83%
- 1.29 The Authority's total average interest rate on all investments in 2023/24 is 5.03%. The returns continues to exceed our own performance target of 4.93% (average Base Rate + 0.50%). We also compare favourably to the Sterling Over Night Interest Average (SONIA) rate.

Table 3 – Interest Rate Comparison

Comparator	Average Rate to 30/06/2023
Cheshire East	5.03%
SONIA	4.37%
Base Rate	4.43%
Target Rate	4.93%

- 1.30 As the Authority holds reserves and working capital, £20m of this has been placed in strategic investments in order to benefit from higher income returns whilst spreading risk across different asset classes.
- 1.31 The investments are in five different funds which are all designed to give an annual income return between 4% and 5% but which have different underlying levels of volatility. By spreading investments across different types of fund, the intention is to dampen any large fluctuations in the underlying value of the investments.

Table 4 –Strategic Investments

Fund Manager	Asset Class	Invested £m	Current Value £m
CCLA	Property	7.5	7.5
Aegon	Multi Asset	5.0	4.4
Fidelity	Equity - Global	4.0	4.0
Schroders	Equity - UK	2.5	2.3
M & G	Bonds	1.0	0.8
TOTAL		20.0	19.0

- 1.32 The value of these investments does vary. During 2022/23 the valuation of all funds has been affected by rising inflation, the effects of the war in Ukraine and low levels of GDP. All funds continue to deliver good levels of income return.

Chart 2 – Current Investments by Counterparty Type

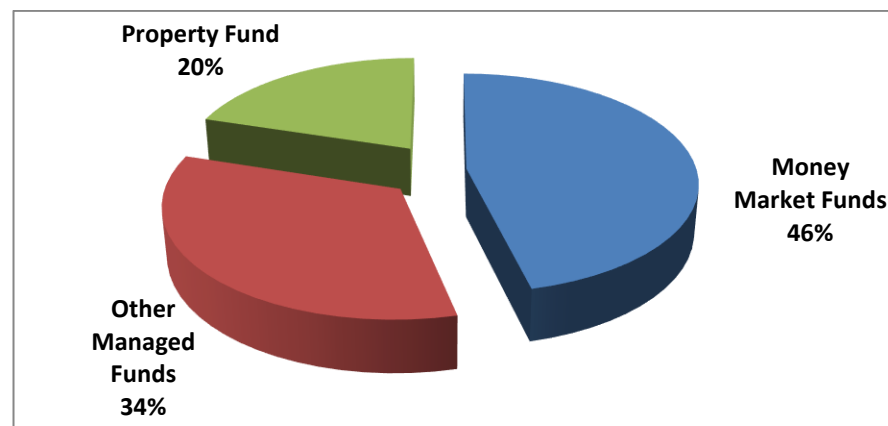
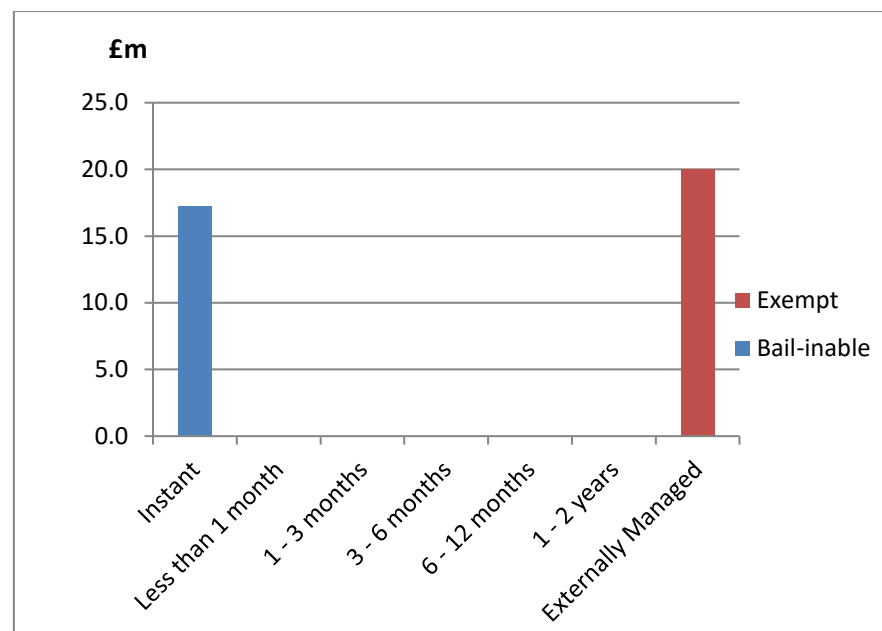


Table 6 – Types of Investments and Current Interest Rates

Instant Access Accounts	Average Rate %	£m
Money Market Funds	4.77	17.2
Externally Managed Funds		£m
Total – see table 4		20.0
Summary of Current Investments		£m
TOTAL		37.2

Chart 3 – Maturity Profile of Investments



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

6. Treasury Management Indicators

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

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

Interest Rate Risk Indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£740,000
Likely revenue impact in 2023/24 of a 1% <u>rise</u> in interest rates	£1,270,000

1.35 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 2023/24 so a fall in rates would lead to savings rather than incurring additional cost so a limit of £0 was set. Rates have already changed by more than 1% and likely to change further so full revenue impact of changing rates is likely to be higher. Increased borrowing following repayment of Government funds has resulted in this indicator being exceeded.

1.36 **Maturity Structure of Borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. Lower limits have been set at 0%. The upper limits on the

maturity structure of borrowing and the actual maturity profiles as at 30 June 2023 are:

Refinancing rate risk indicator	Upper Limit	Actual
Under 12 months	75%	73%
12 months and within 24 months	75%	0%
24 months and within 5 years	75%	1%
5 years and within 10 years	75%	10%
10 years and within 20 years	100%	4%
20 years and above	100%	12%

1.37 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.

1.38 **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	2023/24	2024/25	2025/26
Limit on principal invested beyond year end	£25m	£15m	£10m
Actual amounts committed beyond year end	£0m	£0m	£0m

Annex A: Economic & Interest Rate Outlook for Remainder of 2023/24

	Current	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26
Official Bank Rate													
Upside risk	0.00	0.50	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	5.00	5.50	5.50	5.50	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00
Downside risk	0.00	0.50	0.50	0.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

UK inflation and wage growth has proven to be even more stubborn, with headline rates remaining steady, core rates rising, and wage growth accelerating. As a result, the Bank of England sought to shock markets and underline its inflation fighting credentials by increasing Bank Rate by 50bps to 5.0% with a further increase to 5.25%. However, this is unlikely to be the peak.

The economy has been resilient in the face of the dual headwinds of inflation and interest rates, albeit the majority rise in Bank Rate is yet to impact households. Government cost of living support, stronger wage growth and household savings have had an offsetting effect, while timing issues around mortgage resets have delayed the impact of monetary tightening.

Employment demand has remained strong and, alongside inflation expectations, has driven stronger wage growth. This in turn is adding upward pressure to inflation, particularly services inflation. Core CPI and services inflation have increased of late despite previous monetary tightening.

The banks credibility issues mean that it can no longer afford to wait until the effect of past increases in Bank Rate affect activity. This suggests that further monetary tightening is necessary to have the desired immediate effect on inflation.

The lagged effect of aggressive monetary tightening will increasingly pressure economic activity. A recession appears inevitable. Household spending will be affected by increases in mortgage payments, while business investment/spending will fall back due to higher borrowing costs. Unemployment will increase.

Inflation will fall sharply this year, albeit at a slower pace than expected. Recessionary conditions eventually create downside risks for inflation and will entail monetary easing in the medium term to stimulate economic activity.

The expectation is that the MPC will cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until service inflation and wage growth ease. The stickiness of data suggests cuts will happen later than previously expected.

Annex B: Existing Investment & Debt Portfolio Position

	30/06/23 Actual Portfolio £m	30/06/23 Average Rate %
External Borrowing:		
PWLB – Fixed Rate	60	4.53%
Local Authorities	162	3.85%
LOBO Loans	17	4.63%
Other	3	4.28%
Total External Borrowing	242	4.28%
Other Long Term Liabilities:		
PFI	19	-
Total Gross External Debt	261	-
Investments:		
<i>Managed in-house</i>		
Short-term investments:		
Instant Access	17	4.77%
<i>Managed externally</i>		
Property Fund	7.5	4.75%
Multi Asset Fund	5	6.70%
Equity - Global	4	4.74%
Equity - UK	2.5	6.00%
Bonds	1	3.56%
Total Investments	37	5.12%
Net Debt	224	-

Annex C: Current Temporary Borrowing

Lender	Start	Maturity	Rate %	£m
Evergreen Fund (CW LEP)	Call Account		4.45	3.4
East Sussex CC	14/04/23	14/07/23	4.40	5.0
Norwich City Council	18/01/23	18/07/23	3.87	5.0
Tendring DC	21/04/23	21/07/23	4.30	3.0
Wigan MBC	23/01/23	24/07/23	3.85	5.0
West Mids CA	24/04/23	24/07/23	4.25	5.0
Northern Ireland Housing Executive	29/07/22	28/07/23	1.88	10.0
Rutland County Council	30/01/23	31/07/23	3.80	3.0
West Yorks Comb Auth	03/02/23	03/08/23	3.70	5.0
Barnsley MBC	05/05/23	07/08/23	4.25	6.0
Hampshire CC	10/02/23	10/08/23	3.85	10.0
Flyde BC	13/02/23	14/08/23	3.85	2.0
South Derbyshire DC	16/02/23	16/08/23	3.80	3.0
Derbyshire Dales DC	22/05/23	22/08/23	4.33	4.0
Maldon DC	23/11/22	23/08/23	1.80	2.0
East Sussex CC	24/02/23	24/08/23	3.90	5.0
Crawley BC	26/05/23	29/08/23	4.50	5.0
Blackburn with Darwen	30/05/23	30/08/23	4.50	5.0
Vale of Glamorgan	23/02/23	15/09/23	4.15	1.5
LB Wandsworth	15/03/23	15/09/23	4.35	5.0
LB Islington	21/06/23	21/09/23	4.51	5.0
Nottinghamshire CC	21/06/23	21/09/23	4.80	5.0
South Lanarkshire Council	22/03/23	22/09/23	4.50	5.0
Cambridge & Peterbrough CA	23/01/23	25/09/23	3.90	10.0
Mid Sussex DC	23/03/23	26/09/23	4.30	2.0
LB Wandsworth	13/06/23	13/10/23	4.51	7.5
Carmarthenshire CC	21/04/23	20/10/23	4.20	5.0
LB Wandsworth	21/06/23	23/10/23	4.51	5.0
Local Government Association	26/04/23	26/10/23	4.30	1.5
Local Government Association	26/04/23	26/10/23	4.30	1.5
Barnsley MBC	27/06/23	27/10/23	4.50	5.0
West Yorks CA	04/05/23	06/11/23	4.30	5.0
West Yorks CA	02/06/23	30/11/23	4.65	5.0
East Suffolk Council	28/06/23	04/01/24	4.48	5.0
West Mids CA	06/02/23	05/02/24	4.00	5.0
TOTAL				165.4

Appendix 7b

Investment Strategy

1. Purpose

- 1.1 The purpose of the Investment Strategy is to:
- set out the Council's approach to managing investments
 - establish financial limits for various classifications of investment
 - recognise the role and responsibilities of the Finance Sub Committee and its position as the main conduit through which investment opportunities should be considered
- 1.2 The definition of an investment covers all the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios. This may therefore include investments that are not managed as part of normal treasury management processes or under treasury management delegations.
- 1.3 The Council has a Capital Strategy (prepared in line with the requirements of the Prudential Code); and a Treasury Management Strategy (prepared in line with the requirements of the Treasury Management Code) – relevant disclosures are made within each document.
- 1.4 Consequently, this Investment Strategy is part of a suite of related documents and focuses predominantly on matters not covered by the Capital Strategy and Treasury Management Strategy.

Statutory Background

- 1.5 On 2 February 2018 the Department for Levelling Up, Housing and Communities (DLUHC) (formerly MHCLG) published updated statutory guidance on capital finance, in respect of Local Government investments and the minimum revenue provision. The guidance may be found at: <https://assets.publishing.service.gov.uk/>
- 1.6 The guidance was issued to reflect concerns raised by government over patterns of local authority behaviour particularly with respect to the exponential increase in borrowing to invest in commercial properties and other investments where a return was a primary aim. There was concern that local authorities were being exposed to high levels of financial risk through borrowing and investment decisions and that could have a detrimental impact on services if investments did not perform as expected. The requirement to produce this annual Investment Strategy, to be approved by Full Council, was an attempt to recognise this and ensure that Members have sufficient expertise to understand the complex transactions that they have ultimate responsibility for approving.
- 1.7 In the November 2020 Autumn Statement the Chancellor of the Exchequer went further and effectively prohibited the future purchase of commercial assets primarily for generating yield. Where there are any plans to acquire

assets primarily for yield, irrespective of the source of financing for that particular asset, then the Public Works Loan Board (PWLb) would not advance any lending to the Authority. It is clear therefore that yield should be an incidental, rather than the principal factor, in any future decision to acquire an investment asset.

- 1.8 2021 saw regulators continue this direction of travel to strengthen and codify the rules around commercial assets and borrowing for yield. In December 2021 CIPFA issued a revised Prudential Code which placed further limitations on the ability of Local Authorities to borrow and invest.
- 1.9 The new Code incorporated updated and revised content in respect of Authorities not borrowing more than or in advance of their needs purely to profit from the investment of the extra sums borrowed. It strengthened previous guidance that authorities “must not borrow to invest primarily for financial return”. This included any form of borrowing whether it be public or private sector. In addition, it included proportionality as an objective in the Prudential Code; and further provisions were included so that an Authority considered an assessment of risk to levels of resources.
- 1.10 The code is clear to make the distinction between the normal activities that a Council should undertake and those which will expose it to greater risk and uncertainty. Three investment categories have been recognised and they are reflected in this Authority’s definition and presentation of investment information.
- 1.11 It has been the need to diversify and grow revenue income sources to meet growing service pressures and the availability of cheap borrowings that have fuelled the growth

in local authority investments. The last year has seen the investment decisions of several local authorities come under scrutiny along with some high-profile failures. These have vindicated the regulators cautionary approach and reinforced to stakeholders that investments come with risk and real consequences when they go wrong.

- 1.12 More than ever Members need to ensure that they are fully informed and capable of making decisions on investments particularly in areas that are far removed from normal Council activities and area of expertise.

Introduction

- 1.13 The Authority invests its money for three broad purposes and these are reflected in the revised Prudential Code:
 - because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
 - to support local public services by lending to or buying shares in other organisations (**service investments**), and
 - to earn investment income (known as **commercial investments** where this is the main purpose).
- 1.14 Often there may be a crossover of purposes for investments within the Authority. Whilst a return may be a by-product of an investment this is rarely the overriding reason for making or retaining an investment. It will normally be linked to other long term strategic or regeneration factors.

- 1.15 This Investment Strategy meets the requirements of the statutory guidance issued by DLUHC in February 2018 and focuses on the second and third of the above categories.

2. Investment Indicators

- 1.16 The Authority has set the following quantitative indicators to allow elected Members and the public to assess the Authority's total risk exposure arising from its investment decisions.
- 1.17 Total risk exposure: The first indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down and guarantees the Authority has issued over third party loans.

Table 1: Total investment exposure in £'000

Total investment exposure	31/03/23 Actual	30/06/23 Actual	31/03/24 Forecast
Treasury management investments	52,300	52,300	40,000
Service investments: Loans	16,728	21,740	21,668
Service investments: Shares	4,460	4,460	4,460
Commercial investments: Property	24,537	24,537	24,537
Commercial Investments: Loans	3,776	3,776	3,776
TOTAL INVESTMENTS	101,801	106,813	94,441
Commitments to lend	6,097	6,013	6,013
TOTAL EXPOSURE	107,898	112,826	100,454

- 1.18 The Council has total investment exposure estimated at £112.8m at June 2023 (£60.5m excluding treasury management), of which £24.5m relates to property investment backed by physical assets with an income stream and alternative use. Other investments are loans for economic development purposes; consequently they are not a material element of our budgeting for MTFS income.
- 1.19 How investments are funded: As at 30 June 2023 the Authority's investments are largely funded by usable reserves and income received in advance of expenditure. Prudential borrowing is being used in limited circumstances and performance is closely monitored. Balances are stated as at March 2023.

Table 2: Investments funded by borrowing in £'000

Investments funded by borrowing	31/03/22 Actual	31/03/23 Actual	31/03/24 Forecast
Treasury management investments	0	0	0
Service investments: Loans	0	0	0
Service investments: Shares	0	0	0
Commercial investments: Property	21,517	20,089	19,353
Commercial Investments: Loans	8,000	3,776	3,776
TOTAL FUNDED BY BORROWING	29,517	23,865	23,129

- 1.20 Rate of return received: In part this indicator shows, for Treasury Management and Commercial Property investments, the investment income received less the associated costs, including the cost of borrowing where

appropriate, as a proportion of the sum initially invested. Note that due to the nature of the local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 3: Investment rate of return (net of all costs)

Investments net rate of return	2021/22 Actual	2022/23 Actual	2023/24 Forecast
Treasury management investments	2.13%	2.96%	5.12%
Service investments: Loans (see 1.21 below)	-3.00%	-6.52%	0.03%
Service investments: Shares (see 1.22 below)	NIL*	NIL*	NIL*
Commercial investments: Property	2.95%	3.16%	3.20%
Commercial Investments: Loans	3.20%	3.16%	3.13%

- 1.21 The return for Service Investments: Loans is not a true return but is instead heavily skewed towards non-interest bearing loans for CEC and the % fluctuation in the underlying value of the new assets within the Life Science Fund. As such they do not reflect actual cashflows. If these were excluded the 2023/234 forecast figure would be 7.78%.
- 1.22 Within the category Service Investments: Shares we have historically shown the % movement in the carrying value of our shareholding in Alderley Park Holdings Limited as a return. However, this is not a real return or cashflow. Typically, a return on a share would be based upon the dividend yield and there have been no dividends paid. Therefore, this is now being shown as Nil. There has been

an upward revaluation of property assets at Alderley Park which has impacted the underlying asset value that we show in Table 5. We will continue to monitor, but the asset value remains more than the Authority paid for the shares.

- 1.23 The major assets included within Commercial Investments: Properties, representing over 90% of the value in that classification, are two commercial retail properties in Crewe. Whilst we will see fluctuations year-on-year given the pressures on 'bricks and mortar retail', the Council will only experience an impact on its Revenue Account if a site becomes vacant for a prolonged period or is subject to a (lower) rent review.
- 1.24 From the perspective of the Council one of the tenants affected is a home improvements retailer and the second is a national supermarket retailer. Both have thus far weathered the local economic effects of the past three years though we have experienced further reductions in asset value in the last financial year. As the lease term reduces this may continue until the lease is renewed or replaced.
- 1.25 Much of the investment returns for Commercial Investments relates to rent on these two assets. Rental income on both has held up during the year. Overall returns are affected by the fact that returns for one of the sites is reduced by the costs required to repay borrowing costs. Additionally, across other properties occupancy and rents received appear to be recovering from the falls seen during Covid-19 though associated costs have risen. These are under review.
- 1.26 The Commercial investments: Loans are at the expected level of return given the rates in place when they were established.

3. Treasury Management Investments

- 1.27 The Authority typically receives its income, such as taxes and grants, before it pays for expenditure such as through payroll and invoices. It also holds reserves for future expenditure and collects local taxes on behalf of Central Government. These activities, plus the timing of borrowing decisions, can lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy.
- 1.28 The Constitution of the Authority delegates the power to manage and make Treasury Management Investments to the Section 151 Officer via the Treasury Management Strategy.
- 1.29 **Contribution:** The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.
- 1.30 **Further details:** Full details of the Authority's policies and performance to date for 2023/24 for treasury management investments are covered in the separate Treasury Management Strategy (**Appendix 7a**).

4. Service Investments: Loans

- 1.31 **Contribution:** The Council lends money to other organisations to support local public services and stimulate economic growth. These are shown below in **Table 4**.
- 1.32 The Council has participated in a European Regional Development Fund project and has received £10m (with a

further £10m due) in grant funding which has been provided to Cheshire and Warrington Development Partnership in the form of a loan to allow development lending across the sub region. This is non-interest bearing for the Council.

- 1.33 Interest bearing loans have been provided to Everybody Health & Leisure Trust (Everybody) for the purpose of investing in new equipment, with the aim of increasing the usage of leisure facilities and improving the health of residents. These are included within the Local Charities category.
- 1.34 In March 2013, Astra Zeneca announced it was relocating its R&D function from Alderley Park to Cambridge. To retain the expertise in the region and to stimulate local economic growth the Council has invested in Alderley Park Holdings Ltd by way of equity investment and interest free loan. The loan was an integral component of the 10% equity stake and therefore needs to be viewed in conjunction with the equity investment.
- 1.35 In addition, the Council has committed to investing £5m (and has lent £4.9m as at March 2023) in the Greater Manchester & Cheshire Life Science Fund, a venture capital fund investing in a range of life science businesses. Partners in the Fund include the Greater Manchester Combined Authority, Cheshire & Warrington Local Enterprise Partnership and Alderley Park Holdings Ltd. The Fund has a regional focus and seeks to target companies looking to re-locate a material part of their business within the Greater Manchester and Cheshire & Warrington areas, which includes Alderley Park where the Fund is based.

- 1.36 The nature of the loans is that they do not attract an interest rate and returns are dependent upon the success of individual investments made by the Fund. The GM Life Science Fund is “revalued” on an annual basis based upon the net asset valuation of the Fund and this can lead to short term fluctuations in the notional returns of this loan category. It should be noted that whilst the investment in the Life Science Fund is high risk it is also long-term in nature, so year-by-year fluctuations are to be expected but gains or losses will only crystallize when funds are extracted. The Authority has decided against committing new funds to a follow up fund for the time being.
- 1.37 Only the Everybody loans are interest bearing and are reflected in the “Local Charities” category. These are accrued at a rate of Bank of England base rate plus 4%.
- 1.38 The Council may consider making further Service Investment Loans in 2023/24, subject to business cases and where the balance of security, liquidity and yield have been considered as part of robust risk assessment.
- 1.39 **Security:** The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as per Table 4.

Table 4: Loans for service purposes in £'000

Category of borrower	31/03/23 Actual £000	30/06/23 Actual £000	30/06/23 Actual £000	30/06/23 Actual £000	2023/24 £000
		Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Subsidiaries	0	0	0	0	2,000
Suppliers	23	24	1	23	500
Local businesses	16,377	16,531	70	16,461	30,000
Local charities	221	240	36	204	2,500
TOTAL	16,621	16,795	107	16,688	35,000

- 1.40 Accounting standards require the Authority to set aside loss allowances for loans, reflecting the likelihood of non-payment. The figures for loans in the Authority’s Statement of Accounts are shown net of this loss allowance. The loss allowance figure does not necessarily reflect our anticipation or expectation that loans will need to be written down. Rather, the allowance represents a prudent accounting treatment required by CIPFA guidance. The Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.
- 1.41 **Risk assessment:** The Authority assesses the risk of loss before entering into and whilst holding service loans. Each application for a loan requires completion of a business case. This is followed by a process of due diligence taking

into account creditworthiness and financial standing and the Council's corporate objectives. External advisors are used where appropriate, dependent on materiality and scope of the loan arrangement. Each application is considered on a case by case basis.

- 1.42 As Accountable Body for the Cheshire & Warrington Local Enterprise Partnership, the Council is also contracting party to loans provided to organisations from the Growing Places Fund. This £12m Fund was established with Government grants and is "owned" by the Local Enterprise Partnership; consequently, these investments are not made using Cheshire East's resources and are not reflected in the table above, as regards investments made, or affecting upper limits of lending.

5. Service Investments: Shares

- 1.43 **Contribution:** The Council invests in the shares of its subsidiaries and local businesses to support local public services and stimulate local economic growth.
- 1.44 As noted above, the Authority has invested in Alderley Park Holdings Limited to maintain and stimulate this key strategic industry of life sciences within the Borough. Cheshire East is a 10% shareholder in Alderley Park and has invested in the development of the site along with Bruntwood (51% shareholder) and Manchester Science Partnerships (39% shareholder).
- 1.45 This should be seen as a long-term strategic investment. There have been no dividend returns and any changes in % returns have been based upon the change in value of our

share of the underlying assets which will fluctuate as the site continues its transition from a single user to a multiuser campus. In contrast with what we have seen of the commercial property sector elsewhere, the internal valuation of our stake has risen over the year (i.e. increase in our share of the net asset value). This highlights the fluctuating nature of this valuation. The following observations should be noted:

- 1.46 The valuation (see Table 5) remains greater than the purchase price and the underlying assets at Alderley Park have strengthened, with a pipeline of future investments in place. We expect valuations to improve in the future.
- 1.47 The movement in value largely arises from accounting transactions/ re-valuations. A gain or loss to the Council's Revenue and Capital Receipts accounts would only crystallise in the event of divesting our equity stake. This is not currently under consideration. As it is a long-term strategic asset there is ample time for the sector to grow.
- 1.48 The Council also has shares in its subsidiary, wholly owned companies. However, they are of nominal value, and the share values are not considered material in the context of this Investment Strategy.
- 1.49 As reflected in this strategy a key objective of future investments will be to generate a return to benefit the Council's Revenue Account. However, the Council may consider acquiring shares in companies if there is a compelling business case demonstrating strong potential for growth in capital value.

- 1.50 **Security:** One of the risks of investing in shares is that they fall in value, meaning that the initial outlay may not be recovered. To limit this risk, upper limits on the sum invested in each category of shares have been set.

Table 5: Shares held for service purposes in £'000

Category of company	31/03/23 actual £000	30/06/23 actual £000	30/06/23 3 actual £000	30/06/23 actual £000	2023/24 £000
	Value in accounts	Amounts invested	Total Gains/ (Losses)	Value in accounts	Approved Limit (at cost)
Local businesses	4,460	1,070	3,390	4,460	10,000
TOTAL	4,460	1,070	3,390	4,460	10,000

- 1.51 **Risk assessment:** The Authority assesses the risk of loss before entering into and whilst holding shares by: assessing the proposition, taking into consideration the market (the nature and level of competition, how the market/ customer needs will evolve over time, barriers to entry and exit and any ongoing investment requirements); using external advisors, where specialist knowledge/ intelligence is required in each case; and being part of the entities' governance arrangements, having a seat on the Board, and receiving and analysing information on financial and operational performance against plan, and updated business plans, on a regular basis.

- 1.52 **Liquidity:** With regard to the existing equity stake in Alderley Park, it was deemed to be a long-term investment, supporting a business and site development plan through to at least 2025. As described above, regular monitoring and receipt of updated business plans will help to inform considerations with regards to the selling of shares; and it is important to note, as a minority shareholder in Alderley Park, that shares must first be offered to other shareholders in those private enterprises (and consequently the prospects for disposing of shares should be seen as good, as evidenced by the sale of shares in Manchester Science Partnerships in 2019).

- 1.53 In the event of considering whether to make further Service Investments via shares, the Council will consider maximum investment periods on a case-by-case basis, taking into consideration the prospects for funds being accessible when required (e.g. to repay borrowing; or for other capital financing purposes) by making an assessment of liquidity, given the nature of the proposed investment (e.g. the type of organisation; the market in which it operates).

- 1.54 **Non-specified Investments:** Shares are the only investment type that the Authority has identified that meets the definition of a non-specified investment in the Government guidance. The limits above on share investments are therefore also the Authority's upper limits on non-specified investments. The Authority has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

6. Commercial Investments: Property

- 1.55 For the purpose of this Strategy, it should be noted that DLUHC defines property to be an investment if it is held primarily or partially to generate a profit. To comply with accounting classifications, the Authority includes several assets in Table 6 that might otherwise be excluded as they are not being held to primarily generate a yield or return.
- 1.56 Central government continues to express concern over the level of commercial investments held by local authorities and the risk that this presents if an authority becomes over exposed. Real world examples are now emerging where this eventuality has come to pass. Changes to the Prudential Code have reinforced opposition to investment in commercial property.
- 1.57 The government has effectively regulated against the purchase of commercial assets primarily for generating yield. Consequently, there have been no new commercial properties acquired in the year and any future investments will be aligned to normal Council service provision. Whilst this limits the Authority's ability to invest in commercial property for investment purposes, it is recognised that regeneration is a necessary factor which could result in legitimate purchases of such property. Careful attention will need to ensure that yield is an incidental factor in any future decision to invest in a commercial property investment.
- 1.58 **Contribution:** The Council invests in local commercial property and land, for a number of reasons. The intention of making a profit that will be spent on local public services is largely a by-product and is not the primary reason.
- 1.59 Historically, the most significant commercial investment acquired by the Authority is land and buildings on the North and East side of Weston Road in Crewe, purchased in April 2019. This accounts for 77% of the net book value in the accounts in this particular asset classification.
- 1.60 We have revisited the historic purchase costs of the assets included in the categories below. For those that were inherited by Cheshire East Council we have used the valuation at 2009/10. This is to allow for a simple calculation of yield.
- 1.61 The value of properties is updated annually. The most recent valuation is from March 2023 and reflect the period post Covid-19 and the impact of government fiscal and macroeconomic policy along with the rises in inflation and interest rates. In the year to March 2021 we noted that the value of retail property held up whilst that of industrial units and enterprise centres was valued downwards. The year to March 2022 saw retail values continue to grow and the other categories made modest gains. 2023 has seen a significant reversal of these gains and every category saw falls in valuation. The most significant correction has come with retail property, and this category is now valued at less than purchase cost. Overall the valuation of Commercial Investments: Property fell by 15% year on year. The main driver for the fall in is the reduced number of years remaining on the existing lease. This increases the risk of non-renewal thereby lowering the valuation. The downward trend will continue until a new tenancy agreement is agreed.

Table 6: Property held for investment purposes in £'000

Property	Actual	31/03/22 actual		31/03/23 actual	
	Purchase cost	Gains or (losses) in-year	Value in accounts (includes gains/ (losses) to date	Gains or (losses)	Value in accounts
Industrial Units	1,492	11	1,740	(122)	1,618
Enterprise Centres	245	20	340	(15)	325
Retail	23,300	371	25,975	(3,887)	22,088
Office	240	*-	533	(27)	506
Total	25,277	402	28,588	(4,051)	24,537

1.62 **Security:** In accordance with Government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs. At the present time one class of property is valued at less than the historic cost. However, this is currently offset by historic gains on other property and therefore the view of the Authority is that the asset affected is being held for long term benefits and that there is no change in this outlook. This will continue to be monitored through the year.

1.63 **Where value in accounts is at or above purchase cost:** A fair value assessment of the Authority's investment property portfolio has been made within the past twelve months, and the underlying assets continue to provide overall security for capital investment. Further Investment Strategy documents

will be prepared during the year. Should the 2022/23 year end accounts preparation and audit process identify further risks, then an updated Investment Strategy will be presented to Full Council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.

1.64 **Where value in accounts is below purchase cost:** The fair value of the Authority's investment property portfolio is no longer sufficient to provide security against loss, and the Authority is therefore taking mitigating actions to protect the capital invested. These actions include annually reviewing the Commercial Properties portfolio; and where the fair value is below the original purchase price alternative actions are considered (e.g. changing the use of the asset to earn additional investment income; refurbishing the asset to make it more attractive to the market; or re-purposing the asset for use by the Council as an operational property where services to the public will be provided from). If no alternative service uses are considered viable it will be classed as surplus to requirements and steps will be taken to market the asset for sale to realise a capital receipt. It is the Authority's view that the asset that has seen a significant reduction in value remains a strong, core asset in a prime location with scope to recover. The rental income received continues to fund borrowing costs and MRP provisions.

1.65 **Risk assessment:** The Authority assesses the risk of loss before acquiring and whilst holding property investments by:

- Before entering into any commercial property investment the Authority assesses the local market conditions, by establishing the supply and demand of the need for a certain type of commercial property investment, what

competition currently exists locally, nationally and globally dependent on the type of activity that will take place in the asset (for example retail units, industrial units or residential properties). These decisions are made alongside the expertise, knowledge and market evidence collected from our Economic Development Service.

- The Authority also ensures that when setting rental income on the assets a cost of use and sensitivity analysis is completed, to future proof the running and maintenance costs of the assets so that rents are set at a level where they are competitive in the local market but will also ensure that the income will provide that additional financial security.
- Whilst holding the commercial properties we continually review market prices, look out for changes in the market, and assess the competition.
- The Authority constantly monitors any changes in the political environments, locally, nationally and globally to assess any potential impact on the local rental markets.

1.66 Future investments would be considered in the first instance by the Section 151 Officer supported by other officers. Any final decision would be made by the Finance Sub Committee. Should any investments be identified then the Section 151 Officer can initiate steps to move funds into the main Capital Programme.

1.67 This Investment Strategy acknowledges that with the introduction of the committee system the role of the Finance Sub Committee is the body that has the role to consider

future investments and make recommendations to Council for ultimate approval of individual investments.

1.68 No new investments are currently anticipated. However, given that significant commercial retail property has been purchased more emphasis will need to be given towards the category of any future investment to ensure that the portfolio is diversified and not overly reliant upon a single sector.

1.69 **Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, the Authority constantly monitors the use of all assets and where there is a market for a particular asset or asset type will look into realising the capital receipt on those assets if it outweighs the long-term benefits of holding the asset for a potential rental stream.

7. Commercial Investments: Loans

1.70 **Contribution:** The Authority has worked alongside Cheshire West and Chester Council and Warrington Borough Council to each provide the Cheshire & Warrington Local Enterprise Partnership (LEP) with a £10m loan facility to be used to invest in economic development schemes across the Enterprise Zones in the sub-region. The existing Strategic Capital Projects budget has been utilised for this purpose.

1.71 The first loans totalling £8m in respect of Alderley Park Glasshouse and Blocks 22-24 were made in December 2020. The purpose is to stimulate economic development,

and payback of the loans will be achieved from business rates retained by the LEP under Enterprise Zone regulations. The loan in respect of Blocks 22-24 was repaid in July 2022. Whilst the facility is still available there are no imminent plans to draw down further amounts.

Table 7: Loans for Commercial Purposes in £'000

Category of borrower	31/03/23 Actual	As at 30/06/23 Actual			2023/24
		Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Partner Organisations	3,776	3,776	183	3,593	20,000
TOTAL	3,776	3,776	183	3,593	20,000

- 1.72 When considering making commercial investment loans, there will always be a Council policy-related objective (e.g. regeneration or economic development) in addition to the objective of financial benefit (yield) to the Council's Revenue Account (i.e. interest received) being greater than the costs to the Revenue Account (e.g. debt financing).
- 1.73 In considering commercial loan investment opportunities, the Council will adopt a prudent approach, with two underlying objectives:
- **Security** – protecting the capital sum invested from loss
 - **Liquidity** – ensuring the funds invested are available when needed
- 1.74 **Risk assessment:** The Authority assesses the risk of loss before entering into commercial loans with a thorough due

diligence process by: assessing the proposition, taking into consideration the market (the nature and level of competition, how the market/ customer needs will evolve over time, barriers to entry and exit and any ongoing investment requirements); using external advisors, where specialist knowledge/ intelligence is required in each case; and receiving and analysing information on financial and operational performance against plan, and updated business plans, on a regular basis.

- 1.75 Each application for a loan will require completion of a business case. Each loan application is considered on a case by case basis. For commercial loans, the intent is that they will be approved in line with those rules being developed in accordance with Section 10 below. Currently, the approval route will be based upon the source of the funding identified for the Loan.

8. Loan Commitments and Financial Guarantees

- 1.76 As Accountable Body for the Cheshire & Warrington Local Enterprise Partnership, the Council is acting as Entrusted Entity to a £20m European Regional Development Fund (ERDF)-supported 'Evergreen' Development Fund, which has issued loans to third parties from its first £10m drawdown of funding. The Council, as contracting party, provides guarantees in respect of the amounts provided through ERDF.
- 1.77 The Fund is designed to provide loan finance to specific projects across Cheshire and will not generate a return for the Authority. The balances are included this year within

Service Investments: Loans (see Table 4 above). The workings of the fund are subject to detailed scrutiny and are managed by a firm of experienced fund managers with a strong track record of providing loans that minimise the risk of default. The Council, as contracting party, will provide guarantees in respect of the amounts provided through ERDF though this will be offset by the professional indemnity insurance held by the fund manager.

9. Proportionality

- 1.78 A major concern for external governing bodies is the extent to which Authorities are dependent upon investment income to fund services. Proportionality will form a key component of the proposed new Prudential Code.
- 1.79 The Authority is not materially dependent on return-generating investment activity to achieve a balanced revenue budget, in respect of Place Services. Within the Authority the proportion is consistently below 2.5% and is deemed immaterial. Such is the low proportion that it represents, should it fail to achieve the expected net return, the Authority's contingency plans for continuing to provide these services include effective budget management and tight cost control.

10. Borrowing in Advance of Need

- 1.80 Government guidance is that local authorities must not borrow more than, or in advance of their needs purely to profit from the investment of the extra sums borrowed. The Authority follows this guidance. Investments are made to

meet the strategic needs of the Authority, its residents and local businesses.

11. Capacity, Skills and Culture

- 1.81 **Elected Members and statutory officers:** Adequate steps are taken to ensure that those elected Members and statutory officers involved in the investment decision making process have appropriate capacity, skills and information to enable them to: 1. take informed decisions as to whether to enter into a specific investment; 2. to consider individual assessments in the context of the strategic objectives and risk profile of the local authority; and 3. to enable them to understand how the quantum of these decisions have changed the overall risk exposure of the local authority.
- 1.82 The Finance Sub Committee comprised of Members, supported by officers and where necessary, external advisors, provides oversight of the Investment Strategy and acts on recommendations from officers that consider opportunities to enhance the Revenue and Capital Budgets of the Council through strategic investments, whether that involves using capital/cash resources or borrowing and lending powers.
- 1.83 The Authority continues to identify best practice from across the sector and will incorporate this into the evolving Investment Strategy.
- 1.84 It is recognised that in order to support decision making there will be a need to engage external advisors from time to time. The Authority has appointed Arlingclose Ltd as treasury management advisors and receives specific advice on investment, debt and capital finance issues. Other

consultants, such as property consultants, are engaged as required.

- 1.85 **Commercial deals:** Steps have been taken to ensure that those negotiating and reporting commercial deals are aware of the core principles of the prudential framework and of the regulatory regime within which local authorities operate. A team of officers from Place, Finance, Legal, and Procurement are responsible for ensuring that the framework is followed. Where appropriate staff are provided with additional training and up to date skills via CIPFA and other providers.

- 1.86 **Corporate governance:** Corporate governance arrangements have been put in place to ensure accountability, responsibility and authority for decision making on investment activities within the context of the Council's corporate values and Constitution.
- 1.87 The requirement to produce an Investment Strategy, approved annually by Full Council is a key component of the corporate governance framework.

12. Glossary of Terms

Investment covers all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios. This may therefore include investments that are not managed as part of normal treasury management processes or under treasury management delegations.

For the avoidance of doubt, the definition of an investment also covers loans made by a local authority to one of its wholly owned companies or associates, to a joint venture, or to a third party. The term does not include *pension funds* or *trust fund investments*, which are subject to separate regulatory regimes and therefore are not covered by this guidance.

A **credit rating agency** is one of the following three companies: Standard and Poor's, Moody's Investors Service Ltd and Fitch Ratings Ltd.

A **loan** is a written or oral agreement where a local authority temporarily transfers cash to a third party, joint venture, subsidiary or associate who promises to return it according to the terms of the agreement, normally with interest. This definition does not include a loan to another local authority, which is classified as a specified investment.

Specified Investments

An investment is a specified investment if all of the following apply:

- The investment is denominated in sterling and any payments or repayments in the respect of the investment are payable only in sterling
- The investment is not a long-term investment (the local authority has contractual right to repayment within 12 months, either because that is the expiry term of the investment or through a non-conditional option)
- The making of the investment is not defined as capital expenditure by virtue of Regulation 25(1)(d) of the *Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [as amended]*
- The investment is made with a body or in an investment scheme described as high quality; or with one of the following bodies:
 - i. The United Kingdom Government;
 - ii. A local authority in England or Wales (as defined in section 23 of *the 2003 Act*) or a similar body in Scotland or Northern Ireland; or
 - iii. A parish council or community council
- should define high credit quality (definition incorporates ratings provided by credit rating agencies)

The **Treasury Management Code** means the statutory code of practice issued by CIPFA: *"Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes, 2017 Edition"*.

The **Prudential Code** means the statutory code of practice, issued by CIPFA: *"The Prudential Code for Capital Finance in Local Authorities, 2021 Edition"*.

The **Capital Strategy** is the strategy required by the updates to the Prudential Code and Treasury Management Code.

Corporate Policy Committee**5 October 2023****Developing a New Corporate Plan**

Report of: Lorraine O'Donnell, Chief Executive**Report Reference No: CP/22/23-24****Ward(s) Affected: All****Purpose of Report**

- 1 The purpose of this report is to update on progress made in relation to developing a new strategic plan for Cheshire East, further to the introductory report that was presented in July 2023.
- 2 A new plan is being developed for several reasons. Firstly, that there are a significant number of new elected members of Cheshire East Council and that the plan needs to reflect post-election priorities. Secondly the context in which we are operating has changed and is one of financial challenge, rising inflation and increasing costs and demands, which means there is a greater need to focus our resources and potentially target services. There are also advancements being made in relation to digital capabilities and artificial intelligence that the council needs to safely and securely take advantage of to drive efficient service delivery.

Executive Summary

- 3 The new Cheshire East Strategic Plan will be a plan to outline the priorities and ambitions of Cheshire East. The forthcoming engagement exercises will work with communities and stakeholders to understand what we want the Cheshire East of the future to look like, and what are the ingredients that make a good place to live, work and visit. Under these high level ambitions the plan will state priority areas for the long term, and actions that can be delivered in the medium term, by April 2028. What is feasible to be delivered will be dependant on our available resources over that period. How we will deliver the plan will be

informed by the refresh our organisational culture, striving for a high support and high challenge organisation.

- 4 **Appendix 1** shows a draft refreshed strategic policy framework. Existing council strategies have been mapped and show that over 50 strategies are in existence, with over 3,000 performance commitments made. In addition to acting as an overarching strategic plan for Cheshire East, the development work also seeks to streamline a new strategic framework, to enable us to work more collaboratively and more efficiently.
- 5 Due to the resource challenges we face, there is a need to prioritise and to consider targeting areas of service delivery to areas that our evidence shows require them the most. In Phase 1, two key areas have been highlighted as key priorities to be developed: the need to reduce health inequalities and implement the outcomes desired by the recently updated health and wellbeing strategy, and to continue our commitments to achieving net zero for both the council and for Cheshire East.
- 6 This report also summarises the internal engagement activities that have taken place during July and August 2023 (known as “phase 1”) to inform the next phases of developing the strategic plan.
- 7 One outcome of phase 1 was that there was unanimous agreement to move away from the term “corporate plan “as this can be seen as a barrier to people engaging with the plan. Therefore, the report refers to “Cheshire East Plan” and “Cheshire East Strategic Plan”. It is also recommended that the discussions with partners have recommended that no one organisation can achieve strategic objectives in isolation and therefore the Plan will be a key document for the area of Cheshire East, rather than just a council plan, and will support our role as a community leader and place shaper. The refreshed place will be used to set the ambitions of the council for the borough of Cheshire East, and to influence partners and stakeholders as to our strategic aims.
- 8 This report also details how the intelligence gathered during Phase 1 has shaped the activities that will be undertaken during phases 2 and 3. This is a key period of opportunity for us to build on our assets and use those strengths to address our challenges.
- 9 The new plan will be presented to Council in February 2024, and will go live on 1 April 2024. A reminder of the overall timetable is also included.

RECOMMENDATIONS

The Corporate Policy Committee is recommended to:

1. Approve that the Corporate Plan will be referred to as the Cheshire East Plan.
2. Approve the planned activities and timescale to implement phases 2 and 3 of developing the new strategic plan.
3. Remain committed to the previous decision of 11 July 2023 to agree to receive the draft Cheshire East Plan on 8 February 2024.

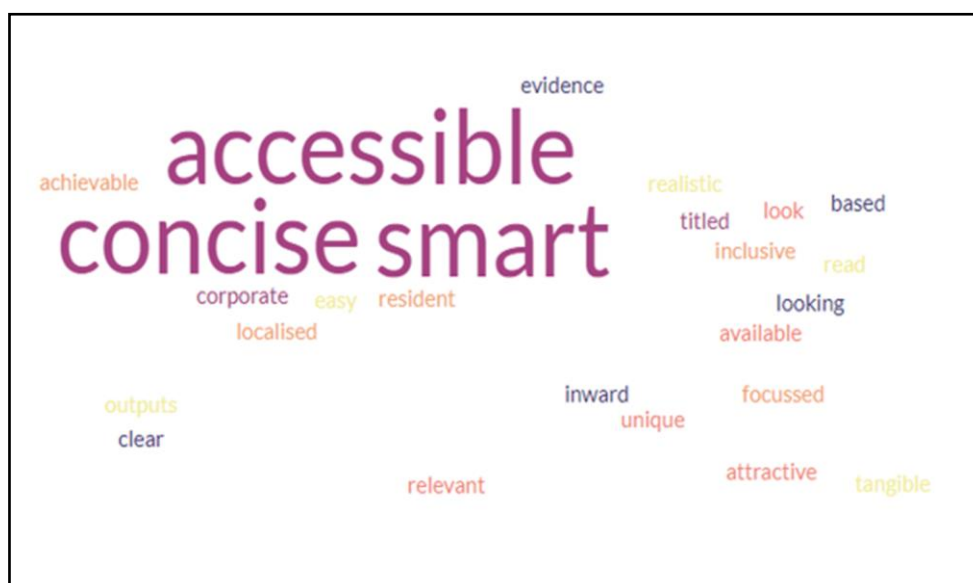
Background

- 10 The Cheshire East Council Corporate Plan is the council's overarching strategic document, setting out the vision and priorities for the council. The current plan was approved in February 2021 and covers the period April 2021 to March 2025. By prioritising a clear set of commitments and actions, the Corporate Plan enables residents to hold the council to account for its performance and allows all to see the ambitions for Cheshire East.
- 11 The Plan is the “umbrella” strategy that sits above, and informs, all other strategies and plans. All strategies produced by Cheshire East Council should reference, and support the achievement of, the Corporate Plan. All members of the council workforce should be able to see the “golden thread” of their day-to-day activities contributing to the achievement and success of the plan.
- 12 The new Corporate Plan is being co-created over the three phases, as previously agreed by Corporate Policy Committee in July 2023:

Phase	Title	Dates	Aims
1	Visioning and pre consultation	July and August 2023	<ul style="list-style-type: none"> • To capture ideas to create the vision and mission statement • To confirm the timeframe of the new plan • To confirm the scope of the new plan • To understand the latest data and intelligence to form evidence-based priorities • To confirm the priority themes • To agree the consultation and engagement process
2	Consultation and Engagement	September – mid November 2023	<ul style="list-style-type: none"> • To ensure co production of the plan • To ensure that the plan in

			uniquely Cheshire East
3	Post-consultation and draft Plan agreement	November 2023-February 2024	<ul style="list-style-type: none"> • To develop the plan in line with the outcomes of the Consultation and Engagement programme • To agree the wording of the priorities and content of the plan • To agree the performance management framework • To agree the launch of the Plan

- 13 During July and August 2023, phase 1 of the above process was completed. Phase 1 focussed on engaging and gaining feedback internally prior to going out for external consultation and engagement.
- 14 The following groups of internal stakeholders were engaged with during phase 1; elected members through member engagement sessions (two face to face and one via Microsoft Teams), Corporate Leadership Team, Wider Leadership Team, Wider Leadership Community, the Brighter Futures Champions, “In the Know” staff information briefings, Managers Share and Support sessions, individual internal meetings (where requested), team meetings and the Health and Wellbeing Board.
- 15 A cross council officer group has also been established in Phase 1 with an approved terms of reference to coordinate work across the council directorates and ensure that a collaborative “one council” approach is achieved.
- 16 A first activity undertaken was to ask stakeholders “how would you describe a good plan?”. The word cloud at Figure one highlights the responses received. In the word cloud the larger the font size, the more people used the same word.

Figure 1

- 17 The most common words used were accessible, concise, and SMART (specific, measurable, achievable, realistic and timebound).
- 18 Engagement also considered the name, timescale and scope of the plan. There was universal agreement that it is recommended not to continue to use the title “Corporate Plan”. It was suggested that this phrase is not accessible to residents. It was proposed that a simple and straightforward title of “Cheshire East Plan” is used.
- 19 There are already some longer-term ambitions for Cheshire East that have been agreed, for example the net zero target of 2045 for Cheshire East, the health and wellbeing strategy, regeneration programmes and initiatives such as HS2. The Plan will therefore support achievement of these longer term aims and objectives and will consider what can be delivered and progressed in the period until April 2028.
- 20 The Phase 2 internal engagement also considered the current vision of Open, Fair and Green and consideration of the ambition for the next Plan. Figure 2 shows the word cloud produced for the most common words suggested. Green and sustainability remains a key theme. The word “together” was frequently referred to. This is indicative of the plan being more collaborative across partners, rather than a council plan, and also deemed to represent less silo working and greater efficiencies across council teams and departments. The Phase 2 engagement will further consider the specific priorities of the plan and what an appropriate vision would be to summarise them.

Figure 2

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- 21 There has been many sources of information and intelligence gathered on priorities, themes and specific projects and initiatives that will be referenced within the plan. There was also discussion around the need for the plan to be realistic and achievable within the current resource constraints. Therefore, it is recommended that the key priorities of the plan are around health and wellbeing and around achievement of net zero targets and sustainability. The Health and Wellbeing strategy that has recently agreed is a key foundation document that informs the plan. The plan is being co-created around six key themes (exact wording to be developed and refined); health and wellbeing, children and young people, net zero and sustainable communities, improving the economy, transport and accessibility and continuous improvement of the council.
- 22 Phase 2 will develop and refine these priorities into a set of outcomes and details of key activities.

Consultation and Engagement

- 23 Consultation and engagement will take place from September to mid-November, in accordance with the refreshed Consultation and Engagement toolkit agreed by Corporate Policy Committee in 2022.
- 24 The following activities are scheduled to take place; a general residents survey bringing together questions around the development of the plan and our medium-term financial strategy, an internal staff “pulse” survey, the use of the mobile library service for engagement, partnership meetings, voluntary and community focus group sessions, engagement with children and young people and face to face pop up style events around the borough. Volunteer ambassadors are being identified to support the sessions.

- 25 The feedback will be collated and will inform the content and development of the plan during Phase 3. This information will also inform the equality impact assessment.

Reasons for Recommendations

- 26 The recommendations have been made in order to achieve the initial timescale previously agreed at committee and to achieve the overall outcome of a new plan in place by April 2024.

Other Options Considered

- 27 An alternative option would be to roll over and continue with the current Corporate Plan. This option was discounted as the operating context of the council is different to the environment and context in 2020/21 when the current plan was produced.

Implications and Comments

Monitoring Officer/Legal

- 28 The Cheshire East Plan will be produced in accordance with legislative requirements and will be ultimately subject to approval by Full Council.

Section 151 Officer/Finance

- 29 The activities within the report can be funded from within existing budgets for resident surveys and consultation. The activities will also support development of proposals to achieve a balanced budget within the Council's Medium Term Financial Strategy (MTFS).

Policy

- 30 The development of the Cheshire East Plan supports the policy framework cited within the Council's constitution. It also supports the current Corporate Plan, particularly in relation to the "Open" strategic theme and the priority to "listen, learn and respond to residents".

An open and enabling organisation	A council which empowers and cares about people	A thriving and sustainable place

Equality, Diversity and Inclusion

- 31 The process to develop the Cheshire East Plan will ensure that it is as accessible and inclusive as possible. This will include consideration of

different channels and methods of consultation and engagement. The process will also have due regard to ensuring that diverse communities can support the co creation of the plan. An Equality Impact Assessment will be completed alongside the plan.

Human Resources

- 32 The workforce will be engaged within the development of the new plan using existing staff engagement networks.

Risk Management

- 33 A risk management implication has been identified with regards to consultation activity on MTFS items occurring at the same time as the engagement on the plan. All staff volunteer ambassadors will be briefed on this subject in order to mitigate the risk. Where appropriate, stakeholders will be referred to any statutory consultation proposals.

Rural Communities

- 34 The process will ensure that it is accessible to those living in rural communities to ensure their views are taken into account in developing the plan.

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

- 35 Children and Young Peoples groups, and their representatives will be included as stakeholders in the co creation of the new plan.

Public Health

- 36 The process of developing the new Plan will ensure that public health priorities are supported and reflected in the plan. The plan will have due regard to the Marmot principles and the priority to reduce health inequalities across Cheshire East.

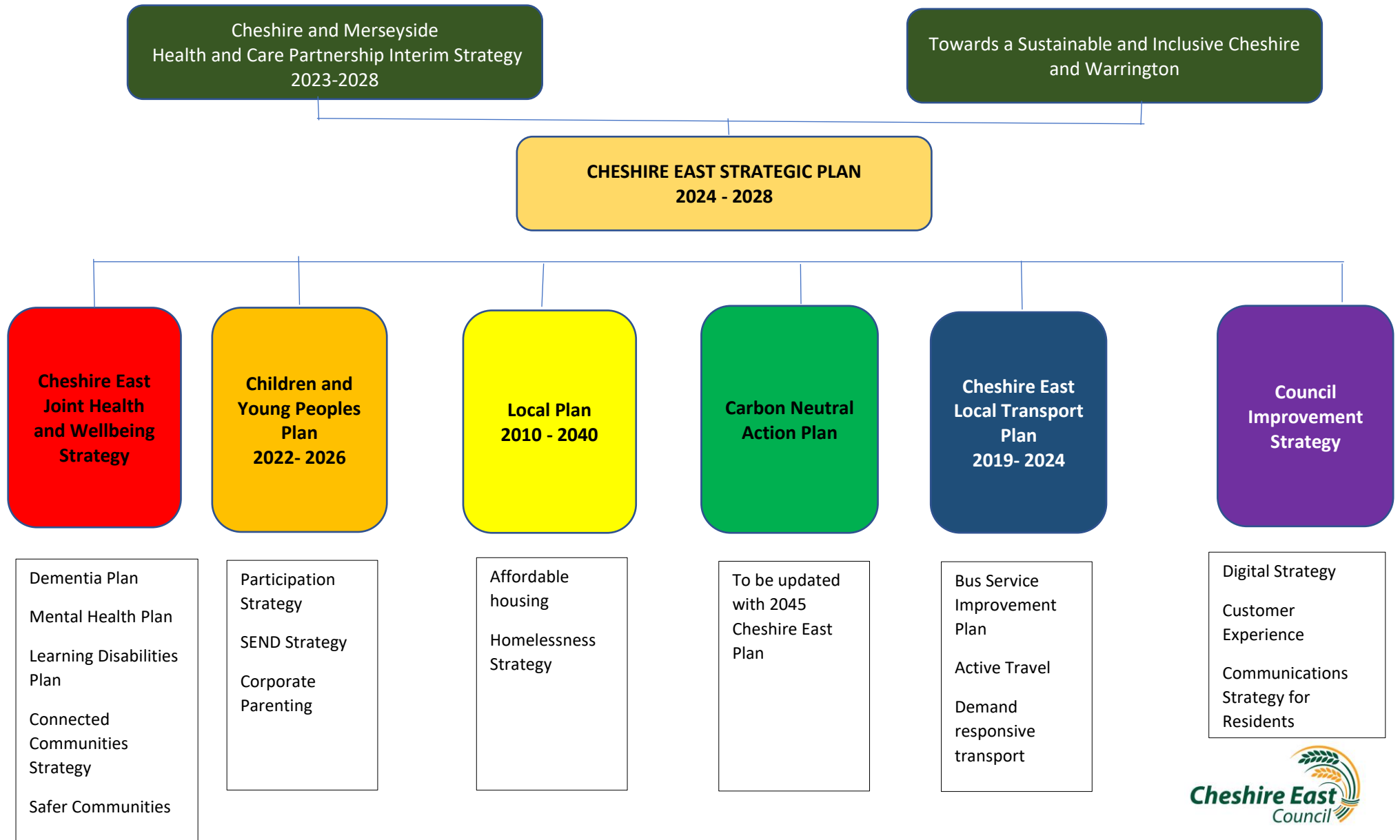
Climate Change

- 37 The new Cheshire East plan will be developed to reflect local priorities, including continuing the message that Cheshire East Council has the most ambitious net zero target in the country. The plan will support achievement of net zero for the council and for the borough.

Access to Information	
Contact Officer:	Sarah Bullock Director of Policy and Change sarah.bullock@cheshireeast.gov.uk
Appendices:	Appendix 1 – Draft Strategic Framework
Background Papers:	Corporate Policy Committee report reference: CP/14/23-24

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Draft Strategic Framework for Cheshire East



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Corporate Policy Committee**5th October 2023****Community Grants Programme 2023/24
and 2024/25**

**Report of: Helen Charlesworth-May - Executive Director of Adults,
Health and Integration****Report Reference No: CP/55/23-24****Ward(s) Affected: All****Purpose of Report**

- 1 The report seeks approval for several community grant schemes that are provisionally scheduled to be delivered and associated funding allocated during 2023/24 and 24/25. In accordance with the Council's financial procedure rules all grant schemes of £100,000 or more require Corporate Policy Committee approval.

Some of those associated strategic aims and objectives set out in the Council's Corporate Plan 2021-25 are as follows:

- Look at opportunities to bring more income into the borough
- Work together with residents and partners to support people and communities to be strong and resilient
- Reduce health inequalities across the borough
- Reduce impact on the environment
- A transport network that is safe and promotes active travel
- Thriving urban and rural economies with opportunities for all
- Be a carbon neutral council by 2025

Executive Summary

- 1 This report seeks approval to proceed with several community grant schemes during 2023/24 and 2024/25.

- 2 There are four proposed community grant schemes worth £568,860 in 2023/24 and a further four in 2024/25 worth £748,627 totalling an overall value of £1,317,487 over the two years.
- 3 Investing in the Voluntary, Community, Faith and Social Enterprise (VCFSE) sector provides value for money and increases capacity in the community to deliver on a range of objectives. Each community grant scheme will have a bespoke set of objectives that meet a combination of national criteria, local need and Council strategic outcomes.
- 4 All of the proposed community grant schemes are using non-recurrent Central Government funding. Each community grant scheme will meet the expected requirements set out by the funder.
- 5 The report aims to provide assurance to Corporate Policy Committee that each community grant scheme will be delivered and associated funding allocated in accordance with the Corporate Grants Policy and Crowdfunding Policy as per proposed process and associated officer decision making set out in Appendix 1 “Community Grant Processes”.

RECOMMENDATIONS

The Corporate Policy Committee is recommended to:

1. Approve the community grant schemes as set out in paragraph 7 of this report for 2023/24 and 2024/25.

Background

- 6 The Crowdfunding Policy¹ was approved by Cheshire East Cabinet on the 6th October 2020 and the Corporate Grants Policy² was approved by Corporate Policy Committee on the 6th October 2022. Both policies provide frameworks and guidance to follow for setting up competitive grant schemes.
- 7 The community grant schemes are listed below along with the mechanism for grant allocation, total funding allocations and source of external income to be allocated.

¹ [Appendix 1 Crowd Funding Policy.pdf \(cheshireeast.gov.uk\)](#)

² [Corporate Grants Policy.](#)

Fund name and purpose	Community grant mechanism	Budget 2023/24 allocation	Budget 2024/25 allocation	Total	Central government external funding source
1. Cheshire East Crowd – Community Buildings	Crowdfunding	£110,000	£312,627	£422,627	Rural England Prosperity Fund
2. Cost-of-Living Community Response Fund	Competitive grant application	£96,000	£94,000	£190,000	UK Shared Prosperity Fund
3. Increasing Volunteering and Community Action Fund	Competitive grant application	£180,000	£192,000	£372,000	UK Shared Prosperity Fund
4. Rural Community Transport Fund	Competitive grant application	NA	£150,000	£150,000	Homes for Ukraine Grant Fund.
5. Health and Wellbeing Grants	Competitive grant application	£182,860		£182,860	Better Care Fund – ICB allocation
Totals		£568,860	£748,627	£1,317,487	

- 8 Each grant scheme is required to have its own agreed process which is aligned to the Corporate Grants Policy. These processes are provided within Appendix 1.

External funding source: Rural and UK Shared Prosperity Community Grant Funding:

Fund name and purpose	Community grant mechanism	Budget 2023/24 allocation	Budget 2024/25 allocation	Total	Central government external funding source
1. Cheshire East Crowd – Community Building's	Crowdfunding	£110,000	£312,627	£292,627	Rural England Prosperity Fund
2. Cost-of-Living Community Response Fund	Competitive grant application	£96,000	£94,000	£190,000	UK Shared Prosperity Fund

3. Increasing Volunteering and Community Action Fund	Competitive grant application	£180,000	£192,000	£372,000	UK Shared Prosperity Fund
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- 9 Corporate Policy Committee noted the UK Shared Prosperity Fund Investment Plan and delegated authority to the Executive Director of Place³ to make any amendments, accept and manage the fund on behalf of the Council on 6th October 2022 which applies to the following community grant schemes.
- 10 In addition to the Crowdfunding Policy, the Council have an existing contract with an external Crowdfunding platform provider (Spacehive). Using this platform⁴, the Community Buildings Fund would be advertised allowing the Council to contribute towards project proposals along with the community during two crowdfunding rounds in 2023/24 and 24/25.
- 11 On the 23rd June 2022 the Council organised a collaborative Spotlight Review Event⁵ to bring together a range of stakeholders including elected member's, public sector officers and representatives of VCFSE sector to discuss poverty. The full day's facilitated session highlighted 5 strategic areas of focus.
- 12 On October 2022, 21 residents of Cheshire East came together to form the Cheshire East People's Panel on the Cost of Living⁶. The purpose was for a diverse group of residents to decide upon recommendations to ease the effects of the increasing costs of living. The panellists met over two weekends to discuss "what can be done to make life more affordable for those most affected by the cost of living?" and to develop a set of recommendations to present to Cheshire East Council. A final report from the People's Panel was received by Cheshire East Council in December 2022 which contains the 12 recommendations of the People's Panel. These recommendations were grouped into three themes: community and appropriate support, energy, transport and planning, and rethinking funding and distribution.
- 13 In December 2022 the Poverty Joint Strategic Needs Assessment⁷ was complete across Cheshire East providing key data around our

³ [UKSPF Funding Delegated Decision](#)

⁴ [Cheshire East Crowd - Home \(spacehive.com\)](#)

⁵ [Issue details - Outcome of the "Right to Food" Spotlight Review | Cheshire East Council](#)

⁶ [Peoples Panel Recommendations](#)

⁷ [lived](#)

population and 8 recommendations the Council and partners could focus on to alleviate financial pressures in our communities.

External funding source: Homes for Ukraine Community Grant Funding

4. Rural Community Transport Fund	Competitive grant application	NA	£150,000	£150,000	Homes for Ukraine Grant Fund.
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- 14 Full Council delegated authority to the Chief Executive to distribute the Homes for Ukraine⁸ grant monies, as deemed necessary on the 18th May 2022.
- 15 As part of the Council's responsibilities to deliver the Homes for Ukraine scheme an emerging need has arisen due to the significant pressures Sponsors are under caused by the cost-of-living crisis and increased fuel costs. The reliance on sponsors to transport guests to/from services and appointments is causing tensions and relationship breakdowns between sponsors and guests.
- 16 On the 18th May 2023 Community & Voluntary Services (CVS) hosted a community transport network meeting with 18 public and VCFSE sector representatives where the following concerns were raised concerns in gaps of transport services across Cheshire East for hospital/primary care appointments and VCFSE provision. Alongside that there was an agree perceived perception that an expectation the VCFSE sector can fill this gap with no available funding.

External funding source: Better Care Fund Community Grant Funding

5. Health and Wellbeing Grants	Competitive grant application	£182,860		£182,860	Better Care Fund – ICB allocation
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- 17 The Council & Integrated Care Board would like to jointly administer the agreed grants process, through a section 75 agreement setting out respective roles and responsibilities which has been approved through Better Care Governance. The delegated authority around the decision making for these grants once evaluated falls to the Cheshire East Place Director in consultation with the Executive Director of Adults, Health and Integration which applies to the following community grant scheme.

⁸ Homes for [Ukraine](#) Cheshire East Delegated Decision

Consultation and Engagement

18 On approval:

- An internal cross directorate project group will be set up for each community grant scheme to ensure the grants meet the criteria set but also further current pressures on services and our communities.
- Each of the community grant schemes will be presented for comment with the following town and parish council and VCFSE infrastructure organisations: CVSCE (Community and voluntary services Cheshire East), Cheshire Connect, ChALC (Cheshire association of local council), Cheshire community foundation and Cheshire community action, this will take place through the Cheshire East Local Infrastructure Alliance (CELIA)
- A wider community funding survey will be shared with the VCFSE sector to obtain views on gaps in service, which will strengthen objectives and example projects for funds. We also intend to seek preferences on future grant giving mechanisms and preferential ways to engage with the sector.
- Focussed market engagement sessions will be held for each of the community grant schemes. The outcomes of these sessions will be to coproduce the further detailed objectives, achieve higher quality and quantity of applications and to consider how to capture outcomes best collectively from each of the funded organisations.

19 The outcomes of this engagement will be produced as part of a community grants annual brochure⁹ which informs stakeholders about the organisations that received funding and what they are expected to achieve.

Reasons for Recommendations

20 Approval of the community grants programme for 2023/24 and 2024/25 will allow efficient forward planning and required engagement for each community grant scheme. The organisations represented within the VCFSE sector are key delivery partners in meeting the Council's strategic aims and objectives. Whilst through our commissioning intentions the Council procures goods and services through contractual arrangements, grant funding is a mechanism we can use to react to emerging or short-term pressures, local needs and to pilot new services.

⁹ [Cheshire East Grants Our Community Offer April 2023 \(cheshireeast.gov.uk\)](https://cheshireeast.gov.uk/cheshire-east-grants-our-community-offer-april-2023)

Other Options Considered

Option	Impact	Risk
<p>Not to implement each grant associated with the rural and main UK Shared Prosperity Fund</p> <ol style="list-style-type: none"> 1. Cheshire East Crowd – Community Buildings 2. Cost-of-Living Community Response Fund 3. Increasing Volunteering and Community Action Fund 	<p>These schemes are linked to “intervention E9” of the submitted and approved investment plan to the Department of Levelling Up, Housing and Communities.</p> <p>Not delivering on these schemes would lose investment into the VCFSE sector to deliver on tangible outcomes set out within the plan</p>	<p>The council would not be delivering on the approved investment plan therefore the funding could be requested to be returned to central government.</p>
<p>Not to implement the grant associated with the Homes for Ukraine Fund</p> <ol style="list-style-type: none"> 4. Rural Community Transport Fund 	<p>Fewer people accessing employment opportunities, services and become further isolated.</p> <p>Sponsors becoming under increased pressure caused by the cost-of-living crisis and increased fuel costs to provide transport to amenities for their Ukrainian guests.</p>	<p>Additional Ukraine and Sponsor breakdowns leading to an increase in families going into temporary accommodation.</p>
<p>Not to implement the grant associated with the Better Care Fund</p> <ol style="list-style-type: none"> 5. Health and Wellbeing Grants 	<p>A reduction in physical and mental health provision in the community</p>	<p>Funding to be re-allocated to other ICB services.</p>

Implications and Comments

Monitoring Officer/Legal

21

- (a) The Council has the power to develop grant schemes and to award grants to organisations pursuant thereto, using its general power of competence in section 1 of the Localism Act 2011. In exercising the power, the Council must satisfy its public law duties. In essence this means that in making the decision and evolving any grant schemes the Council must have taken into account only relevant considerations, followed procedural requirements, acted for proper motives and not acted unreasonably. The Corporate Grants Policy acts as a clear statement of the criteria that the Council should apply for grant schemes and in doing so demonstrates open and consistent decision making and so reduces the risk of challenges. It is therefore important that the schemes which are being established are designed and operated in accordance with the policy.
- (b) The Council is obliged to consider compliance with the Subsidy Control regime when awarding grants to organisations. Though it is felt that given the nature of the schemes in question it is unlikely that an award of a grant will fall subject to consideration under these rules, this will need to be checked on each occasion.

Section 151 Officer/Finance

- 22 The recommendations are affordable within the approved medium term financial strategy. The grants are to be fully funded from specific external funds. These funds are in addition to the council's core base budget.
- 23 All the proposed grant schemes meet the expenditure conditions for the associated external funding.
- 24 The associated costs will be captured on suitable cost centres to enable monitoring & reporting of actual expenditure incurred:

Grant Scheme	Code	Code Description	Note
1. Cheshire East Crowd – Community Buildings	E762220	Shared Prosperity Fund	CE holds the funds.
2. Cost-of-Living Community Response Fund	E762220	Shared Prosperity Fund	CE holds the funds.
3. Increasing Volunteering and Community Action Fund	E762220	Shared Prosperity Fund	CE holds the funds.
4. Rural Community Transport Fund	E136131	Homes for Ukraine	CE holds the funds.
5. Health and Wellbeing Grants	E780610	Community Grants	ICB hold the funds. The funding is listed within the Better Care Fund plan for 2023/24. ICB to be invoiced for expenditure incurred. Expenditure to be coded and monitored against E780610 "Communitiy Grants".

25

Policy

- 26 The process of awarding applications via this fund will fall under the Corporate Grants Policy.

27 Corporate Plan

An open and enabling organisation	A council which empowers and cares about people	A thriving and sustainable place
Look at opportunities to bring more income into the borough	Work together with residents and partners to support people and communities to be strong and resilient Reduce health inequalities across the borough	Reduce impact on the environment A transport network that is safe and promotes active travel Thriving urban and rural economies with opportunities for all Be a carbon neutral council by 2025

Equality, Diversity and Inclusion

- 28 An Equality Impact Assessment will be completed aligned to the grant process.

Human Resources

- 29 No human resources implications. Community Funding/Grants are managed by officers within the Council's Communities Team.

Risk Management

- 30 Each community grant scheme operates within the Corporate Grants Policy which provides a framework to deliver grants in a competitive way alongside undertaking due diligence. Each community grant scheme would have a project group which would also have a live risk register. Any high rated risks would be escalated to the Head of Service, Communities and Integration.

Rural Communities

- 31 All of the funds will consider the rural action plan as part of its engagement and development and are expected to have a positive impact on the rural community.

- 32 Cheshire East Crowd - Community Buildings Fund and the Rural Community Transport Fund are specifically aimed at Rural Communities and address carbon reduction and transport which have been identified as priorities for rural areas. The rural action plan priorities have been taken into consideration as part of both of these schemes, specifically creating better access for residents to access services, and improving health and wellbeing outcomes.

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

- 33 The funds will provide opportunities for children and young people who have been impacted by the cost of living to access support to tackle poverty, those that have been impacted by a lack of health and wellbeing services and those who may be isolated in rural communities. Without these funds then some services might not be available to those most affected by the cost of living, health and wellbeing and a lack of rural community transport and their families.

Public Health

- 34 The cost of living is having detrimental effects on mental and physical health and is causing an increase in demand on services. By delivering grants to the VCFSE sector more residents will be able to access the support they need earlier and at a local level. This will decrease the demands on public health. The Cost-of-Living fund will aim to address target areas identified through the Poverty JSNA, which is currently awaiting approval, for those highest affected by the Cost-of-living crisis.
- 35 The Increasing Volunteering and Community Action Fund and Health and Wellbeing grants will specifically address challenges raised in the Health and Wellbeing Strategy and fund projects which contribute towards the strategic outcomes, this will have a positive impact on Public Health.
- 36 There will be several objectives within each of the community grant schemes that have direct links to the Public Health wider determinants and health improvement outcomes. The grants will also pay particular focus on the 14 locally agreed Cheshire East joint Public Health Outcomes and the four strategic outcomes aims within the Joint Local Health and Wellbeing Strategy.

Climate Change

- 37 Cheshire East Crowd - Community Buildings Fund will invite capital projects onto the platform which are contributing towards a net zero infrastructure for rural community buildings. The fund will also link closely with other pieces of work to begin to fund the outcomes of

decarbonisation plans which are being produced for Town Council Buildings and VCFSE buildings.

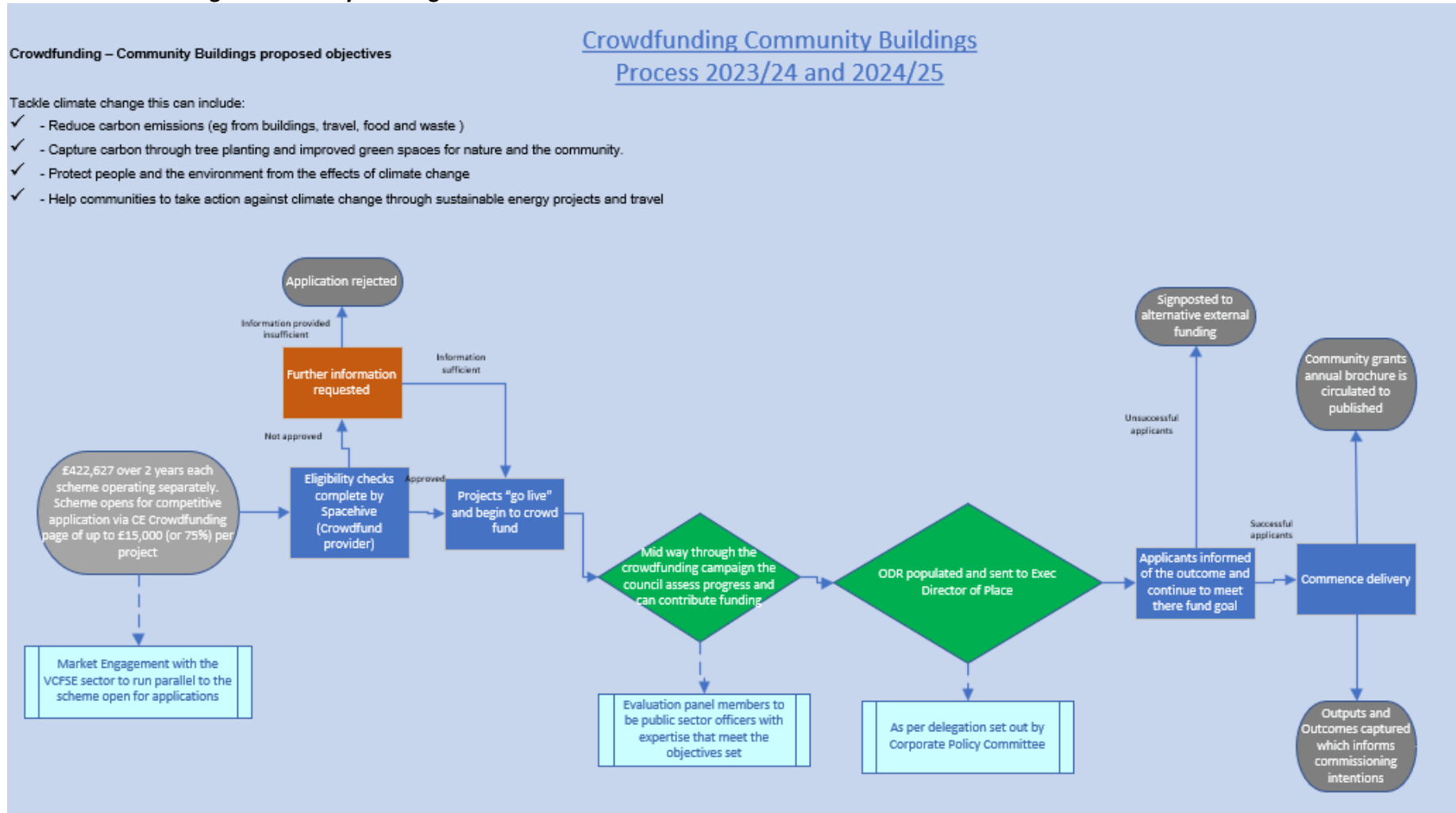
- 38 The Cost-of-Living Fund will be able to fund reducing food waste projects which will have a positive impact on the effects of Climate change.

Access to Information	
Contact Officer:	<p>Dan Coyne, Head of Service Communities and Integration.</p> <p>Daniel.coyne@cheshireeat.gov.uk</p>
Appendices:	Appendix 1 - Community Grant Processes

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Appendix 1 Community Grant processes for each of the proposed community grant schemes

1. Crowdfunding – Community Buildings



2. Cost-of-Living Community Response Grants

Cost of Living proposed objectives

Support the VCFSE sector in Cheshire East by helping them to recover from the Cost of Living impact by thinking how they may make efficiencies whilst also responding to the needs of their beneficiaries. The Cost-of-Living Community Response Grants focus on the following intervention of the UKSPF:

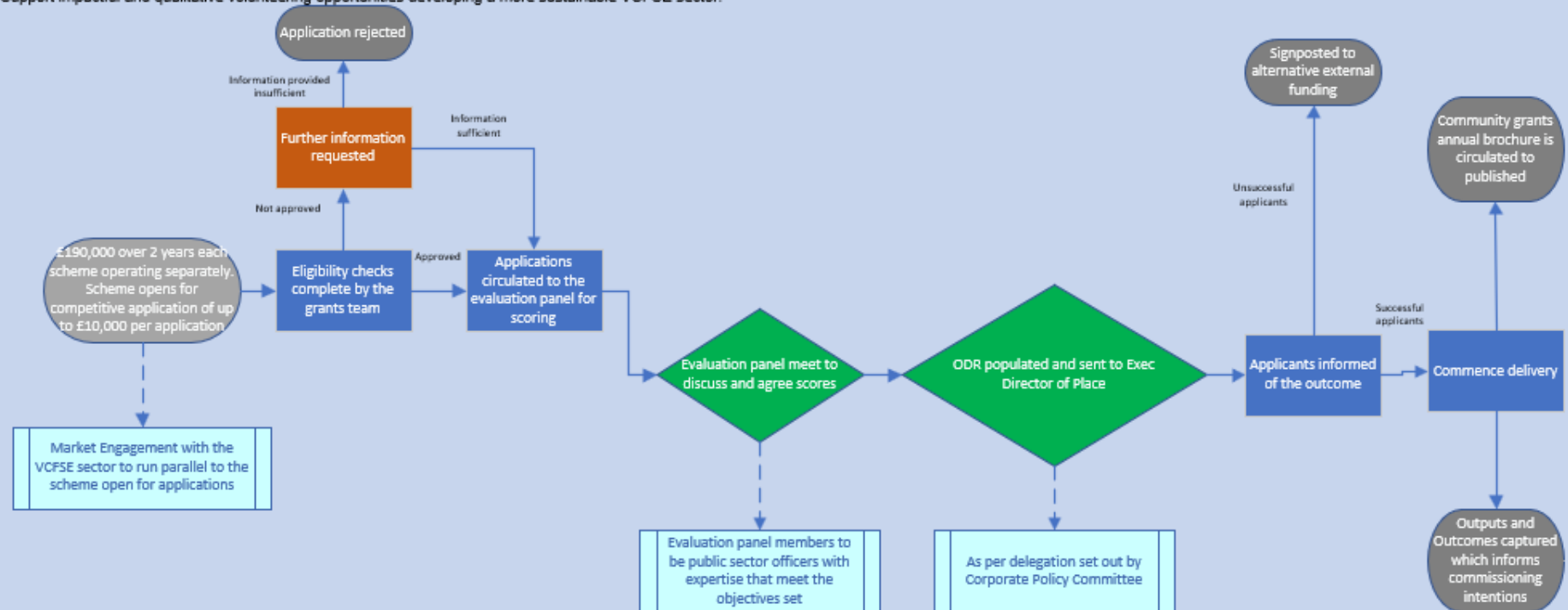
E9 - Funding for impactful volunteering and/or social action projects to develop social and human capital in local places.

- ✓ Support the VCFSE sector in Cheshire East by helping them to recover from the cost-of-living impact by thinking how they may make efficiencies whilst also responding to the needs of their beneficiaries.
- ✓ Support the VCFSE sector to develop sustainable food solutions and long-term support to reduce the dependence on food banks (SR).
- ✓ Enable those adversely impacted by the Cost of Living to access the right help and support at the right time.
- ✓ Reduce inequalities through sustainable solutions.
- ✓ Improve Health and Wellbeing that has been affected by the current Cost of Living.
- ✓ Support impactful and qualitative volunteering opportunities developing a more sustainable VCFSE sector.

Cost of Living Response Grant Scheme Process 2023/24 and 2024/25

Needs Assessment

- ✓ Poverty Spotlight Review 5 strategic areas of focus.
- ✓ Cost of living Peoples panels 12 recommendations
- ✓ Poverty Joint Strategic Needs Assessment 8 recommendations



3. Increasing Volunteering and Community Action Fund

Increasing Volunteering and Community Action Fund Process 2023/24 and 2024/25

Increasing Volunteering and Community Action Fund Proposed Objectives

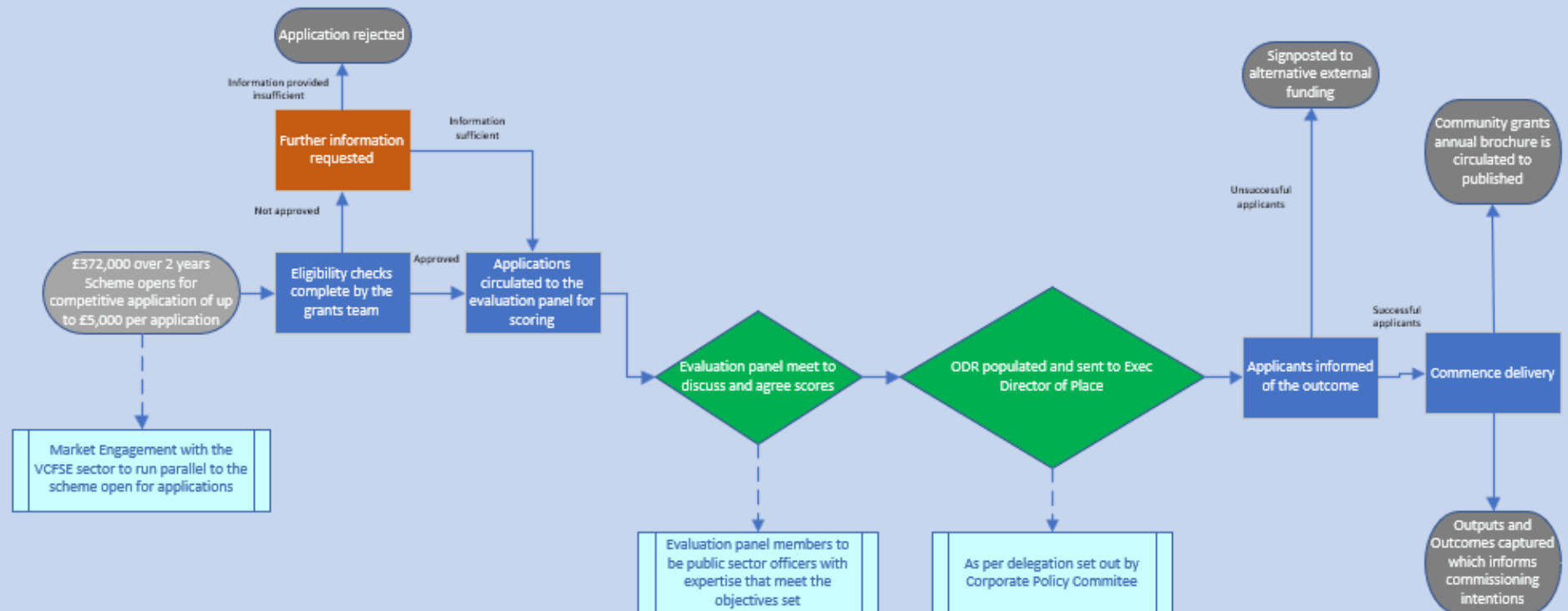
The Increasing Volunteering and Community Action Fund will be a new fund, established to focus on outcomes and priorities within the Health and Wellbeing Strategy. The anticipated outcomes will be:

- ✓ increased volunteering
- ✓ increased local initiatives,
- ✓ increased Health and Wellbeing awareness.

The Increasing Volunteering and Community Action Fund is part of Cheshire East's delivery plan for the UK Shared Prosperity Fund.

The fund will focus on the following intervention of the UKSPF:

- ✓ E9 - Funding for impactful volunteering and/or social action projects to develop social and human capital in local places.



4. Rural Community Transport Fund Process

Rural Community Transport Programme Proposed Objectives

- to provide accessible and affordable transport for all areas of Cheshire East
- provide a diverse transport offer that gives options for individuals with different circumstances
- support Ukrainian nationals and refugees who may struggle to access services in nearby towns and villages without relying on sponsors for transport.

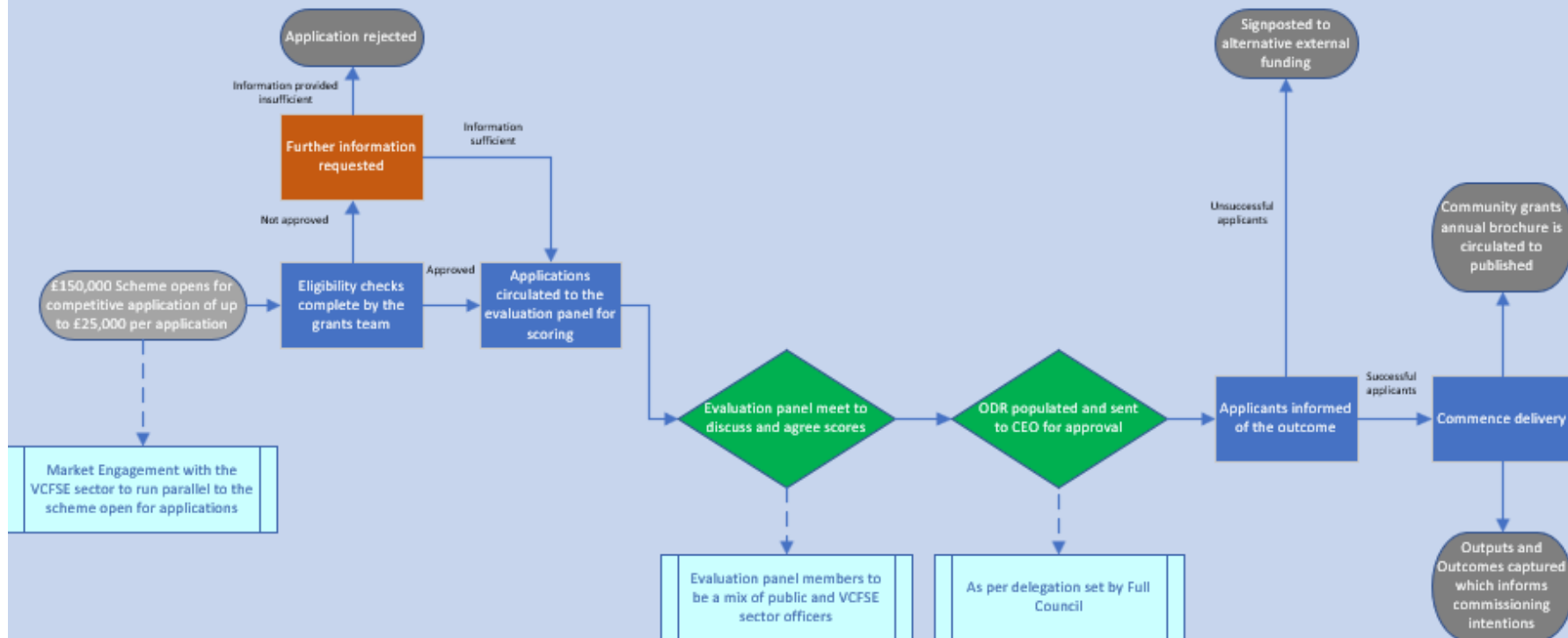
Example projects to be considered:

- Projects which alleviate a lack of transport services to rural communities
- Projects which alleviate poor transport links leading to isolated individuals and communities
- Projects which alleviate transport being a barrier for residents to attend doctors/hospital appointments
- Projects which alleviate a gap in transport available for those with disabilities

Rural Transport Scheme Process 2024/25

Needs Assessment

As part of the Council's responsibilities to deliver the Homes for Ukraine scheme an emerging need has arisen due to the significant pressures Sponsors are under caused by the cost-of-living crisis and increased fuel costs. The reliance on sponsors to transport guests to/from services and appointments is causing tensions and relationship breakdowns between sponsors and guests. The rural community transport scheme will aim to reduce these tensions. On the 18th May 2023 CVSCE hosted a Community Transport Network meetings with 18 public and VCFSE sector representatives where the following concerns were raised concerns in gaps of transport services across Cheshire East for hospital/primary care appointments and VCFSE provision. Alongside that an expectation the VCFSE sector can fill this gap with no available funding. The rural community transport scheme will aim to reduce these concerns.



5. Health and Wellbeing Grants

Health and Wellbeing Grant Process

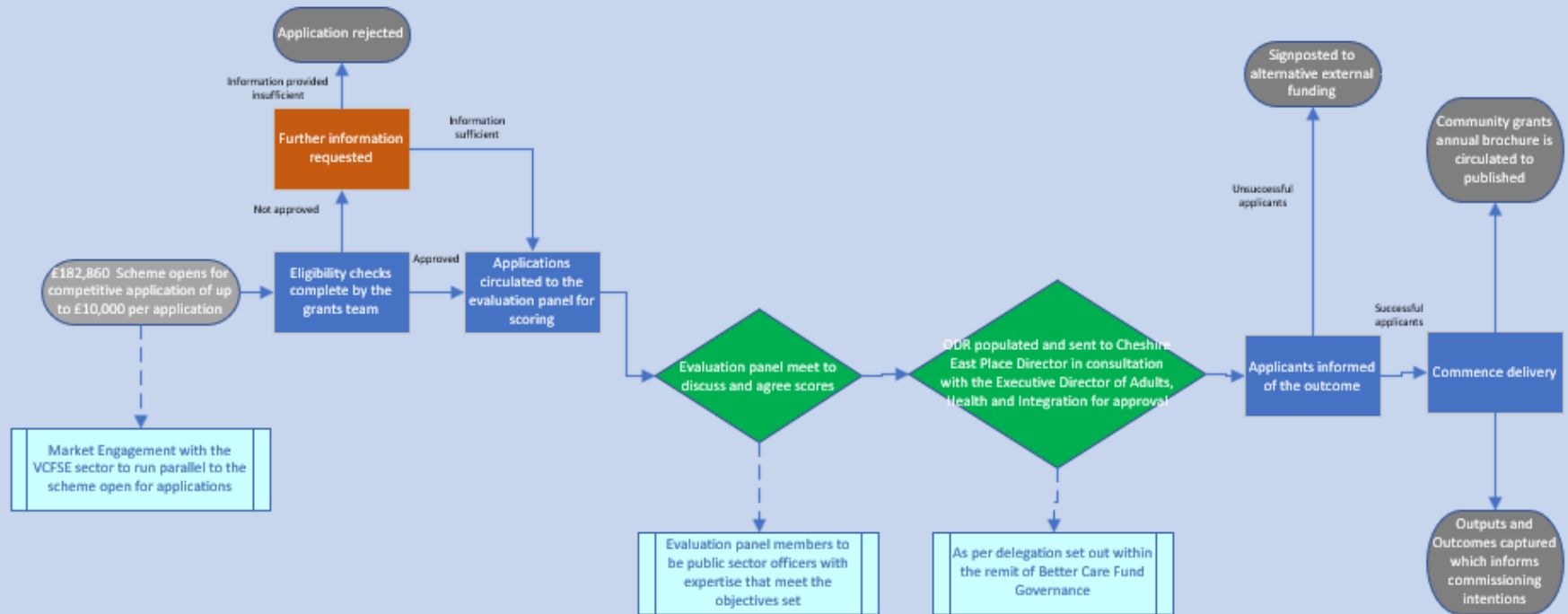
2023/24

Health and Wellbeing Fund Proposed Objectives

- ✓ Reduce health inequalities by addressing a specific gap in provision or where there is an identified need (evidence)
- ✓ Describe how they will improve access to local health and care services including clear linkages with their respective care community/ communities
- ✓ to develop VCSE led community mental health services specifically for people who have serious long term mental health issues in the community.

Applications to the fund are expected to contribute towards:

- Cardiovascular Health
- Respiratory Health
- Children's Health (Prevention and Early Intervention)
- Older Peoples Health including dementia
- Mental Wellbeing and Social Prescribing



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Corporate Policy Committee**5th October 2023****Armed Forces Employer Recognition
Scheme (ERS)**

**Report of: Helen Charlesworth-May - Executive Director of Adults,
Health, and Integration****Report Reference No: CP/56/23-24****Ward(s) Affected: All****Purpose of Report**

- 1 To provide an update on the Silver Defence Employee Recognition Award received by the council in May 2022.
- 2 To set out the requirements associated with applying for the Gold Defence Employee Recognition Award.
- 3 The Councils Corporate Plan states, as part of its “Open” vision, that by 2025, it will: “Receive the Ministry of Defence’s (MOD) Employer Recognition Scheme Gold Award and proactively demonstrate that service personnel and the armed forces community are not unfairly disadvantaged as part of our recruiting and selection processes”.

Executive Summary

- 4 This report provides an update on the work the Council has done with veterans over the last two years, and in doing so applying and being awarded, the Armed Forces Employer Recognition Scheme Silver Award.
- 5 The report recommends that the Council apply for the Gold Defence Employee Recognition Award whilst setting out the associated expectations.

RECOMMENDATIONS

The Corporate Policy Committee is recommended to:

1. Apply for the Gold Defence Employee Recognition Scheme.
2. Agree to make the necessary policy changes as set out in Annex 1, to meet the requirements to achieve ERS Gold Award.

Background

- 6 The MOD have an Employee recognition scheme (ERS) for organisations who wish to demonstrate their support for the Armed Forces Community.
- 7 Cheshire East Council signed the Covenant partnership in August 2020 and received the Bronze Award, which is automatically assigned to any organisation that adheres to the Covenant.
- 8 Cheshire East Council has a long history of working with the Armed Forces Community and in 2022, the Council successfully applied (Annex 2) and received the Silver ERS award. Following intensive work in 2021/ 2022 with a large number of charities and groups, we were able to evidence the work completed:
 - The Council set up an internal staff network group for veterans and families, which meets quarterly, to engage in events, policy reviews and news stories locally.
 - The Council have played an active part in the Cheshire Armed Forces Network Committee regionally, and fed back information to local charities and groups.
 - The Council have worked in close partnership with Primary Care Networks, DWP, and the ICB colleagues:
 - Provide direct assistance to veterans that need extra support with housing/benefits.
 - Linked veterans with NHS specialists in order to provide specific PTSD support.
 - Highlighting the benefits of patients identifying as a 'veteran' which has led to a number of GP practices employing a veteran support clerk.

- The Council, in close partnership with community groups and charities, have helped develop a network of four new breakfast clubs, with the main focus of tackling self-isolation after the Covid pandemic, and peer support. A major breakthrough in these projects was inclusion of the LGBTQ+ veterans' community in the Crewe and surrounding area breakfast clubs.
- The Council led the Armed Forces Day in Queen's Park, Crewe on the 25th & 26th of June 2022, in collaboration with local charities. The event was very well received, with a footfall of 28,200 people over the 2 days.
- The Council was successful in applying for £18,000 from the Covenant Trust to run a digital inclusion project. This was awarded to the Alsager Royal British Legion in October 2022 for a project called BOD (Branching Out Digitally). They are embedding new technology and training directly to the most vulnerable veterans, to help combat isolation.

9 For simplicity, the requirements outlined in Annex 1, that the Council would be required to commit to achieve the Gold Defence Employee Recognition Award, are as follows:

EMPLOYER RECOGNITION SCHEME (ERS) GOLD AWARD NOMINATION

Essential Gold criteria:

- ✓ Organisations must have signed the AFC. Employers must have an existing relationship with their NAM/REED/appropriate Defence representative.
- ✓ The employer must have already demonstrated their support by holding a valid ERS Award at the Silver Level. Employers that do not hold a valid ERS Award at the Silver Level cannot progress to the Gold Level.
- ✓ The employer must proactively demonstrate their Forces-friendly credentials as part of their recruiting and selection processes. Where possible, they should be engaged with CTP in the recruitment of Service leavers and have registered with the Forces Families Jobs website. The employer must actively ensure that their workforce is aware of their positive policies towards Defence People issues. For example, an employer nominated for support to the Reserves must have an internally publicised and positive HR policy on Reserves. In the case where no HR policy exists this should be demonstrated by specific references in job descriptions or on the organisation's website.
- ✓ The employer must be an exemplar within their market sector, advocating support to Defence People issues to partner organisations, suppliers and customers with tangible positive results. For example,

demonstrate proactive steps/activity and clear success in encouraging partner organisations and their supply chain to sign the AFC.

- ✓ Within the context of Reserves the employer must have demonstrated support to mobilisations or have a framework in place.
- ✓ The employer must provide at least 10 days' additional paid leave for Reserve training.
- ✓ The employer must not have been the subject of any negative PR or media activity that could cause embarrassment to Defence.

Desirable Gold criteria

Employers should employ at least one individual from the AFC category that the nomination emphasises. For example, an employer nominated for support to the Reserves must employ at least one Reservist. In exceptional circumstances, where there is outstanding support for the employer, the organisation can be considered for the award where they do not employ someone from the AFC category. They should promote their support to Defence People issues through their full range of external communications.

Although, in exceptional circumstances, an award is possible for support of a single Defence People issue, such as Reserves. A nomination will be strengthened if support extends across the range of Defence People issues as outlined above.

- ✓ They should have a declared target for the number of Reservists within their workforce.
- ✓ They will have hosted a Reserve recruiting event on their premises in partnership with a local Reserve Unit or sS Recruiting Team.
- ✓ Other than in exceptional circumstances, they should not have appealed a mobilisation.

10 What does this mean for Cheshire East Council?

- Increase the current Annual Leave entitlement for reservists from 5 days to 10 days per financial year, allowing employees to fulfil their reservist role.
- Cheshire East will need to proactively demonstrate they are forces friendly e.g. carry on demonstrating examples of projects undertaken already, similar to paragraph 8 of this report.
- The Cheshire East HR policy will need to be aligned with the Gold Award Essential and Desirable Specifications (Annex 1)
- Cheshire East will need to proactively demonstrate they are forces friendly. See point 8 for examples of projects undertaken already.

- The Council must apply for the Gold Award no later than 2026.
- Currently, Cheshire East Council has at least 12 Current serving Reservists and 5 Active Cadet Leaders.

Consultation and Engagement

- 11 The Council already effectively engage with this cohort as described in point 8 of this report.
- 12 Should Corporate Policy Committee approve this recommendation further engagement will take place.

Reasons for Recommendations

- 13 Agreement to go forward with the Covenant Gold Award will enhance the councils HR policy for reservists, and proactively show the Council's commitment as an Armed Forces friendly organisation, both internally, and in the wider community.
- 14 Applying for the gold award is in line with the strategic aims of the Councils Corporate Plan 2022-2026. The Councils Corporate Plan states, as part of its "Open" vision, that by 2025, it will: "Receive the Ministry of Defence's (MOD) Employer Recognition Scheme Gold Award and proactively demonstrate that service personnel and the armed forces community are not unfairly disadvantaged as part of our recruiting and selection processes".
- 15 Further advantages are as follows:
 - Anecdotal evidence from other local authorities and organisations signed up to the Gold Award criteria, suggest it will help recruit and retain reservist employees.
 - This will be outlined in the Employee Benefits Brochure
 - The Armed Forces community will recognise the Council's commitments.
 - Promoting the Council as an Armed Forces-friendly organisation to staff and the wider public.
 - Supporting employees who are members of the Reserve Forces; granting additional paid/unpaid leave for annual Reserve Forces training; supporting any mobilisations and deployment

Other Options Considered

16

Option	Impact	Risk
Not to take part in the MOD employee recognition scheme Gold Award	<p>If the Gold Award is not applied for by 2027 the council will have to reapply for the Silver Status.</p> <p>By not applying for the Gold Award, it might impact the progress of work already completed, and ongoing both internally and in our wider communities.</p>	There are reputational and performance risk if the priority within the Councils Corporate Plan 2021-2025 is not achieved.

Implications and Comments

Monitoring Officer/Legal

- 17 The recommendations are supportable. However, it is recommended an equality impact assessment is carried out before we apply for the Gold Award, and for it to look at not only the general impact, but specific impact on any indirect gender inequality that may arise under our current leave policy between reservists and special constables. There is arguably a parity between the two roles, but as it stands reservists are entitled to additional paid leave, whilst for special constables this is discretionary. This disparity will increase on joining the Gold Award.

Section 151 Officer/Finance

- 18 The recommendation would result in an additional leave entitlement for certain employees, which would incur a “productivity” cost through reduced working days.
- 19 The value of this would depend on the number of armed forces reservists employed by the council. The estimated value below is based on the 2023/24 average cost per employee and the current cohort of 15 reservists.

- 20 The lost hours would be incurred across the council against the relevant services. There is no new funding associated with the gold award, therefore the affordability of the recommendation is contingent on the relevant services being able to absorb the productivity loss within existing resources.
- 21 The estimated cost is relatively small compared to the overall payroll budget for the council (approximately £150m). The scheme is assumed to benefit recruit and retention.
- 22 There is a risk that the council has little influence over the number of its employees who chose to be an armed forces reservist. If the number of reservists employed increased (and the gold award could potentially have an incentive effect on this) the cost of time lost via additional leave entitlement would also increase

Policy

- 23 This paper will place a responsibility on the Council to implement the Essential and Desirable criteria in the Specification found in Annex 1. The new criteria would be an additional form of special leave available to the applicable members of the workforce.

Aim: An open and enabling organisation

Priority: listen, learn and respond to our residents, promoting opportunities for a two-way conversation”.

Under this priority is the specific ambition to receive the Ministry of Defence Gold Award by 2025

Equality, Diversity and Inclusion

- 24 An Equality Impact Assessment has been undertaken with the following areas identified:
- 25 It is expected that a decision to proceed with the application for the Gold award and associated policy changes will have a positive impact on Equality, Diversity and Inclusion in relation to the Veterans, Reservists and Cadet Leaders applying to or already in Cheshire East Council employment. This will be achieved through the implementation of best practice required of the essential and desirable criteria in Annex 1.
- 26 It has highlighted there is arguably a parity between the roles of Special Constable and Armed Forces Reservist, as it stands reservists are entitled to additional paid leave whilst for special constables this is discretionary. This disparity will increase on joining the Gold Award.

- 27 In addition to the parity between the role of Special Constable, the potential exits for parity between other roles such as retained firefighters, mountain rescue, and other similar roles.

Human Resources

- 28 This recommendation, if approved, will place a responsibility on the Council to implement the Essential and Desirable criteria in the Specification found in Annex 1.
- 29 A calculation by HR has shown that the average cost of a full-time employee in Cheshire East Council, including on cost, is £38000 per year. If all individuals above took the time allowed in Annex 1, based on an average salary, there would be a:
- Time Implication – **135 Days**
 - Cost Implication for time lost - **£19,730**
- 30 The Council would have to commit the time of relevant officers to develop and implement the policy changes.
- 31 The departments in which staff take the leave would have to cover workloads within existing teams.
- 32 The following policies would require amendment: Recruitment Policy and Procedure and the Leave and Time Off Policy.
- 33 The following policy related documents will require updating: Employee Benefits Brochure, Recruitment Process Guide – Centranet, Guidance on supporting employees who are reservists – Centranet, the Employment Charter.

Risk Management

- 34 Risks will be managed by the Council's Armed Forces Lead, with escalation through the Communities management structure, or with the relevant Policy area lead.

Rural Communities

- 35 It is not anticipated that this recommendation will have a direct impact on Rural Communities.

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

- 36 It is not anticipated that this recommendation will have a direct impact on Children and Young People/Cared for Children.

Public Health

- 37 It is widely publicised that veterans suffer with physical and mental health due to time within the armed forces, this recommendation will have a positive direct impact on this cohort.

Climate Change

- 38 It is not anticipated that this recommendation will have a direct impact on Climate Change.

Access to Information	
Contact Officer:	<p>Dan Coyne, Head of Service Communities and Integration. Daniel.coyne@cheshireeast.gov.uk</p> <p>Andrew Makin, Community Development Manager Andrew.makin@cheshireeast.gov.uk</p>
Appendices:	<p>Annex 1-Gold Award Criteria</p> <p>Annex 2-2022 SILVER AWARD - CHESHIRE EAST COUNCIL</p>
Background Papers:	No background papers.

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EMPLOYER RECOGNITION SCHEME (ERS) GOLD AWARD NOMINATION

This document replicates the online submission form for the MOD Employer Recognition Scheme Gold Award and is to be used as a working document to draft your nomination. With colleagues and your Regional Employer Engagement Director (REED) You will be asked to share your draft nomination with your REED and they will be happy to provide feedback.

Please ensure that your organisation meets the Gold ERS criteria, as follows:

Essential criteria:

1. Organisations must have signed the AFC.
Employers must have an existing relationship with their NAM/REED/appropriate Defence representative.
2. The employer must have already demonstrated their support by holding a valid ERS Award at the Silver Level. Employers that do not hold a valid ERS Award at the Silver Level cannot progress to the Gold Level.
3. The employer must proactively demonstrate their Forces-friendly credentials as part of their recruiting and selection processes. Where possible, they should be engaged with CTP in the recruitment of Service leavers and have registered with the Forces Families Jobs website.
The employer must actively ensure that their workforce is aware of their positive policies towards Defence People issues. For example, an employer nominated for support to the Reserves must have an internally publicised and positive HR policy on Reserves. In the case where no HR policy exists this should be demonstrated by specific references in job descriptions or on the organisation's website.
4. The employer must be an exemplar within their market sector, advocating support to Defence People issues to partner organisations, suppliers and customers with tangible positive results. For example, demonstrate proactive steps/activity and clear success in encouraging partner organisations and their supply chain to sign the AFC.
5. Within the context of Reserves the employer must have demonstrated support to mobilisations or have a framework in place.
6. The employer must provide at least 10 days' additional paid leave for Reserve training.
7. The employer must not have been the subject of any negative PR or media activity that could cause embarrassment to Defence.

Desirable criteria

1. Employers should employ at least one individual from the AFC category that the nomination emphasises. For example, an employer nominated for support to the Reserves must employ at least one Reservist. In exceptional circumstances where there is outstanding support for the employer the organisation can be considered for the award where they do not employ someone from the AFC category.
They should promote their support to Defence People issues through their full range of external communications.
2. Although, in exceptional circumstances, an award is possible for support of a single Defence People issue, such as Reserves, a nomination will be strengthened if support extends across the range of Defence People issues as outlined above.
3. They should have a declared target for the number of Reservists within their workforce.
4. They will have hosted a Reserve recruiting event on their premises in partnership with a local Reserve Unit or sS Recruiting Team.
5. Other than in exceptional circumstances, they should not have appealed a mobilisation.

6. The employer should promote volunteering with the cadet forces by providing at least 5 days additional leave (ideally paid) for employees who are CFAVS. The employer should allow flexibility for employees who are CFAVs to fit their working hours in with their volunteering, and provide additional unpaid leave where appropriate. The employer should be an exemplar in demonstrating support to the cadet movement. This could, for example, be through mentoring cadets in key employment skills, by providing guaranteed interviews for cadets, by direct investment in equipment and infrastructure for a local cadet unit, or by funding and sponsoring competitions, events and specific activities for cadets such as overseas expeditions.

2022 EMPLOYER RECOGNITION SCHEME (ERS) SILVER AWARD NOMINATION

This document replicates the online submission form for the MOD Employer Recognition Scheme Silver Award 2022 and can be used as a working document to draft your nomination with colleagues and your Regional Employer Engagement Director (REED).

Once your nomination is ready to submit you can cut and paste your answers into the online portal link which will be provided.

Nominations made after this date will not be accepted.

You will be asked to share your draft nomination with your REED and they will be happy to provide feedback.

Please ensure that the organisation meets the Silver ERS criteria, as follows:

Essential criteria

- Organisations must have signed the AFC.
- The employer must have already stated their **intent** to be supportive by using the ERS website to register at the Bronze Level.
- The employer must proactively demonstrate that Service personnel/Armed Forces community are not unfairly disadvantaged as part of their recruiting and selection processes.
- The employer must actively ensure that their workforce is aware of their positive policies towards Defence People issues. For example, an employer nominated for support to the Reserves must have an internally publicised and positive HR policy on Reserves. In the case where no HR policy exists this should be demonstrated by specific references in job descriptions or on the organisation's website.
- Within the context of Reserves the employer must have demonstrated support to mobilisations or have a framework in place.
- The employer must demonstrate support to training by providing at least 5 days' additional leave.
- The employer must not have been the subject of any negative PR or media activity that could cause embarrassment to Defence.

Desirable criteria

- *The employer should promote volunteering with the cadet forces by providing additional leave for employees who are Cadet Force Adult Volunteers (CFAVs).*
- *The employer should allow flexibility for employees who are CFAVs to fit their working hours in with their volunteering.*
- *The employer should demonstrate support to the cadet movement as a whole by providing proactive support to individual cadets and/or to local cadet units. This could, for example, be through mentoring cadets in core skills such as CV writing and interview techniques, or by direct investment in equipment or infrastructure for a local cadet unit.*
- *Employers should employ at least one individual from the AFC category that the nomination emphasises. For example, an employer nominated for support to the Reserves must employ at least one Reservist. In exceptional circumstances where there is outstanding generic support for the Armed Forces community and/or the size or business model of the organisation makes employment of such an individual impossible, the organisation can be considered for the award where they do not employ someone from the AFC category.*

For any questions or guidance you seek regarding the criteria, please contact your REED.

<u>Basic information</u>	
Organisation:	Cheshire East Council
Company size:	500+
Industry:	Government
REED/NAM name:	Janice Cox QVRM
REED/NAM email:	nw-reeds@rfca.mod.uk
Your name and job title:	Richard Stephenson-Evans
Email:	Richard.stephenson-evans@cheshireeast.gov.uk
Phone:	07849147519

<u>Defence People employees</u> <i>(Please provide the number of current employees for each Defence People category)</i>	
Reservists:	2
Cadet Force Adult Volunteers (CFAVs):	1
Veterans:	13
Military spouses/partners:	10

Support for Reservists

Where relevant, please provide examples of how this organisation supports Reservists. For example:

- *Offers an additional 5 days paid/unpaid leave to Reservist employees.*
- *Supports Reservist employees during times of mobilisation and demobilisation.*
- *Partnership with Reserve units on a collaborative manning project.*
- *Holds regular meetings and roadshows that promote Reserve service and provide easy access to information.*
- *Established an Armed Forces Network, supporting employees who are Reservists, Veterans and spouses/partners.*

Only enter up to 250 words

- In accordance with our publicised HR Policy we offer 5 days additional paid leave to our Reservists. We also ensure our reservists are supported during times of deployment –See further examples of support for employee feedback
- We conducted an internal questionnaire to identify our Armed Forces community within the Council. This questionnaire enabled us to establish our Network. We are now able to communicate important and relevant information, including policy updates, and to share the contact details for our Veteran support officer.
- Embracing the feedback gathered from the questionnaire has helped us to shape and communicate appropriate information. Our employees also feel they have been listened to.
- We have gained a fantastic relationship with Crewe & District Military Vehicle Club who have a number of serving reservists and former personnel who are part of this organisation. We are working collaboratively with the club and the charity Help for Heroes for Armed Forces Day 2022 making this a huge showcase event for the public in the County.

We have a very good relationship with LOL Foundation (Life after the Services Charity) who also have a number of reservists working for them. We are working closely with them in preparation for our first Veteran Support Hub opening in Cheshire East. We will be offering 1-2-1 support for veterans at the site. The site will be run by volunteers (mainly veterans) with services onsite to support and accommodate homeless veterans. Due to this, LOL are considering signing the AFC.

Support for Cadet Force Adult Volunteers (CFAVs)

Where relevant, please provide examples of how this organisation supports CFAVs. For example:

- *Offers an additional 5 days paid leave to Cadet Force Adult Volunteer employees, plus up to 10 days unpaid leave if required.*
- *Sponsors the local cadet unit and allows the unit access to their main conference hall for parade evenings.*

Only enter up to 250 words

- In accordance with our publicised HR Policy we offer 5 days additional paid leave to our CFAVs
- We currently have 1 long serving employee who has been supporting the cadets for many years whilst employed by Cheshire East Council below is the feedback from this employee showing their service .
- **Quote:** "I volunteer at the local Sea Cadets Corps - Bollington & Macclesfield Unit. I am currently a Chief Petty Officer and responsible for cadet training. I have been an adult volunteer there since November 1999, when I turned eighteen and I have now served over 21 years for this Charitable Organisation.
My partner also volunteers for the Sea Cadets Corps, which is how we met. He is a Lieutenant Commander and he is responsible for cadet training across the North West Area, but he has held various other roles within the organisation. Like me he has been an adult volunteer since he turned eighteen and has served now for nearly 30 years in the Sea Cadets.
My father served in the TA. My nana served if the WRAF during WWII and my grandfather in the Army"
- We work closely with the Town Council who allows the access to their rooms and halls but in the new hub there will be access to this main hall and will have a number of cadets running from this Hub
- I have also attended the Crewe Sea cadets and currently looking at offering support for them with grants and local knowledge.

Support for Veterans, Service Leavers and the Wounded, Injured and Sick

Where relevant, please provide examples of how this organisation supports Veterans or WIS. For example:

- *Supports the employment of Veterans and service leavers by offering an internal mentor/adviser (ex-forces employee), to aid their transition into the civilian workforce.*
- *Actively works with the Career Transition Partnership (CTP) to employ service leavers and attend careers fairs.*
- *Established an Armed Forces Network, supporting employees who are Reservists, Veterans and spouses/partners.*
- *Employs a significant number of Veterans and place high value on the skills and work ethic they bring to the business.*

N.B. Only the first 250 words will be considered

- We have a number of veterans within our Council in many roles who offer skills and experience within our departments. We have 3 Armed forces officers/mentors: Andy Keogh, Nick Lane, Richard Stephenson-Evans who work at different areas within our Council and are key contacts for our colleagues. Their details are shared internally so colleagues know where to get support.
- Richard has a very close relationship with the Armed Forces support officer 'Marius Leon' at the DWP. They meet regularly and discuss events and support for the veteran community. We also offer support for CV writing and free training. This relationship has proved successful in many ways including a successful joint Armed Forces jobs fayre that took place on the 23rd September 2021 at the jobcentre in Crewe working with the Veteran support officer.
- We have a regular contact via our veteran colleague network. This enables us to share relevant information including: opportunities and training, plus up to date information around our Hub.
- We have a number of Veteran colleagues in many different roles including our housing/building department, and one who is both a work placement officer and Veteran Support officer/mentor.

Support for Military spouses/partners

Where relevant, please provide examples of how this organisation supports Military spouses/partners. For example:

- *Established an Armed Forces Network, supporting employees who are Reservists, Veterans and spouses/partners.*
- *Support to military families and spousal recruitment by offering employment to dependants of military employees.*
- *Flexibility for spouses to take time off during times of a partner's deployment, injury or during bereavement.*

Only enter up to 250 words

- From our colleague questionnaire we have identified many colleagues have family members who have served in the forces and we are keen to be in contact with them through our colleagues promoting things like the Hub and Events like the Armed Forces Day event so they can gain friendships and support through these channels to enable them not to miss out
- We ensured when we had the careers fayre we communicated this to our colleagues and using social media.
- We have a competitive bereavement policy and managers are flexible around our Veteran colleagues offering flexible options to support at any time of need
- We engage periodically with our network of colleagues and share any relevant activities or events and even services that may be of interest to their spouses and partners some of these include Mental health specific workshops and Veteran job seeking events.

Further examples of support

Provide any further examples of how this organisation supports Defence and the Armed Forces community. For example:

- *Aligned some retail products to suit the needs of the military customers (eg. enhancing the cancellation cover provided under travel insurance where a member of the Armed Forces has had to cancel a trip due to authorised leave being cancelled).*
- *Enhanced understanding and appreciation of the Armed Forces by our non-military staff through active engagement on military-lead leadership courses.*
- *Works with the Navy, Army and RAF Families Federations to understand areas of need.*
- *Supports a specific service charity.*
- *Offer work experiences and employment to Armed Forces Employment Pathway Candidates (AFEP) as part of initiative with the MOD.*

N.B. Only the first 250 words will be considered

- **Leave for Reservists:** We are currently exploring increasing the paid leave to 10 days for Reservists, so we can progress to gold award in the near future.

Quotes from Armed Forces Network:

- “I am currently a member of the Army Reserve (4 Mercian) and have been for the past 8 years. During this time I have worked for Cheshire East Council across schools, Early Help and Social Care. Cheshire East supported a 9 month deployment in 2015. I make use of the Armed Forces policy each year to complete training with the army. I feel supported by Cheshire East in being an active member of the Army Reserve”.

“My family is a military family my father and grandfather have both served”

- In August 2021 we started to provide the wraparound support working alongside the homeoffice and closely with the MOD providing onsite support for the Afghan interpreters and their families who have fled Afghanistan, Our priorities were to ensure the families get the vital support they needed once at our bridging hotel whilst helping them get 121 mental health support and basic daily needs. From this work we were highlighted by the Homeoffice and MOD as a model what good looks like for all the hotels in the UK due to our support for the families and ensuring they had all needs and lifeskills before leaving our hotel to their permanent homes, We instigated a number of initiatives like English lessons plus education for the children, Relevant benefits in place for the families and ensuring the support continued when they moved but the greatest success is that we were able to get a number of the Veterans into paid work by working closely with our partners helping families to complete a CV and relevant training. This work is still ongoing and currently working with a Veteran charity called LOL life after the services who are helping the Afghan soldiers reconnect with their UK soldiers they worked alongside many years ago in Afghanistan and proved very successful so far.
- We have established a great link with Tom O'brien who is the Chair of the NW RFCA and also the Deputy Lieutenant and shared some work we have been doing in Cheshire with meetings arranged to attend their Veteran Breakfast club and visit their retreats.
- We created a link with Nantwich RBL branch and provided them some money to start up a venture they were looking at doing for some time which was their Veterans Breakfast club help once a month providing food and support to local Veterans. This has really proved so successful with 27 attending the last one and now the Town Council noticing the benefit its bringing locally and offered them a grant to continue this long term.
- Our links with LOL and Tri Services Support Centre charities has helped us reach out to many Veterans in the community and we currently have a grant going through to commission the charity to support with a digital isolation project targeting lonely isolated veterans so they can become more involved with the groups and services,

Further comments or quotes

Add any comments or testimonies that you feel would help strengthen your nomination. For example:

"As a Reservist, I appreciate the flexibility that my employer offers. Management are very keen to be as supportive as they can in terms of flexible working arrangements etc. The 10 days annual leave is of particular benefit as it lets me save my holiday for my family, which is very important to allow me to balance my home life with work and reserve service".

Only enter up to 250 words

"I volunteer at the local Sea Cadets Corps - Bollington & Macclesfield Unit. I am currently a Chief Petty Officer and responsible for cadet training. I have been an adult volunteer there since November 1999, when I turned eighteen and I have now served over 21 years for this Charitable Organisation. My partner also volunteers for the Sea Cadets Corps, which is how we met. He is a Lieutenant Commander and he is responsible for cadet training across the North West Area, but he has held various other roles within the organisation. Like me he has been an adult volunteer since he turned eighteen and has served now for nearly 30 years in the Sea Cadets. My father served in the TA. My nana served in the WRAF during WWII and my grandfather in the Army"

"I am currently a member of the Army Reserve (4 Mercian) and have been for the past 8 years. During this time I have worked for Cheshire East Council across schools, Early Help and Social Care. Cheshire East supported a 9 month deployment in 2015. I make use of the Armed Forces policy each year to complete training with the army. I feel supported by Cheshire East in being an active member of the Army Reserve.

My family is a military family my father and grandfather have both served"

"We are currently exploring an extended 5 days paid leave on top of our already 5 days leave covering all reservists so we can progress to the potential gold award in the near future and this should be finalised in the next few months "

Corporate Policy Committee**5 October 2023****Appointment to Outside Organisation****Report of: Director of Governance and Compliance (Monitoring Officer)****Report Reference No: CP/58/23-24****Ward(s) Affected: All Wards****Purpose of Report**

- 1 The report invites the Corporate Policy Committee to make an appointment to the Cheshire and Wirral Partnership NHS Foundation Trust Council of Governors.

Executive Summary

- 2 The Corporate Policy Committee, at its meeting on 15 June 2023, approved a revised procedure for dealing with vacancies on outside organisations. This required a report to be submitted to the Corporate Policy Committee to approve the appointment of a replacement councillor to the Outside Organisation, upon a vacancy arising.
- 3 The report seeks approval to make an appointment to the Cheshire and Wirral Partnership NHS Foundation Trust Council of Governors.

RECOMMENDATIONS

That a Member be appointed as the Council's representative on the Cheshire and Wirral Partnership NHS Foundation Trust Council of Governors.

Background

4 The Corporate Policy Committee, at its meeting on 11 July 2023, appointed Councillor Liz Wardlaw as the Council's representative on Cheshire and Wirral Partnership NHS Foundation Trust Council of Governors.

5 The Constitution of the Cheshire and Wirral Partnership NHS Foundation Trust states, in Annex 6 - Additional Provisions Council of Governors:

"10. A person may not become a Governor of the Foundation Trust, and if already holding such office will immediately cease to do so, if:

10.3 they are a member of a local authority's Scrutiny Committee covering health matters"

6 Councillor Wardlaw is the Chair of the Council's Scrutiny Committee and is therefore ineligible to be a Governor of the Trust.

7 The Committee is invited to make alternative appointment.

Consultation and Engagement

8 There is no requirement for public consultation on this report. The Political Groups have been contacted for a nomination.

Reasons for Recommendations

9 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

10 An alternative option would be not to make an appointment.

11 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

12 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).

- 13 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

- 14 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

- 15 There are no direct policy implications.

<p>An open and enabling organisation</p> <p>Ensure that there is transparency in all aspects of council decision making</p>	<p>A council which empowers and cares about people</p> <p>Work together with residents and partners to support people and communities to be strong and resilient</p>
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Equality, Diversity and Inclusion

- 16 There are no direct implications.

Human Resources

- 17 There are no direct human resources implications.

Risk Management

- 18 The 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

19 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)

20 There are no direct implications in respect of children and young people and cared for children.

Public Health

21 There are no direct implications for public health.

Climate Change

22 There are no direct implications relating to climate change.

Access to Information	
Contact Officer:	Brian Reed Head of Democratic Services and Governance brian.reed@cheshireeast.gov.uk
Appendices:	None
Background Papers:	Corporate Policy Committee 15 June 2023 - Review of Outside Organisations Corporate Policy Committee 11 July 2023 - Appointments to Outside Organisations

Corporate Policy Committee

5 October 2023

Digital Strategy Update

Report of: Alex Thompson, Director Finance and Customer Services

Report Reference No: CP/20/23-24

Ward(s) Affected: All

Purpose of Report

- 1 This report provides an update on the progress and achievements related to the Council's Digital Strategy 2022-24.
- 2 Information is also provided on the approach to accelerating the way forward on digital innovation and benefits.

Executive Summary

- 3 The Council published its [Digital Strategy \(PDF, 4MB\)](#) in March 2022, which set out our digital vision, aims, principles and actions.
- 4 Our digital vision is to “Use the power of digital innovation to redesign the council and the services it provides – making Cheshire East a better place to live and work and supporting our residents and businesses to thrive.”
- 5 The Digital Strategy identified forty-seven digital projects. 17% have been completed or closed, 66% of these projects are on track to deliver as defined and 17% are still required but may need to be reviewed.
- 6 To keep momentum in the achievement of our strategy the Digital Governance model is being re-visited. the aim is to accelerate digital transformation and proactively supporting Council Services with innovative solutions alongside the financial business planning process and refresh of the corporate plan.

- 7 These changes will re-shape the Digital Steering Group and set up a Digital Design authority. These two elements will be in place for September 2023 and will evolve over the rest of the year as priorities are identified.
- 8 As part of the re-shaping initiative, activities are being put in place to accelerate digital delivery.
- 9 We will also develop a model based on product delivery. This means longer-term focus on the impact and user-benefits of an evolving product. With the changes needed to achieve this being delivered by co-ordinated projects.
- 10 Driving digital success will require a digital Adoption and Change Management (ACM) approach and committed resources.
- 11 To maximise the impact of digital transformation the Digital Steering Group will prioritise transformation. To reflect the requirement to achieve financial sustainability the initial focus will be on optimising benefits within services that can reduce expenditure through digital transformation.

RECOMMENDATIONS

The Corporate Policy Committee is recommended to:

1. Note the progress made in respect to the aims of the Digital Strategy contained within the briefing material in this report and proposals to accelerate digital transformation.
2. Note the re-shaping of the Digital Strategy Board and introduction of a Digital Design Authority, with an initial focus on financial sustainability through digital transformation.

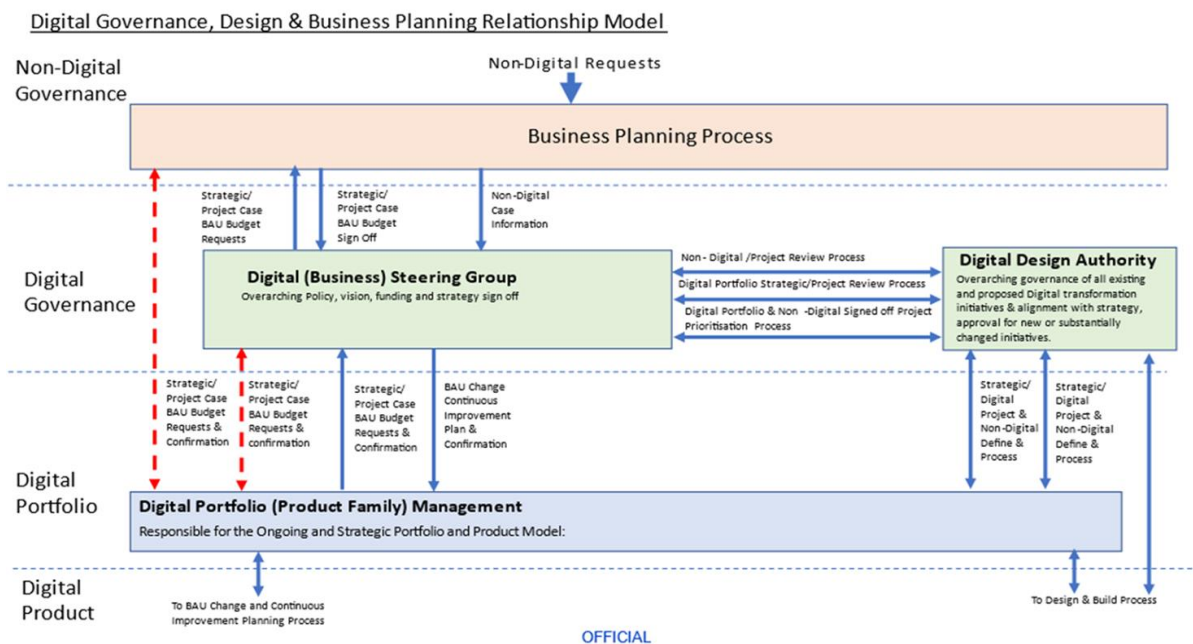
Background

- 12 Maximising the opportunities that the Digital Revolution provides is a priority for the Council as outlined within the Corporate Plan. In September 2021, a report was submitted to Corporate Policy Committee detailing the progress made towards this digital priority and the challenges of co-ordinating this activity across the Council and with our partners. Corporate Policy Committee approved a recommendation to develop a cohesive overarching Digital Strategy enabling delivery of our digital ambitions at the scale, focus and impact required.

- 13 The Council is committed to using digital technologies to create new value within the service areas by evolving processes, culture, and customer experience to meet changing internal business and external resident and market requirements.
- 14 Digital solutions will also include enhanced cyber security measures, robust information assurance and data management, reliable connectivity, and integration across the Council.
- 15 The Digital Platform delivery is ongoing and on target, with accelerated delivery of digital options across Council Services planned to commence during the final quarter of 2023/24 and continue throughout 2024/25.
- 16 The public sector is standing on the edge of a brave new technological world. Much progress has already been made, but there is still work to be done. The urgent need for change is matched by both desire and ability.
- 17 In its rapid response to the pandemic, the workforce demonstrated remarkable resilience and agility, almost immediately adapting to embrace new methods and processes. We have emerged into a much-changed world. With innovative technologies advancing at a barely conceivable pace, the opportunities are many.
- 18 Now is the time to build on the hard-won achievements of recent history, to embrace innovation and to power the public sector forwards, ready to meet the challenges of tomorrow. Improvements have been made in our service delivery, in our daily working practices and in our communities but this needs to accelerate to meet our financial challenges.
- 19 The Corporate Plan recognises this but also the need for more to be done to maximise benefits and to minimise any negative impacts of digital. In tandem, Digital inclusion is a key priority with a view to securing dedicated resource in the new Digital and ICT Target Operating Model (TOM) going forward.
- 20 The Digital Strategy 2022-24 for Cheshire East Council provided a clear vision for the Council's digital transformation, underpinned by a set of principles against which the existing wide range of activities can be co-ordinated and future initiatives can be assessed.
- 21 In September 2021, Corporate Policy Committee approved both the principles upon which the Digital Strategy should be based and the themes around which it should be developed. In December 2021, Corporate Policy Committee approved a draft Digital Strategy, subject to formal consultation.

- 22 An officer-level Digital Board was established chaired by the Director for Finance and Customer Services. The Board co-ordinated the delivery of the Digital Strategy, ensuring all actions are delivered and the anticipated outcomes and benefits are achieved.
- 23 A Digital Platform and forty-seven digital projects were identified to deliver the strategy. These projects and their status are listed in Appendix 1.
- 24 Overall, 66% of these projects are on track to deliver as defined, 17% are still required but may need to be reviewed and 17% have been completed or closed.
- 25 Provide innovative public services digital projects has 69% on track, 15% needing review and 15% completed or closed.
- 26 Create a vibrant digital economy has 58% projects on track, 8% needing review and 34% completed or closed.
- 27 Create a sustainable digital infrastructure has 91% projects on track and 9% needing review.
- 28 Improve health, wellbeing and inclusion projects has 45% on track, 36% needing review and 18% completed or closed.
- 29 The Digital Platform is the core component for Cheshire East Council to provide digital services to its customers. Its primary objectives are to provide the framework for continuous transformational change management across Council Services.
- 30 Platforms depend on service goals; and can include cloud servers, content management systems, robotics, data analytic systems, mixed reality, artificial intelligence, geo-based applications and more. The ICT Digital Programme has recommended configuration of functionality, based on need, whilst maintaining the principles of simplified, standardised and shared.
- 31 Migrating data from local devices or services to the cloud to improve productivity, the ability of the business to scale, and to reduce data siloes or information bottlenecks within the Council is nearing completion.
- 32 The delivery of the Digital Platform is ongoing and on target, with core platform capabilities continuing to be enabled during the first nine months of 2023/24. Accelerated delivery of digital options across Council Services is planned to commence during the final quarter of 2023/24 and continue throughout 2024/25.

- 33 The digital framework provides the capabilities to deliver an enhanced customer experience across services and system enabled business efficiencies, in support of the council's financial challenge objectives.
- 34 The Digital Governance model is being re-visited in line with changes to personnel and the wider Digital Space to accelerate digital transformation and proactively support end-to end cross directorate digital solutions, challenging and underpinning the financial business planning process.



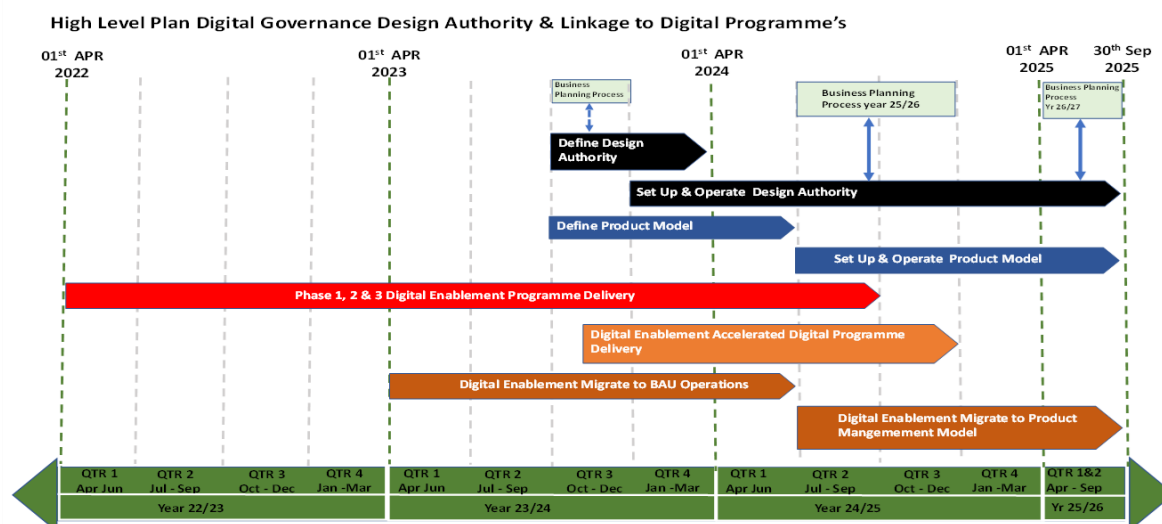
- 35 It is proposed that this governance model will manage the framework which supports the ongoing digital strategic direction and prioritisation, the co-ordination, funding and sign-off of ongoing digital initiatives and requests.
- 36 As part of the re-shaping initiative, it is proposed that activities are put in place to accelerate digital delivery. The existing acceleration case will be re-purposed to include analysis, streamlining and alignment of existing/planned deliveries.
- 37 Consideration is also being given to the development of a model which provides for the movement from a project delivery to a product delivery model, which incorporates agile ways of working and continuous improvement, and acceleration of the use of innovation technologies to support accelerated delivery and benefits.
- 38 The governance model will incorporate a Digital Steering Group and a Digital Design Authority. It is planned to have these bodies in place on an increasing scope basis through 2023-24.

- 39 These governance groups will also be supported by both our Gartner and InfoTech specialist partners to widen our understanding of possible digital solutions, ethics and policies, agile developments, products, change management, training, and communications.
- 40 It is proposed that the Digital (Business) Steering Group will be responsible for governance, strategic direction, and associated policies (AI, Robotics, equality, inclusion, compliance, training, and development etc.), funding and budgets, and project authorisation to progress through to the next stage of the corporate governance process/structure.
- 41 The work of the Digital (Business) Steering Group incorporates ICT and Digital systems relevant to the delivery of all services across the Council including those ICT systems that are used by our partner organisations and work that links to our “external” Digital Strategy.
- 42 Services often have poor visibility into the activities of other services, and they may not be aware of the ramifications their decisions have on teams and stakeholders outside of their service. It is proposed that the Digital (Business) Steering Group will focus on end-to-end digital delivery and a proactive communications plan for the Council.
- 43 Digital (Business) Steering Group will also review the funding model for digital provision for services to make it easier to engage with digital leads. Digital funding currently depends on one-time expenditures or capital-funding mechanisms that are based on building-construction funding models predicated on a life expectancy of 20 years or more. It is recognised that such models do not provide the stability or flexibility needed for modern digital innovative investments.
- 44 The Digital Steering Group will initially focus on products and services that can achieve significant savings through digital transformation. This approach is likely to support high engagement from services users and residents as well as supporting a sustainable financial model of service delivery.
- 45 The key purpose of the proposed Digital Design Authority (DDA) is to act as the point of integration, approval and overview of the business architecture, technical architecture and commercial elements that will make up the business solutions (having been approved and prioritised by the Digital (Business) Steering Group) being designed, implemented, and operated by the service areas.
- 46 The DDA will ensure that development of the solution is in accordance with agreed strategic objectives, design principles, target architecture and target operating model. It provides a holistic overview and to ensure

the individual streams of work are integrated and aligned. The role includes setting the definition of a common design, vocabulary, process and understanding of how the transformation design will be delivered.

47 The DDA reports to the Digital (Business) Steering Group.

48 Proposed timeline



Consultation and Engagement

49 The Digital Strategy was subject to formal consultation between 6th December and 23rd January 2022.

50 The consultation was promoted on the Council's website and through press releases, social media, and internal communications. It was issued to the Digital Influence Panel, promoted in our Libraries, and via or Community Co-ordinators.

It was shared directly with our partners via the Business Forum and the Digital Inclusion Panel (including representation from Health, Council Voluntary Services and Age UK), with colleagues in Health and Connecting Cheshire and with Senior Managers across the Council engaged in delivering supporting projects or initiatives.

Reasons for Recommendations

51 To provide a cohesive Digital Strategy for the Council and our partners in support of the strategic aims and objectives in the Council's Corporate Plan 2021-25.

52 To enable better co-ordination of activity and standards, including with our partners, to increase efficiency and promote innovation by providing a focus for activity and appropriate support.

Other Options Considered

Option	Impact	Risk
Do nothing	This option is not recommended as, without the focus of an overarching Strategy, there are significant risks of inefficiency as well as a limited ability to share expertise and best practice.	<ul style="list-style-type: none"> • Poor reputation • Rise in complaints • Inefficient processes leading to higher costs. • Vulnerable customers not identified and supported

Implications and Comments

Monitoring Officer/Legal

- 53 Council needs to comply with all Data Protection principles and policy. Consent is unlikely to be required, even if the secondary use of personal data is different to the original purpose, particularly when it is likely to be for an official function of the local authority. An important principle is 5(1)(a) - processed lawfully, fairly and in a transparent manner in relation to the data subject ('lawfulness, fairness and transparency'). This means that appropriate privacy notices must be in place which clearly define what personal data will be used for, where it comes from and who it is shared with. Informing data subjects and having a clear basis in law to process is key to compliance with UK GDPR and DPA 2018.
- 54 UK GDPR – Article 5(1)(b) data shall be collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible for those purposes. While enabling customers to experience a seamless process the Council does need to ensure compliance with Article 5(1)(b) if personal data is to be used for a new purpose other than a legal obligation or function set out in law, the Council will need to ensure that this is compatible with the original purpose the data was collected for or obtain consent. Obtaining consent for use for a different purpose can be problematic for a public authority as there is a presumption that consent is not freely given if provision of a service is dependent on the consent, as is the case with service provided by public bodies.

Section 151 Officer/Finance

- 55 The Strategy provides a clear vision for the Council's digital transformation against which the existing wide range of activities can be co-ordinated and future initiatives can be assessed. The governance, associated with implementation of the strategy, will increase opportunities to achieve efficiencies within the medium term.
- 56 Any changes to the MTFS will be reported and approved in accordance with the Constitution. In most cases this will be presented as a service-based business case that articulates the user and resident benefits and potential financial savings associated with digital transformation.

Policy

- 57 The principle and themes are aligned with the Council's vision, priorities and values as outlined in the Corporate Plan 2021-2025
- 58 The Digital Strategy directly supports the aims of:
 - (i) An open and enabling organisation.
 - 1. Listen, learn, and respond to our residents, promoting opportunities for a two-way conversation.
 - 2. Support a sustainable financial future for the council, through service development, improvement, and transformation.
 - 3. Support and develop our workforce to be confident, motivated, innovative, resilient, and empowered.
 - 4. Promote and develop the services of the council through regular communication and engagement with all residents.
 - (ii) A Council which empowers and cares about people, working together with residents and partners, and
 - (iii) A thriving and sustainable place.

Equality, Diversity, and Inclusion

- 59 The fundamental principles underpinning the Strategy ensure that inclusion is at the heart of all digital proposals.
- 60 Consideration was given to the Public Sector Equality Duty provided for under s.149 of the Equality Act 2010. It is recognised that we must remove or minimise disadvantage and take steps to meet the needs of persons sharing protected characteristics such as a disability or age. The duty also provides that public authorities must encourage persons with a protected characteristic to participate where participation by such persons is disproportionately low. A full EIA was conducted.
- 61 The Digital Strategy aims to improve the experience of all customers when interacting with the Council and ensures that the Council

recognises and addresses individual needs and/or barriers to accessing services.

- 62 Consideration is being given to securing a dedicated Digital Inclusion resource in the new Digital and ICT Target Operating Model (TOM) going forward.

Human Resources

- 63 Business process transformation will change how the services function, aiming to increase efficiency and reduce cost, by using information and technology to help staff perform tasks, gather data, and deliver smarter business decisions.
- 64 Cultural transformation is also required. The art of taking a typically traditional business and highly linear workforce and giving them the technology tools to work as a digital and flexible Council (with partners) through collaboration, data sharing and setting continuous innovation goals.
- 65 The Strategy therefore recognised the need for the continued upskilling of the workforce and a shift in culture towards digital first. Bright Sparks need to be included and encouraged to propose and develop innovative solutions.
- 66 ICT Services is currently reviewing its structure because of the split of ICT Shared Services from Cheshire West and Chester Council and the transfer of digital services.
- 67 The new Digital and ICT Target Operating Model (TOM) will look to identify resources and the right talent to underpin the development of, and operating of, digital Council services going forward.
- 68 Driving digital adoption will require a digital Adoption and Change Management (ACM) approach and committed resources. Both the Workforce Development and Communications teams will be key to this approach.
- 69 Tackling change management resistance needs to be a key part of any new deployment. Having a plan in place for this right from the start will help ensure employees are ready for what is coming, understand why it is happening and know what will be required of them.
- 70 The ultimate cost of the poor handling of adoption and change management is the failure of the digital strategy and the expected benefits.

Risk Management

- 71 Ongoing Digital transformation will be co-ordinated through Digital and ICT Services.
- 72 Training and development of the Corporate Programme Management Office, to support agile developments and products, will be actioned.
- 73 It is proposed that risks will be managed by the Programme (theme or Product) leads, assessed by the Digital Design Authority, with any escalations reported to the Digital Steering Group as required.

Rural Communities

- 74 The Customer Experience Strategy commits us to recognising the individual needs of all customers and communities which includes the specific needs of rural communities particularly in respect of access to digital technologies.

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

- 75 There are no direct implications for Children and Young People arising from this report.

Public Health

- 76 There are no direct implications for public health arising from this report.

Climate Change

- 77 There are no direct implications for climate change arising from this report.

Access to Information	
Contact Officer:	Gareth Pawlett – CIO and Head of ICT Services Gareth.Pawlett@CheshireEast.gov.uk
Appendices:	Digital Project Status
Background Papers:	Digital Strategy (PDF, 4MB)

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Appendix 1 – Digital project status

	Innovation in Public Services	RAG
Digital Services for Customers	DIG1 – Redesigned Corporate Website	R
	DIG2 – Digital Services Review	G
	DIG3 – Customer Experience Platform	G
	DIG4 – Personalised Customer Data	A
	DIG5 – Traditional Access Channels	G
Digital Data	DIG6 – Embedding the Information Strategy	G
	DIG7 – Digital Data Framework	G
	DIG8 – Single Record (data centralisation)	G
	DIG9 – Data Sharing Framework	A
Digital Council		
	DIG10 – Flexible Working	G
	DIG11 – ‘Agile’ Tech Expansion	G
	DIG12 – Digital Innovation including Robotic Processing	G
	DIG13 – Digital Ecosystem Expansion	R

Vibrant Digital Economy			RAG
Digital Business	Support	DIG25 – Business Development Portal	G
		DIG26 – My Account for Business	G
	Services	DIG27 – Master Classes	G
		DIG28 – ADAPT Project	G
Digital Workforce		DIG29 – Digital Skills Training Partnership	R
		DIG30 – Digital Skills For Young People	R
		DIG31 – Digital Skills for CE Staff	G
		DIG32 – Skills for Hospitality Sector	A
Digital Economy		DIG33 – ‘Place’ Marketing	R
		DIG34 – Digital Innovation hubs	G
		DIG35 – Business Clustering Programmes	R
		DIG36 – Business Connectivity	G

Sustainable Digital Infrastructure		RAG
Broadband to Homes and Businesses	DIG14 – Digital Cheshire Rollout	G
	DIG15 – Broadband and mobile connectivity	G
	DIG16 – Planning Policies Review	G
Access in the Community	DIG17 – Library network Upgrades	G
	DIG18 – Community Grant Scheme	G
	DIG19 – Affordable Connectivity Care Leavers	G
	DIG20 – Flexible Work Spaces	G
Supporting the Green Agenda	DIG21 – Reduce Carbon Emissions	A
	DIG22 – Artificial Intelligence	G
	DIG23 – Smart Tech in New Developments	G
	DIG24 – Smart Grid Services	G

Health, Wellbeing, and Inclusion		RAG
Digital Devices	DIG37 – DfE Laptop Scheme	G
	DIG38 – Device Recycling Scheme (CEC)	A
	DIG39 – Loan Scheme Awareness Campaign	A
	DIG40 – Digital Buddies Expansion	A
Digital Skills and Confidence	DIG41 – Local Digital Skills Offer	A
	DIG42 – Digital Skills access in Libraries	G
	DIG43 – Keeping Children Safe Online	R
Health and Independence	DIG44 – Integrated Patient Care Record	G
	DIG45 – National Digital Switchover 2025	R
	DIG46 – Telemedicine / Assistive Tech	G
	DIG47 – “Live Well” Online Portal	G

Corporate Policy Committee**5 October 2023****Customer Experience Strategy Update**

Report of: Alex Thompson, Director Finance and Customer Services**Report Reference No: CP/19/23-24****Ward(s) Affected: All****Purpose of Report**

- 1 This report provides an update on achievements in relation to the Council's Customer Experience Strategy. Improving the customer experience is a key priority contained within the Council's Corporate Plan and supports the Council's aims of being "open" and "fair".

Executive Summary

- 2 The Customer Experience Strategy was approved in March 2021. This has led to a substantial amount of work to further embed a customer focussed culture across the Council and to develop the policies, procedures and technology to underpin this including:
 - (i) Training and awareness for all staff led by the Chief Executive, Executive Directors and Directors
 - (ii) Revisions to our complaints process to focus this on lessons learned and to drive service improvements
 - (iii) New technology supporting our Corporate Contact Centre and front of house services
 - (iv) New technology supporting our online services and an enhanced corporate website
 - (v) Detailed service reviews and improvements made to the Highways Service and Planning Service

- (vi) Enhanced data collection and analysis to support a better understanding of our customers and the quality of service we provide and to inform service improvements.
- 3 Appendix One provides further details on these customer focused activities across Council services.
- 4 Appendix Two provides details of the performance measures used to assess progress against the Strategy. These demonstrate that real progress that has been made in transforming the culture of the Council and in customer's perceptions of the Council. Since 2021 there has been an 11% increase in customer satisfaction with the overall service they received from the Council and an 11% increase in staff understanding of the customer experience and their role in contributing to that.
- 5 The number of customers engaged with our digital services has also increased with 45,000 residents now signed up to digital newsletters and over 126,000 signed up to on line accounts.
- 6 The improvement in customer experience is also a factor in driving down the volume of complaints received with a 12% reduction in overall numbers of complaints.
- 7 The progress to date indicates the strategy is working and that activity should continue to further embed the strategy across Council services. Work is already progressing to enhance the technology which supports our Contact Centres and our digital offering for customers. This recognises the increasing demand for digital services but also improving services for those who cannot or choose not to use digital options.

RECOMMENDATIONS

The Corporate Policy Committee is recommended to:

1. Note the progress made in respect to the aims of the Customer Experience Strategy contained within the briefing material in this report.
2. Note the improved performance of the Council's approach to and delivery of an improved customer experience.
3. Approve the proposed future focus for the Customer Experience Programme as contained within the briefing material in this report at Para 13 (a to c).

Background

- 8 The Council's Customer Experience Strategy was approved by Members in March 2021. It sets out a vision of the customer experience we wish to offer, where our customers' needs are central to the services we deliver and the way we deliver them and where every interaction a customer has with us, is of a consistently high quality.
- 9 Development of the aims of the Strategy has been governed through the Brighter Futures Transformation Programme (chaired by the Executive Director Corporate Services) and a Customer Experience Programme Board led by the Director of Finance and Customer Services.
- 10 Development was built around five main themes:
- (a) Culture – developing a Culture across all levels of the Council where the needs of customers are understood and considered in all decision making and service delivery.
 - (b) Insight and consultation – developing procedures to help us understand our customers and their needs, improving our use of data to inform decision making, learn lessons and drive service improvement.
 - (c) Customer focused policies and procedures – developing or revising policies and procedures to ensure these support the aims of the programme
 - (d) Service Re-design – re-designing services around the customer and developing end-to-end customer journeys which are seamless and effortless for the customer.
 - (e) Technology – Improving the technology that helps customers to help themselves and supports our staff to deliver quality customer services.

Appendix One provides details of the activities undertaken to develop each of these themes.

- 11 Progress against the aims of the Strategy has been measured using a range of performance metrics which provide assurance against progress and/or areas for further focus.

Appendix Two provides details of performance against these metrics and progress since the launch of the Strategy.

- 12 Future focus: Most of the activities required to underpin the Customer Experience Strategy have now been completed and the work will move to “business as usual” to provide ongoing monitoring and assurance.

- 13 The Customer Experience Programme will now focus on three areas as follows:
- (a) Ongoing development of the technology to support customers, in particular the drive to improve our digital services, enabling customers who wish to do so to self-serve and driving efficiencies across the Council.
 - (b) A review of our “Target Operating Model” for the delivery of front-line customer services across the Council which enables us to meet the needs of customers now and in the future in the most efficient and cost-effective manner
 - (c) A review of the Customer Experience Strategy (due for revision in 2024) which will align with the work to develop a new Corporate Plan for the Council. As such the customer experience programme will no longer report against the current customer experience strategy.

Consultation and Engagement

- 14 The Customer Experience Strategy was developed in consultation with customers, partners, staff, and members and was based on analysis of customer feedback from Residents Surveys, complaints, compliments and contact data.
- 15 Progress within the Insight and Consultation workstream now enables us to gather ongoing customer feedback through several mechanisms including short surveys following customer contact with the Council, “sentiment analysis” of conversations, analysis of complaints and their root causes, website and online forms feedback and service specific surveys.

Reasons for Recommendations

- 16 The report allows members to note ongoing activity to implement the approved Customer Experience Strategy. This ensures that the Committee is provided with assurances of progress towards the aims of the Customer Experience Strategy and the objectives of the Corporate Plan to become an “open and enabling” Council.
- 17 Recommendation 3 supports an ongoing focus on high impact activities that will continue to put customers at the heart of what the Council does.

Other Options Considered

Option	Impact	Risk
Do nothing	The Council would not deliver the standards of	<ul style="list-style-type: none"> • Poor reputation • Rise in complaints

	customer experience expected by our customers	<ul style="list-style-type: none"> • Inefficient processes leading to higher costs • Vulnerable customers not identified and supported
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Implications and Comments

Monitoring Officer/Legal

- 18 Progress against the aims of the Customer Experience Strategy is driving improvements in the management of complaints. Poor complaints Management can lead to reports from the Local Government and Social Care Ombudsman with the potential for fines to be imposed or public reports to be issued.

Section 151 Officer/Finance

Activities associated with the development of the aims of the Strategy have been included within the Council's Medium Term Financial Strategy as part of the transformation work programme. Where required, a business case has been completed to access funding via the Transformation Earmarked Reserve. Efficiency savings associated with the activities of the Customer Experience Project have also been identified and included within the MTFS.

Policy

- 19 The Customer Experience Strategy directly supports the aims of an "open and enabling Council":

An open and enabling organisation <ul style="list-style-type: none"> • Listen, learn, and respond to our residents, promoting opportunities for a two-way conversation • Support a sustainable financial future for the council, through service development, improvement, and transformation • Support and develop our workforce to be confident, motivated, innovative, resilient, and empowered • Promote and develop the services of the council through regular communication and engagement with all residents 	A council which empowers and cares about people <ul style="list-style-type: none"> • Work together with residents and partners to support people and communities to be strong and resilient 	A thriving and sustainable place (Include which aim and priority)
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Equality, Diversity and Inclusion

- 20 The Customer Experience Strategy aims to improve the experience of all customers when interacting with the Council and ensures that the Council recognises and addresses individual needs and/or barriers to accessing services.

Human Resources

- 21 The Customer Experience Team have worked closely with the Council's HR teams to deliver support, training and development on customer experience to all staff.

Risk Management

- 22 There are no direct implications for risk management arising from this report.

Rural Communities

- 23 The Customer Experience Strategy commits us to recognising the individual needs of all customers and communities which includes the specific needs of rural communities particularly in respect of access to digital technologies.

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

- 24 There are no direct implications for Children and Young People arising from this report.

Public Health

- 25 There are no direct implications for public health arising from this report.

Climate Change

- 26 There are no direct implications for climate change arising from this report.

Access to Information	
Contact Officer:	Jane Farnworth – Head of Customer Services (Acting) Jane.Farnworth@CheshireEast.gov.uk

<p>Appendices:</p>	<p>Appendix One: Customer Experience Activities</p> <p>Appendix Two: Customer Experience Performance</p>
<p>Background Papers:</p>	<p>Customer Experience Strategy (cheshireeast.gov.uk)</p>

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Customer Experience Activities

- Culture
- Insight and Consultation
- Customer focussed policies and procedures
- Services Redesign
- Technology (Contact Centre)
- Technology (Digital)

Customer Experience Activities – Culture

- Customer Experience leadership sessions held with all senior staff (Chief Executive to Heads of Service) designed to consider how we can create a sustainably customer centric organisation and embed the competencies required to make that happen
- Manager share and support sessions held to promote the customer experience and engage managers in driving a customer centric culture within their services
- Managers customer experience training developed
- An E learning training package developed for all staff to explain the values and behaviours expected and to provide the skills and knowledge to deliver this.
- Communications programme developed (and ongoing) to promote and remind staff of various aspects of the Strategy
- LGSCO training delivered to 36 officers on 13th April and 17th June 2023

Open

Fair

Green

Customer Experience Activities – Insight and Consultation

- Consultation toolkit developed to provide practical advice and guidance to all staff engaged in consultation
- “Peoples Panel” concept trialled to engage residents in discussions on the rising cost of living and to generate ideas as to how the Council, local communities and government can help make life more affordable.
- Use of focus groups agreed to co-produce and inform development of a new Corporate Plan 2024
- New technology within the Contact Centre used to analysis key words and sentiments expressed by customers to inform future consultations
- Data toolkit collating date from the Contact Centre technology platform, Chatbot, Digital Contact, complaints and correspondence developed to provide insight to decision making and service transformation

Customer Experience Activities – Customer focussed policies and procedures

- Customer Charter setting standards of customer service delivery across the Council approved and implemented
- Managers guide to the Charter developed providing practical support and advice on procedures to deliver the standards and provide ongoing support to staff.
- Revised procedures for the management of complaints focusing the Complaints Team on identifying root causes of complaints and lessons learned and informing service redesign
- Revised policy for the management of those small number of customers who are unreasonably persistent or aggressive in their interactions with the Council. Ensuring these customers are managed appropriately, consistently and fairly whilst also protecting staff.
- Revised policy for the management of correspondence developed ensuring responses are managed, responses are comprehensive and timely and lessons can be learned

Customer Experience Activities – Service Redesign

Highways service re-design and implementation plan completed mid 2021

- Improvements made:-
 - Improvements to the progress messages issued to highways to customers following a report/request
 - Greater engagement with members and with Town and parish councils on planned works and progress against these
 - Improved communications through the development of a regular highways newsletter
 - Improvements to the on line reporting services including fix my street
 - Recruitment of area inspectors with a greater emphasis on customer service and community engagement skills
 - Enhancements to the contract management and performance management of ASDV

Planning Service re-design and implementation plan completed 2022

- Improvement made:-
 - Improved responses to complaints following pilot involving additional support from customer services – substantial reduction in stage 2 and Ombudsman complaints

Open

Fair

Green

Customer Experience Activities – Technology (Contact Centre)

Implementation of a new customer contact technology which now enables:-

- All contact to be handled in a consistent manner irrelevant of the channel used (such as e mail, telephone, chatbot)
- Automatic speech recognition enabling customers calls to be routed to the correct team quickly and efficiently
- Call back options for customers who do not wish to wait in the queue
- Customer feedback – enabling customers to receive a short survey on their experience following their contact
- Sentiment analysis – enabling words and expressions to be analysed to understand positive or negative reactions to service or services and to inform consultations and decision making
- Greater reporting and management of performance and customer demand






Customer Experience Activities – Technology (Digital)

Ongoing implementation of a new digital platform that provides:-

- An enhanced replacement of all on line forms providing a consistent and easy to use digital offering for customers
- An enhanced replacement of the Council's Account enabling this to be expanded to multiple council services and removing the confusing range of customer portals currently in use
- End to end customer journeys which provide a seamless digital journey for customers
- A single customer case management system enabling the customer to track progress with their request at all stages and/or for front of house services to have visibility of the request to be able to inform the customer
- Automation of activities reducing the need for manual intervention at various stages


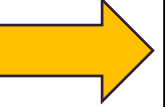




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Customer Experience – Performance Measures

Measures	Performance	Comparison
Customers who rated the service they received from a Customer Advisor as good or excellent	84%	Increase from 74 % 
Customers who rated the overall service they received as good or excellent	76%	Increase from 65% 
Staff who say understand how they contribute to the Customer Experience	85%	Increase from 74% 
Staff who feel that their senior managers promote the importance of customer experience	74%	Increase from 58% 
The amount of effort it took a customer to resolve their query	4.35	Reduced from 5.6 (lower the better) 

Customer effort: On a scale of 1 to 10, where 1 is “very little effort” and 10 is “a lot of effort”, how much effort did you have to make to report your service request / enquiry?

Customer Experience – Performance Measures

Measures	Performance	Comparison
Number of customers signed up to an on line account	126,322	Increase from 105,164 
Digital interactions as a % of all contact	49%	Static at 49% 
Number of customers signed up to on line newsletters	45,000	Increase from 39,700 
Customer satisfaction with the corporate website	66%	Increase from 54% 
Number of complaints received by the Council	2637	Reduced from 3025 
Number of complaints with injustice found by the Ombudsman	11	Reduced from 12 

Customer effort: On a scale of 1 to 10, where 1 is “very little effort” and 10 is “a lot of effort”, how much effort did you have to make to report your service request / enquiry?

Corporate Policy Committee**5 October 2023****Performance Report – Quarter 1 2023/24****Report of: Sarah Bullock, Director of Policy and Change****Report Reference No: CP/17/23-24****Ward(s) Affected: All****Purpose of Report**

- 1 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.
- 2 This report covers quarter 1 of 2023/24, 1 April 2023 – 30 June 2023.
- 3 This report supports the responsibility of the Corporate Policy Committee to have a co ordinating role across all other committees and to exercise corporate oversight of outcomes, performance, budget monitoring and risk management.
- 4 Appendix 1 provides the detail of performance and progress against priorities.
- 5 Appendix 2 provides Office of Local Government data.

Executive Summary

- 6 This report gives an update on performance against the priorities in the Council's Corporate Plan. It describes performance in quarter 1 (April-June 2023) against the objectives within the Corporate Plan.
- 7 In Cheshire East, local elections took place in May 2023, the middle of the quarter, with the first time that voter photo ID was required. The elections resulted in almost half of the Cheshire East Councillors being new elected members. However, the leadership and joint administration arrangements of the council remained the same.
- 8 During quarter 1, there were continued national challenges such as continuing high inflation, continuing cost of living pressures, recruitment and retention challenges and a period of employee relations disputes and strikes outside of local government.
- 9 Despite these national challenges continuing, overall performance in quarter 1 was encouraging, particularly with progress in relation to regeneration and the net zero target, improvements beginning to be evidenced in childrens services and further reduction of the number of applications in hand in the planning service.
- 10 The Council continues look at ways to manage the impact to its financial position. However, in doing so, it is anticipated that performance across the Council will require greater focus over the next period.
- 11 Anticipated future inspections in both Adults Health and Integration and Childrens Services will likely place additional pressure upon the Council, with a risk that recommendations from these inspections will lead to further demands being placed upon already pressured services.
- 12 Further detailed performance data in relation to adults, health and integration and children and young people can be found in the reports presented to Adults and Health Committee ([Decision report Adults score card Q1 2023-24 hcm.pdf \(cheshireeast.gov.uk\)](#)) and Children and Families Committee ([1. Q1 Scorecard 2023-24.pdf \(cheshireeast.gov.uk\)](#)).

RECOMMENDATIONS

The Corporate Policy Committee is recommended to:

1. Confirm understanding of organisational performance in quarter 1 of 2023/24.
2. Consider any amendments in performance reporting, and/or additional data and intelligence that should be included within performance management during 2023/24.

Background

- 13 The Council's Corporate Plan 2021-25 outlines 20 priorities for the Council, 6 aligned with the "Open" aim, to be an open and enabling organisation, 8 priorities are aligned to the "Fair" aim, a Council which enables and cares about people and 6 priorities are aligned to the "Green" aim, a thriving and sustainable place. The 20 priorities are as follows:

An open and enabling organisation

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

A council which empowers and cares about people

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

A thriving and sustainable place

- A great place for people to live, work and visit
- Welcoming, safe and clean neighbourhoods
- Reduce impact on the environment
- A transport network that is safe and promotes active travel
- Thriving urban and rural economies with opportunities for all
- Be a carbon neutral council by 2025

- 14 This report reviews performance against priorities in the Corporate Plan and focuses upon a "One Council" approach to performance management. This includes a balance of quantitative and qualitative data. The full quarter 1 performance report is at **Appendix 1**. This gives further details on progress made against delivery of the Corporate Plan during the first quarter of the 2023/24 municipal year.

- 15 Cheshire East Council delivers around 500 services to around 398,800 residents. There are 2,717 full time equivalent staff in quarter 1. This is slightly lower than our average figure of 3,000 during 2022/23, reflecting the agreed action to support management of financial pressures, by reviewing all vacancies and only recruiting to posts which are crucial to statutory service delivery.
- 16 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 Corporate Plan and should complement the more detailed performance, service specific dashboards that are considered at service committees.

17 Open – An open and enabling organisation

Priorities

- Ensure that there is transparency in all aspects of council decision making
 - Listen, learn and respond to our residents, promoting opportunities for a two-way conversation
 - Support a sustainable financial future for the council, through service development, improvement and transformation
 - Look at opportunities to bring more income into the borough
 - Support and develop our workforce to be confident, motivated, innovative, resilient and empowered
 - Promote and develop the services of the council through regular communication and engagement with all residents
- 18 Quarter 1 is the period of local elections and thereafter Annual Council and the appointment of members to specific roles and responsibilities. For this reason, there was only one meeting per service committee during quarter 1.
 - 19 Recruitment and retention continues to remain a key national challenge for local government, as it has been throughout 2022/23. Cheshire East Council continues to implement the actions it identified through its dedicated officer working group on this subject. There has been an increase in the vacancy rate to 10.7%. At the same time, there has been a slight increase in the use of agency staff during quarter 1, to 392 across the council. This has risen from 309 in quarter 4 and from an average number of agency staff during 2022/23 at 292. A panel is being established as part of our tighter financial management arrangements by considering the management of vacancies and agency staff. This will ensure that recruitment of permanent and agency workers is limited to only essential roles. These additional arrangements

should further reduce agency usage and limit non-essential recruitment. Where it is more appropriate to recruit a permanent member of the workforce, this will be the desired option.

- 20 In quarter 1 the scheduled annual review of the committee system was delivered. This was a review following two municipal years of operation, resulting in some best practice amendments to the constitution.
- 21 Quarter 1 was a period of continued financial challenge and during the period proposals were managed to implement the Medium-Term Financial Strategy and to manage demand. 97.8% of local taxation (council tax and business rates) were collected in quarter 1.
- 22 There were some performance issues identified in relation to the management of complaints during quarter 1, with 54% of Stage 1 and 45% of Stage 2 complaints being resolved within timescales. Performance in this area is being reviewed by the Customer Services team. From the 18 complaints referred to the LGO, 5 of these were upheld. Review of the upheld complaints has not shown any trends, they were in relation to a variety of issues, such as SEND, household bins, land and direct payments. ICO standards continue to be met in relation to responsiveness to requests made under the Freedom of Information Act.
- 23 Health and safety data has been incorporated into the performance report for the first time this year, rather than being reported separately. This shows that there were 157 accidents relating to the council in quarter 1, which is comparable to the level in quarter 1 last year (162). There has however been a significant increase in the numbers of accidents in schools, 170 in quarter 1 this year compared to 89 in the same period last year; this relates to a significant improvement in proactive recording of accidents within a small number of schools in relation to pupil accidents. There were no RIDDOR reportable accidents relating to pupils in Quarter 1, although there were two relating to teaching staff at the same school who were taken to hospital after falls and trips. There was one RIDDOR reportable incident at Tatton Park where a member of the public slipped and was taken to hospital as a precaution. In all cases, there were no defects which required rectification.
- 24 Improving the customer experience remains an organisational priority. An improvement in customer satisfaction has been evidenced in quarter 1 in relation to customers that contacted the corporate contact centre. Following a slight decline at the end of 2022/23, the customer effort score is back up to the target level of 4 (the lower the score the better).

25 Fair – A Council which empowers and cares about people

Priorities

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

- 26 In quarter 4 of last year, three childrens centre sites were identified to be developed into Family Hubs (Oak Tree in Crewe, Monks Coppenhall in Crewe and Oakenclough in Wilmslow). The Monks Coppenhall site will be developed as a special educational needs and disabilities centre of excellence. In quarter 1 there were focussed engagement sessions in relation to the Family Hubs, which were then opened in quarter 2.
- 27 In quarter 1 there has been successful performance in supporting children and families to find homes in Cheshire East, including unaccompanied asylum-seeking children and families that have needed to be housed following the closure of Chimney House.
- 28 Challenges of cost and demand remain in both Adults and Childrens social care. However, the qualitative performance measures have indicated some positive progress in relation to improving timeliness. The rate of Education, Health and Care Plans completed within 20 weeks has now exceeded the national average (62% against 58%) and although the social care assessments completed within 45 days (63%) remains below the national average (84%) the position is an improving one compared to 2022/23.
- 29 Quarter 1 has been a period of progress for regeneration in Cheshire East and planning permission has been granted for the OnSide Youth Zone in Crewe. A group of children and young people are supporting the development of this project.

30 **Green – A thriving and sustainable place**

Priorities

- A great place for people to live, work and visit
- Welcoming, safe and clean neighbourhoods
- To reduce the impact on our environment
- A transport network that is safe and promotes active travel
- Thriving urban and rural economies with opportunities for all
- To be carbon neutral by 2025

31 There are 6 priorities under the “Green” aim for a thriving and sustainable place.

32 The first priority is in relation to well designed, affordable and safe homes. Last year 465 affordable new homes were completed, exceeding the target of 355. Quarter 1 continues to be a period of successful delivery with 126 affordable homes delivered. At the end of the year, it was reported that the backlog of applications in hand with the planning service had started to reduce. There has continued to be progress in this area during quarter 1, with approximately 400 applications. A new process implemented as part of the detailed work into planning now means that each application is allocated a named contact officer on arrival into the service. At the end of last year, it was reported that applications were taking around 3-6 months to determine. At quarter 1, the service is now reporting that half of all applications are determined within 10 weeks.

33 There continues to be positive progress towards our net zero target. At the end of 2022/23 there was 46% progress towards carbon neutrality by 2025 and at the end of quarter one this has increased to 56%, principally due to the completion of the planned 9 air source heat pumps in council buildings. No trees have been planted during the quarter, as the tree planting work is seasonal, so this was planned and expected. Work continues to be progressed to develop the action plan to support the wider borough target of net zero by 2045.

34 **Office for Local Government**

35 The Office for Local Government (OFLOG) has been established and have defined their purpose as “to provide authoritative and accessible data and analysis about the performance of local government”. OFLOG have published that they have three strategic objectives: “to empower citizens with information about their local authority, enabling them to

hold local leaders to account, to increase local leaders' and councils' understanding of their relative performance, supporting them to improve and better innovate and to increase central government's understanding of local government performance, highlighting excellence and identifying risk of failure to facilitate timely and targeted support."

- 36 The initial OFLOG data for Cheshire East is shown on the online Local Authority Data Explorer Tool and is attached at **Appendix 2**. The OFLOG data set currently covers just four domains: adult social care, waste, adult skills and finance.
- 37 The 8 indicators in relation to finance, highlight the challenge that we are already aware of in Cheshire East, in relation to the low levels of reserves. There are 3 indicators in relation to adult skills. The proportion of the adult population with a level 3 + qualification is higher than the England median or our CIPFA neighbours, however the two indicators in relation to 19+ further education, skills and achievement are lower than our comparator authorities. There are 3 indicators in relation to waste. The data evidences that Cheshire East has a higher proportion of household waste sent for recycling. The amount of residual waste is lower than the England median but slightly higher than comparator authorities and the contamination rate is comparable to the England median but higher than comparator neighbours. There are 7 indicators in relation to adult social care, the first five are all from the adult social care outcomes framework and Cheshire East exceeds the England median in all 5 areas. The staff turnover rate for adult social care is consistent with the England median and slightly lower than in comparator authorities. The proportion of requests for support resulting in a service is a higher rate than both comparator authorities and the England median.
- 38 The performance team will continue to work alongside OFLOG as the organisation develops.

Consultation and Engagement

- 39 Not applicable.

Reasons for Recommendations

- 40 The Corporate Policy Committee is responsible for reviewing and scrutinising performance against the strategic aims and objectives in the Council's Corporate Plan 2021-25.
- 41 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.

- 42 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

- 43 Not applicable.

Implications and Comments

Monitoring Officer/Legal

- 44 There are no legal implications arising from this report.

Section 151 Officer/Finance

- 45 There are no direct financial implications arising from this report. Financial implications arising from performance requirements are detailed within the separate financial review reports aligned with the Medium-Term Financial Strategy.

Policy

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

An open and enabling organisation	A council which empowers and cares about people	A thriving and sustainable place

Equality, Diversity and Inclusion

- 47 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

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

Risk Management

- 49 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

- 50 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)

- 51 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

- 52 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

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

Access to Information	
Contact Officer:	Sarah Bullock, Director of Policy and Change Sarah.bullock@cheshireeast.gov.uk
Appendices:	Appendix 1 – Performance Report Q1 Appendix 2 – Office of Local Government data
Background Papers:	Children and Families Committee - Q1 Scorecard 2023-24.pdf (cheshireeast.gov.uk) Adults and Health Committee score card Q1 2023-24.pdf (cheshireeast.gov.uk)

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Cheshire East Council

Corporate Plan 2021-2025

Performance Report – Quarter 1 2023/24



Page 309

Open

Fair

Green

An open and enabling organisation

By 2025 we want: Performance 2023/24 – Quarter 1 Update	
Priority: Ensure that there is transparency in all aspects of council decision making	
<p>The council to be seen as being a fair open and transparent organisation and able to demonstrate it.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Implement a new committee system • Demonstrate commitment to open data 	<ul style="list-style-type: none"> • The key objective under the “Open” priority, to transition to the Committee system, was achieved under the first year of the Corporate Plan. The Committee system has now been in operation for two full municipal years. In quarter 1, Corporate Policy Committee considered an annual review of the Committee system, as a result of the review, made some minor, best practice updates to the constitution. • 92% of FOI requests were responded to within statutory timescales. This is within the "adequate" category of compliance as set out by the Information Commissioner (ICO). • There has been no regulatory action from the Information Commissioner’s Office. • Following the local elections in May 2023, there was a period of appointments and resetting of governance, therefore Service Committees generally met once during the quarter, in June 2023. The Corporate Policy Committee in June received a report in relation to the annual review of the committee system. The review considered changes to the Council’s constitution that were deemed necessary and good practice following two municipal years of operation of the committee system.
<p>To increase local democracy.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Working with town and parish councils • Virtual meetings 	<ul style="list-style-type: none"> • Town and Parish Council Network established in 2022/23. Due to purdah and election implications no meetings took place in Q1 2023/24. The first meeting of the Network, relating to climate change, took place in July 2023.
<p>Our communities will be well informed about things they can do to prepare for emergencies.</p>	<ul style="list-style-type: none"> • Emergency preparedness is led by a Joint Emergency Planning team across Cheshire East and Cheshire West and Chester councils. Information is regularly shared through our communication channels to inform people of things they can do to prepare for emergencies.

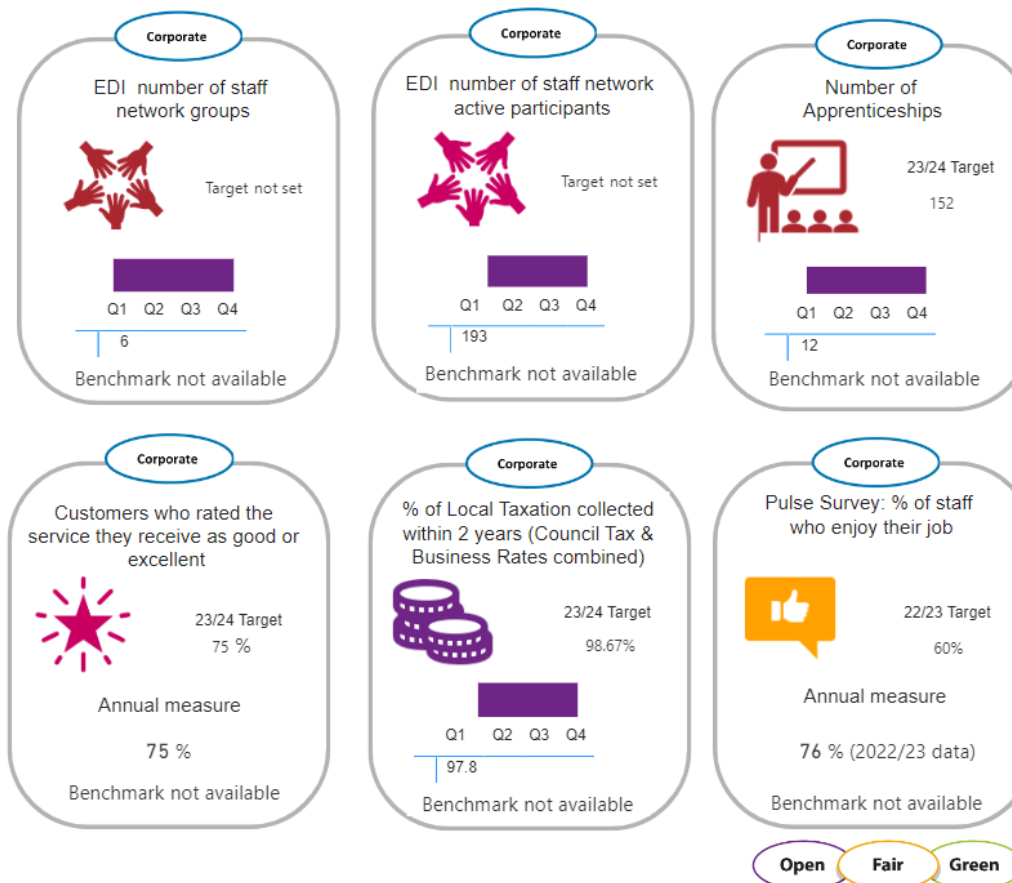
<p>Key actions:</p> <ul style="list-style-type: none"> Enhanced emergency preparedness in communities 	
<p>The council is seen by residents as responsive.</p> <p>Key actions:</p> <ul style="list-style-type: none"> Consultation on key plans and strategies 	<ul style="list-style-type: none"> The Joint Local Health and Wellbeing Strategy and Digital Inclusion Plan both published after consultation and engagement in latter part of 2022-2023. In quarter 1, initial planning work took place on developing a new Corporate Plan for Cheshire East. This work will be progressed throughout the 2023/24 municipal year.
<p>Customer services to offer support and guidance and be accessible to people who need them.</p> <p>Key actions:</p> <ul style="list-style-type: none"> Review where and how technology can assist and enable 	<ul style="list-style-type: none"> A customer charter was approved during 2022/23. The first progress report to review performance against the Charter is scheduled for quarter 2. New contact centre technology “net call” was implemented during 2022/23.
<p>Receive the Ministry of Defence’s (MoD) Employer Recognition Scheme Gold Award.</p> <p>Key actions:</p> <ul style="list-style-type: none"> Award of silver standard prior to award of gold standard 	<ul style="list-style-type: none"> The Silver award was achieved in the 2022/23 municipal year. A report due for Corporate Policy Committee in Q3 of 2023/24 outlines the Gold Award requirements and what remaining actions the council proposes to undertake to achieve the Gold Level standard.
<p>A financially sustainable council which has increased levels of reserves.</p> <p>Key actions:</p> <ul style="list-style-type: none"> Develop a 4-year MTFS Develop a sustainable reserves strategy 	<p>The Estate Service’s Disposals programme has a target of £2,680,000 for 2023/24 based on the assumption the Estates service can sell 10 Council assets, and 3 sets of farm buildings. This is in accordance with current policy, where we are creating larger farm units by merging existing farms as they become vacant. In Q1, Morton Hall Community Centre in Macclesfield was sold via auction producing a £199,000 capital receipt. Of the remaining annual programme, two of the twelve assets have issues flagged with delivery, but the rest are on track at this stage.</p>

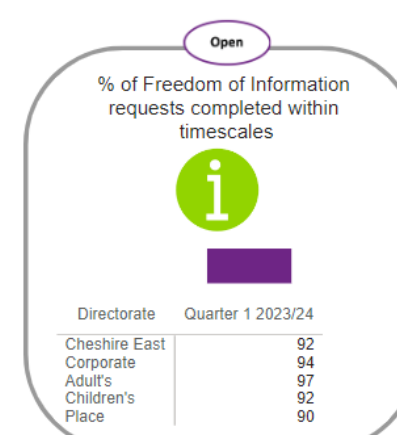
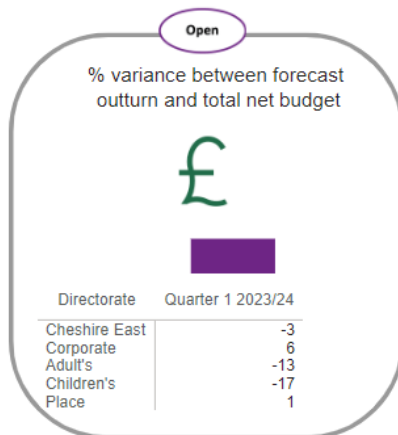
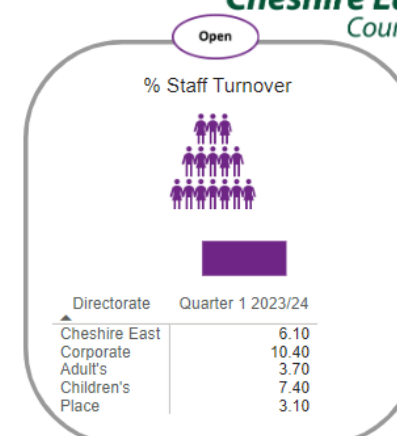
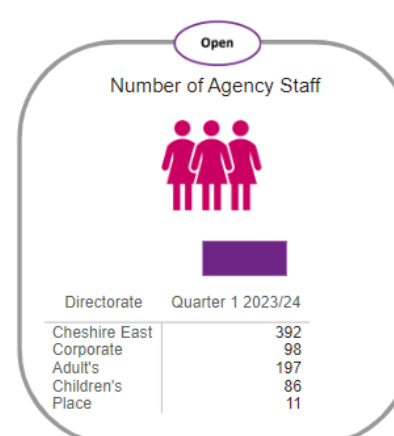
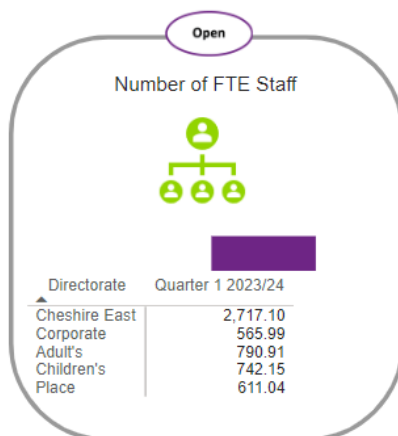
<ul style="list-style-type: none"> • Successful delivery of savings programme 	<p>The income target from the Estate's non-operational portfolio and Cheshire East Farms is £1,836,279 for 2023/24, with actuals for Q1 being on-track at £620,769.</p>
<p>Our Alternative Service Delivery Vehicles (ASDV) delivering for our residents and generating a profit (with shareholder dividend) from commercial activities, reducing financial pressures on the council.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Complete programme of reviews of ASDVs 	<ul style="list-style-type: none"> •
<p>A committed and motivated workforce.</p> <p>Cheshire East Council seen as an employer of choice.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Undertake staff surveys and act on the results • Implement Best4Business Unit 4 ERP system 	<ul style="list-style-type: none"> • A staff survey is being developed and is planned to be launched in quarter 3 of 2023/24. • The Best4Business Unit 4 system was implemented in the first year of the Corporate Plan and regular training, guidance and updates continues to be available to staff to maximise the benefits of the system.
<p>A workforce that can work remotely and flexibly using the latest technology.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Clear guidance and support to staff and managers. • Accelerate roll-out of mobile working 	<p>An area of the staff intranet site, known as "Lighthouse" has been created as a dedicated area for guidance and support for staff.</p> <p>A revised agile working policy was produced during the coronavirus pandemic.</p> <p>A programme of work reviewing estates and ICT, known as "WorkplaCE" started a consultation exercise in quarter 1. The results of this internal consultation exercise will inform the volume and nature of corporate buildings in future.</p>

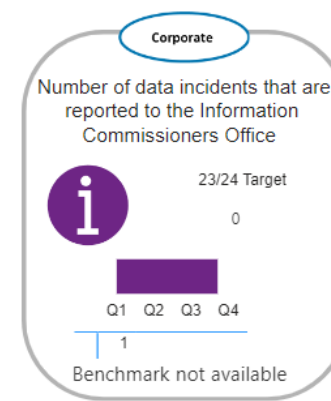
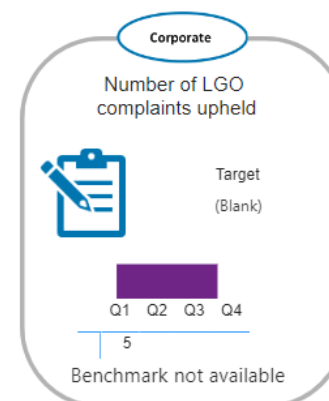
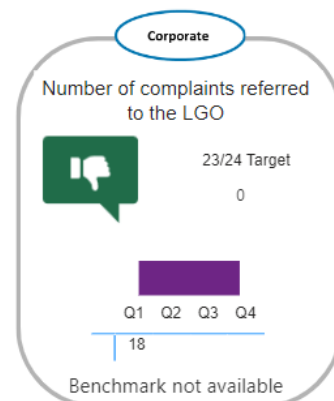
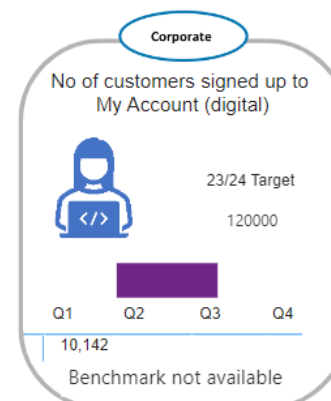
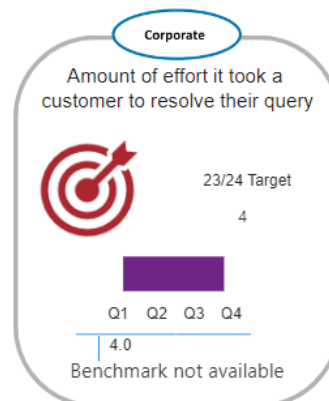
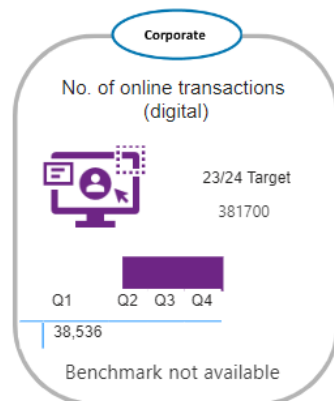
<p>Residents and staff to be aware of the council and the services we provide.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Review communications plans and style 	<p>The communications and media team send out regular news items, media releases and newsletters as part of their core activities.</p> <p>A new Communications Strategy for Residents was approved in 2022/23.</p>
<p>Resident satisfaction with the council to be in line with similar councils.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Undertake regular communications with residents • Develop new Customer Experience strategy 	<p>A new Customer Charter was developed and implemented during 2022/23.</p> <p>Regular communications with residents are undertaken through the communications and media team.</p>
<p>The council to be regarded as a good partner.</p>	<p>The Council is a member of a number of key partnerships. An internal review of partnerships took place during quarter 1 and the outcome of the review is planned to be delivered in quarter 4 of 2023/24.</p>

Performance measures supporting An open and enabling organisation

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







A council which empowers and cares about people

By 2025 we want:	Performance 2023/24 – Quarter 1 Update
Priority: Work together with our residents and our partners to support people and communities to be strong and resilient	
<p>All services to be developed together with our residents and communities, so they are based on what works for people in Cheshire East.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Embed our vision for children and young people, and working together • Work with residents to understand the continuing impact of Covid 	<ul style="list-style-type: none"> • The Live Well for Longer Plan, Layout 1 (cheshireeast.gov.uk) was previously approved by the Adults and Health Committee and has now been adopted by the Cheshire East Place Partnership for Health and Social Care as our Framework for Coproduction. The Live Well for Longer Plan is based on the TOGETHER guide principles TOGETHER in Cheshire East to ensure that we are able to develop services together with local people. A recent example of this is the engagement with Children, Families and partners for the development of our Emotionally Healthy Children and Young People service. • Commissioners have worked with Cheshire East’s Participation Team and external partners to ensure the voice of children and young people (CYP) underpins the service design. CYP have created the vision and they will be invited to work with Providers to create a brand for the service. The proposed model has been tested with key stakeholders and the market and is designed to create a longer-term shift in focus onto early intervention and prevention. • In quarter 1 we continued to engage with families to seek their views on the environment and offer for family hubs. We now have feedback boxes in each of our family hub locations where customers can post their comments and we have added “You said, we did” display boards so families understand how their views shape our services. Our Cheshire East Parent Carer Forum has supported us to engage with families who are not currently accessing our services, so we get a wider range of feedback to shape our centres to be places that the community feel welcomed and included. Our family hubs branding has been coproduced with key stakeholders, including children and young people and our final logo and brand is ready to launch at the opening of our first two family hubs. • The Live Well for Longer Plan, Layout 1 (cheshireeast.gov.uk) was previously approved by the Adults and Health Committee and has now been adopted by the Cheshire East Place Partnership for Health and Social Care as our Framework for Coproduction. The Live Well for Longer Plan is based on our TOGETHER guide principles TOGETHER in Cheshire East to ensure that we are able to develop our services together with local people. A recent example of this is the engagement with children, families and partners for the development of our Emotionally Healthy Children and Young People Service.

By 2025 we want:	Performance 2023/24 – Quarter 1 Update
<p>Families and communities are strong and resilient.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Develop a strong, local, social impact structure • Develop a locality model of working 	<ul style="list-style-type: none"> • 15 local place-based partnerships meeting monthly to discuss local priorities, engaging with residents and responding to local issues. • VCFSE representatives continue to be funded to be part of the place-based care community discussions which meet monthly collaborative efforts. • To build on the place local structure, thematic alliances are under developments which include infrastructure, these include mental health, faith, health and wellbeing and community venue alliances. • Work has taken place in readiness for the opening of our first two Cheshire East family hubs in July. The two sites identified are Oak Tree Children's Centre in Crewe and Oakencloough Children's Centre in Wilmslow. We have been working with our partners to increase the range of services that will be available from our family hubs and widening the support available across the 0-19 (0-25 with SEND) age group. • The restructure of services into the family hubs model has been developed on a north and south locality footprint which closely aligns with the boundaries of partners. The two localities have been further split into 8 collaborative working areas (4 north/ 4 south). For each collaborative we will gather data and local intelligence and work with key stakeholders to identify the top priorities as a partnership to ensure we have the right support in the right places, targeted to the right communities.
<p>Cheshire East is a welcoming and supportive place, where equality, freedom, fairness and opportunities are available to all.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Identify a suitable location within the borough and develop a traveller transit site • Increase collaboration with marginalised groups • Secure social value benefits 	<ul style="list-style-type: none"> • Cheshire East will be opening a Transit Site in 2024. • Cheshire East and partners continue to work together to raise awareness about Ethnic Groups and to improve Health, Social and Educational outcomes for specific communities including Gypsy, Roma and Traveller people. • Public Health have delivered Training in Primary and Secondary Care Services to raise awareness about the Yellow Card. This Card enables people who are temporary residents or homeless people to gain quicker access to GP or Hospital Services when required. • Cheshire East and Partners continue to meet with SERCO to provide Wrap Around Support to Asylum Seekers living in the Borough. • Working with our local Veterans: • Crewe Armed Forces day

By 2025 we want:

Performance 2023/24 – Quarter 1 Update

- C.25000 attendees.
- 44 stall holders ranging from military vehicles, army recruitment, local charities and local food vendors.
- Macclesfield Armed Forces Day
- C. 4000 attendees.
- 16 stall holders ranging from military vehicles, army recruitment, Cadet Forces, local charities and local food vendors.
- Begun work with Nantwich Town Council on an event Summer 2024.
- Worked with 22 individuals referred from charities/organisations working with veterans. Provided support such as housing, benefits, job searches, mental referrals etc.
- Supported 1 armed forces breakfast club to become constituted. The group meets monthly with guest speakers offering advice and guidance on Jobs, health, mental health, local employers seeking veterans. C. 50 individuals per meeting.
- Veterans Digital Inclusion project - 76 people supported with install of technology to support with mental health sessions, chair based exercise etc. with a view to preventing social isolation. Calendar of sessions provided by the RBL each month.
- Social Value Portal procured and training complete.
- Began a two-year community development project to reduce health inequalities in our East Timorese community in collaboration with the Institute of Voluntary Action Research (IVAR) and community members.
- Public Health team continued to lead Cheshire East implementation of All Together Fairer report for Cheshire and Merseyside and ensured it featured prominently in strategic documents, including the draft Delivery Plan for the Health and Care System.
- Cheshire East Digital Inclusion Plan published.
- We have supported a higher population of unaccompanied asylum seeking children into the borough. As a marginalised group, we have supported them to find a home, education, social support and with their asylum status.

By 2025 we want:	Performance 2023/24 – Quarter 1 Update
<p>Work with partners for the benefit of our communities inspiring confidence in public services developing community cohesion and community resilience.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Deliver evidence based early intervention and prevention services • Reduce loneliness and isolation 	<ul style="list-style-type: none"> • Implementation of financial incentives scheme to encourage pregnant women and their households to quit smoking. • Conducted a system-wide review of TB service provision across Cheshire East and West and made recommendations for improvement. • Co-produced training with CWP on infection prevention and control, and hydration, delivered to care homes and various community groups across the borough (e.g., Faith groups, community volunteers, schools staff, support groups). • Health Improvement Team delivered 'Mouth Care Matters' training to residential care staff. • Health Improvement Team delivered suicide prevention training to multiagency professionals. • Developed and launched multi-agency Cheshire East Combating Drugs Partnership for local delivery of Government's 10-year drug strategy. • Five joint strategic needs assessment (JSNA) reviews have been completed this year, through collaboration with partners on poverty, smoking, substance misuse, falls and Crewe. These reviews highlight opportunities for prevention and early intervention. A further review on emotional and mental wellbeing in children and young people is nearing completion and a review on special education needs and disability is underway. The JSNA work programme for 2023/24 includes: a lifestyle survey of residents (to understand extent of healthy lifestyles and barriers to adopting healthy lifestyles), which is under development; a review of care for older people; a review of isolation; and a Macclesfield place-based review. • A Joint Outcomes Framework is under development to monitor progress against the Health and Wellbeing Strategy towards closer integration, prevention, and earlier intervention. The first phase of indicators has been agreed through multi-stage, multiple partner consensus building: Cheshire East Joint Outcomes Framework and Phase Two is underway. • Working with people from Afghanistan • Supported 17 families made up of 103 individuals, to find offers of accommodation following notice from the Home Office that the Chimney House was due to close. • Supporting people from Ukraine • 670 Ukrainian individuals in Cheshire East matched to 158 sponsors.

By 2025 we want:	Performance 2023/24 – Quarter 1 Update
	<ul style="list-style-type: none"> • 170 supported to find longer term accommodation. • The Emotionally Healthy Children and Young People (EHCYP) Service is currently being recommissioned following an extensive period of engagement and coproduction. The overwhelming feedback from professionals, CYP and their families is that investment and resource is required early, to prevent complexity and crisis. The new model has been designed with that in mind, making the most of available assets to provide a service sitting firmly up stream in early help and prevention, using evidenced-based tools and interventions to address CYP emotional wellbeing and the first opportunity. • We have continued to deliver a range of evidence based parenting programmes to our families. We are researching an appropriate evidence-based parenting programme to deliver through the reducing parental conflict bid funding to address the current gap in this area and links to private law issues. We have expanded the parenting journey lead role to coordinate the wider parenting journey across the 0-19 age range (0-25 for SEND) and will strengthen the existing evaluation of such programmes to ensure we capture outcomes and impact.
Priority: Reduce health inequalities across the borough	
<p>Work with partners to address the issues of poor housing, poverty, employment and education opportunities across urban and rural areas.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Implement the Cheshire East Partnership Five Year Plan • Promote regular screening and take up of preventative health opportunities • Improve the mental health of all people working and living in Cheshire East 	<ul style="list-style-type: none"> • Cheshire East Council have partnered with our commissioned provider for Substance Misuse (CGL) to create an intensive outreach service, which focusses solely on rough sleepers and the homeless. Outreach Workers spend time building relationships with people experiencing homelessness, to encourage them into service, where they will be supported to address all aspects of their lifestyle. • Data gathered through the JSNA and engagement around CYP mental health has revealed the lack of support for CYP and their families experiencing self-harm and suicide ideation. With this in mind, a requirement within the specification for the new EHCYP service is the provision of education in this area, to equip CYP, their families and professionals with the knowledge they need to intervene and support with safety planning. • Two Falls Coordinators have been employed in local Acute Trusts as a result of CEC funding with aim of reducing the overall rate of hospital admissions for falls in those aged 65+. Work conducted to date has included surveying staff on how they assess falls risk as well as developing a risk assessment checklist to be utilised by professionals. Phase 2 of the project will involve risk assessments being conducted with people identified as at risk. • Initial planning has taken place on Falls Awareness Week 2023. This is a national awareness week which is used to raise the profile of falls amongst those at risk with the intention of them mitigating this risk. The theme this year will be spreading the word about falls to friends and family. We are currently exploring holding a

By 2025 we want:	Performance 2023/24 – Quarter 1 Update
<ul style="list-style-type: none"> To continue to support a zero-suicide approach 	<p>series of events, but the week will also involve a press release, social media messages and newsletter articles.</p> <ul style="list-style-type: none"> Procurement is taking place for a market research agency to run a lifestyle service for the Council. This will be used to provide additional information for JSNA sections and will also inform the recommissioning of services. This will include understand the barriers that people face in areas of deprivation to accessing relevant services. Recommissioning work is taking place on the Universal Information and Advice service which provides financially related advice to residents (currently delivered by the CAB). This will include coproduction work with residents in September following up on feedback from an initial survey conducted in 2022. Posters and leaflets have been circulated to key locations within the Borough such as libraries and schools to promote the Live Well Cheshire East resource which includes a service directory. This is to be followed up by a press release, social media activity and emails to key stakeholders. Delivery of NHS Health Checks has continued to improve with a 11% increase on Q4 delivery figures. Training was also offered to GP Practices to support staff to improve the quality of health checks delivered, over half of practices attended the training. 80% of participants of One You Cheshire East's Move More (physical activity) programme have maintained their activity levels 6 months after completing the programme. For participants completing the Stand Strong (falls prevention) programme, 96% have seen an increase in strength and balance and 97% have increased their stability. There was also a 73% completion rate for participants starting the weight management programme in Quarter 1. Supported CWP IPC in screening asylum seekers for latent TB infection. Following an LGA review of the Health and Wellbeing Board, we identified a member of the Strategic Housing Delivery Group to represent Housing providers and the Health and Wellbeing Board going forward. Commenced a review of Avoidable Deaths (those before age 75 due to a defined list of causes), which will highlight inequalities by electoral ward across Cheshire East and provide top causes of avoidable deaths to enable targeted prevention activity in each Care Community area. Public Health led the development of the first draft of the Delivery Plan for Health and Social Care (2023-28), incorporating prevention, proactive care and the reduction of inequalities. Due for publication in Q2/Q3.

By 2025 we want:	Performance 2023/24 – Quarter 1 Update
	<ul style="list-style-type: none"> A joint strategic needs assessment (JSNA) review on poverty was published earlier this year, and includes Place wide recommendations for actions on poverty, as well as specific recommendations regarding food and fuel poverty, and health and wellbeing. It also incorporates examples of best practice from other areas, which can be drawn upon: https://www.cheshireeast.gov.uk/council_and_democracy/council_information/jsna/healthier-places/poverty.aspx . All JSNA reviews highlight variation across Cheshire East, and the need to reduce this variation. The Tartan Rug has also been updated and is due to be published in the coming months, again this highlights the variation and where the greater intensity support is required.
Priority: Protect and support our communities and safeguard children, adults at risk and families from abuse, neglect and exploitation	
<p>Children receive the right support, by the right people, at the right time, so they are effectively protected from harm, and are supported to stay within their families and communities.</p> <p>Key actions:</p> <ul style="list-style-type: none"> Continued investment in Early Help and Prevention services Work with our partnerships to ensure there is a joined-up approach to safeguarding children 	<ul style="list-style-type: none"> We redesigned, consulted and then launched the multi-agency threshold of need document. The launch events focussed on effective and timely early intervention and prevention. Further master class training sessions are planned to breakdown the key elements of early intervention including identification of need, use of assessment and screening tools, using newly designed early help paperwork, improved knowledge of services available to support families, engagement and consent. We have employed two Partnership Family Help Officers, formally known as Locality Support Officers to support the wider partnership in their delivery of holistic and effective assessment and intervention. We have also strengthened the process by which we request sight of all early intervention delivered across the partnership from those practitioners without direct access to our case management system. We have reduced duplication by offering a service to find out if early intervention, or social care intervention, is already in place. Planning permission was granted in quarter 1 to our partner and charity, OnSide, for the new Youth Zone in Crewe. The state-of-the-art youth centre will provide young people with opportunities to engage in activities and access support from skilled youth workers, helping them to develop their skills and reach their full potential. Expected to open in 2025, the Youth Zone will be open to young people aged 8-19, and up to 25 for those with additional needs, seven days a week. We are improving the reports available across early help in order to really understand and analyse what support is in place and where gaps may exist. We have recruited a reducing parental conflict (RPC) coordinator who has designed and an e-learning module to raise awareness of parental conflict as well as a toolkit for practitioners to use with parents and are sourcing a parenting programme to meet the needs identified.

By 2025 we want:	Performance 2023/24 – Quarter 1 Update
	<ul style="list-style-type: none"> • We have strengthened our multi-agency arrangements for children at risk of exploitation, validated at the six month review in June by the DfE and independent improvement advisor. • We continue to deliver the holiday activity and food fund (HAF). HAF supported a total of 1,091 young people, providing 5,158 healthy and nutritious meals, over 17,000 hours of support over 43 locations across Cheshire East. Our next steps for the HAF programme is to ensure we have the right children attending, including those on income related free school meals and our most vulnerable children. This will be made easier when we implement the shared platform booking system at the end of the year which will give us far greater data than we currently can obtain from the various providers. • The household support fund (HSF) programme continues to deliver food, utilities and wider support to vulnerable families across Cheshire East. The grant is currently active until 31 March 2024 and has been live since 01 April 2023. Since April, the grant has delivered a total of 80,000 vouchers via bulk deliveries to over 20,000 people. The enquiry form is currently operating successfully, providing over £250,000 worth of targeted support to over 1,950 people.
<p>People and organisations to work together to prevent and stop the risk and experience of abuse and neglect, whilst promoting the well-being of adults with care and support needs.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Prevent harm and reduce the risk of abuse and neglect to adults with care and support needs • Safeguard adults at risk • To address causes of abuse, neglect or exploitation 	<ul style="list-style-type: none"> • The Safeguarding Adults Board held its Annual Development Day in June 2023. The SAB Constitution has been updated and the Board identified its priorities for the next 12 months. The Service User Subgroup contributed to the Development Day and produced pocket sized cards for Frontline Staff to remind them to incorporate the principles of Making Safeguarding Personal in their practice. • The Safeguarding Adults Board and the Safer Cheshire East Partnership facilitated 4 interactive workshops for Health and Social Care Staff which focussed on the Theme of Dementia, Carers and Domestic Abuse. The workshops were hosted by Odd Arts and attended by 150 staff. Feedback has been excellent. • Updated Guidance on how to respond and report incidents of Domestic Abuse was published and shared with staff on Elder Abuse Day in June 2023. • The Safer Cheshire East Partnership supported the Knife Angel Project in Crewe during June 2023. The powerful statue, made from knives, was in Memorial Square, and acted as an important and salient reminder of the impact of knife crime on individuals, families, and communities. Young people attended many organised events during the month, and many knives were handed in to local Police Stations as a result. • The Safer Cheshire East Partnership also organised a Day of Action in Shavington in July 2023. Officers from Partner organisations visited 200 households, to raise awareness about Violence and Intimidation against Woman and Girls, and to seek feedback from Local Residents about this issue.

By 2025 we want:

- To ensure that officers are adhering to legislation and promoting best practice

Performance 2023/24 – Quarter 1 Update

- Learning from recent Safeguarding Adult and Domestic Homicide Reviews, has been shared with Managers and staff. The purpose of each Review is to consider how organisations have worked together and to identify areas of good practice and where systems need to improve. This promotes best practice and legal compliance.
- The Cheshire East PREVENT Board is required to complete an annual Benchmarking Exercise for the Home Office. This quality assurance process looks at partnerships, processes and impact on vulnerable people who may be at risk of radicalisation and how support is being provided to reduce these risks. Cheshire East has been rated as Exceeding in its work.
- We have reviewed and agreed the Step Up and Step down policy. The key changes include no more step up meetings as these were leading to delay and therefore increased risk, which was a change made following our last inspection. We now have tracking in place for all step down cases to ensure actions are progressed in a timely way to ensure that the needs of children and families are met. We have also strengthened the expectations around escalation.
- We have sourced funding for a new role in the front door to support appropriate signposting to mental health pathways and to link to trauma-informed practice. This is currently going through the job evaluation process.
- We are reviewing the daily VPA (vulnerable person assessment) meeting to ensure they are attended by the right people, effective and meaningful to direct the right cases to the right services. Dip sampling will be carried out by the local authority and police in September. A high number of cases that come through to the front door are still for information, advice and guidance rather than the need for a referral so we are working to understand this more. Training is being planned for the newly designed vulnerability hubs in police headquarters. Discussions are ongoing to ensure we are sharing information in line with our data protection agreements.
- We have received ministerial approval of additional investment into frontline practice to further strengthen our statutory safeguarding practice.
- This year's 'Act Now' safeguarding conference took place at Sandbach School on 30 June. The annual event is organised by young people and supported by the Safeguarding Children in Education Settings (SCiES) team. It provides the opportunity for professionals to listen to children and young people about serious issues from their perspective – this year the theme was child on child abuse and the subjects chosen were sexual violence and harassment, social media, knife crime and hate crime.

By 2025 we want:	Performance 2023/24 – Quarter 1 Update
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Priority: Be the best corporate parents to the children in our care

<p>Always deliver on our pledges to care for children and young people, and those who are cared for will have an experience, that we will:</p> <ul style="list-style-type: none"> • Be a good corporate parent • Improve education, training and employment outcomes • Work to achieve permanence and keep children safe • Improve health and wellbeing outcomes • Prepare young people for adulthood 	<ul style="list-style-type: none"> • Joint strategic needs assessment JSNA reviews have been completed on poverty, smoking, substance misuse, and Crewe, which includes findings relevant to our children and young people. In addition, two further reviews are due to conclude later this year covering emotional and mental wellbeing in children and young people, and special educational needs and disability. • The Joint Outcomes Framework also includes indicators to monitor health and wellbeing in our children and young people. • We are continuing to carry out performance clinics to review performance for services supporting cared for children. We are currently at above 80% compliance on all areas, including statutory visits, plans and assessments for cared for children. • Our ‘staying close’ bid to the DfE was successful in quarter 1. This model provides an enhanced support package for young people leaving care from children’s homes, including an offer of move-on accommodation, alongside a package of practical and emotional support. These bespoke packages of support help develop their confidence and skills for independent living, and for their emotional health and wellbeing. We have recruited five additional Personal Advisors (PAs) to take this initiative forward and are currently recruiting to the team manager post. We are establishing the governance through a staying close working group to ensure this work is appropriately supported, monitored and evaluated. • Agreement is now in place to progress with a care leavers App as a way of communicating with our young people via social media. It will also increase their access to Cheshire East’s local offer for care leavers and be able to provide us feedback on issues that affect them • In quarter 1 we were success with 8 adoptions (last year’s total was 11) to provide these children with stability, permanence, and the love and nurture of a permanent family. • We are closely monitoring and working to improve our compliance with courts through a weekly legal tracker meeting, now chaired by heads of service. • We are working with health colleagues to improve the timeliness for health assessments, including the introduction of a new pathway, which is now in place. • Our stability, step up and step down panel has been introduced to provide strategic oversight for all children in residential placements. This will ensure they have the opportunity to live in a family wherever possible and to monitor closely the longer term financial commitments of their care.
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Priority: Support all children to have the best start in life

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

Key actions:

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

- Joint strategic needs assessment JSNA reviews have been completed on poverty, smoking, substance misuse, and Crewe, which includes findings relevant to our children and young people. In addition, two further reviews are due to conclude later this year on: emotional and mental wellbeing in children and young people, and special educational needs and disability.
- Coproduction work has been undertaken to improve the wording of the letters received by parents and carers as part of the National Child Measurement Programme. Further work is underway to evaluate the effectiveness of the letters in supporting families to seek support following receiving information regarding children falling outside the healthy weight range.
- The take up of our two year old offer of free education and childcare has remained stable. We continue to work with schools and other providers to develop further places for these children. Children who are eligible for a place and not accessing are proactively targeted with postcards reminding them that they are eligible and signposting them to the family information service who can help to find places.
- The New Start for Life Team are working with the childcare and sufficiency team to develop a second stage to the targeted pathway for those still not accessing their two-year old place after the postcard and not engaging with family hubs services, this will be a telephone contact to proactively support the family to access a childcare place and/ or their local family hub. The success of this approach when in place will be measured by the family hubs managers quarterly to assess the impact.
- In June this year we launched a new portage quality and inclusion team, the team are structured around the 8 collaborative areas so settings have two key points of contact for their area and their support visits are undertaken by a consistent person who gets to the know the settings and their children. The core offer has been matched to address the Ofsted inspection themes with the first visit in autumn term focusing on a welfare visit to proactively identify and support settings to implement the welfare requirements effectively. Three owners and managers events were delivered by the early years team for childcare providers in quarter 1 to launch the new team and core offer.
- The new portage start for life team has started to deliver universal and targeted parenting journey sessions across our family hubs estate. The team are still recruiting to vacancies to get to full service delivery capacity however are now delivering parenting journey sessions weekly with across our family hubs and outreach sites and the volume of children and families seen in these sessions has increased significantly with up to 70 participants at some sessions.

By 2025 we want:	Performance 2023/24 – Quarter 1 Update
	<ul style="list-style-type: none"> • The parenting journey strategic and working groups have increased membership and a new term of reference to cover the 0-19 age range. The former stops are transitioning into steps to cover the key parenting transition points from birth to adulthood. The start for life universal offer has agreed key performance indicators for the first time to enable the strategic group to effectively monitor impact and make changes where impact is low. A targeted offer is in development and will be aligned to collaborative area priorities. The Five plus offer (Step into school and beyond) is being mapped across the partnership. • Our Cheshire East Chatters programme continues to support children in our childcare settings through training for childcare practitioners in screening and interventions to support children with speech and language delay. All participants who attended the sessions demonstrated increased confidence from the pre and post evaluation questionnaires. Numbers of participants attending the training was lower than usual in quarter 1 - childcare employees have fed back that the booking system can be a barrier and the team are trialling Eventbrite bookings for the next round of training advertised. • Our Talking Walk-ins are popular and continue to be offered in family hubs across Cheshire East. 65 families accessed these in quarter 1, an average of 6 children per session. Following these a number of children were referred to other services as a result, including 'Play Can Make a Difference' Specialist Speech & Language Therapy service. Some attended for further advice and onward referral was not required for others, however families were reassured by having the opportunity to speak with a professional about their child's communication. This means that referrals are not made unnecessarily. Responses from our online evaluation with parents and carer attending show that they value this service
<p>Great services and provision across the partnership for children and young people with special educational needs and/or disabilities (SEND) which means children's needs are met effectively and efficiently.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Ensure that all recommendations from Ofsted inspections have been addressed and 	<p>Priority: Increase opportunities for children, young adults and adults with additional needs</p> <ul style="list-style-type: none"> • Joint strategic needs assessment JSNA reviews have been completed on poverty, smoking, substance misuse, and Crewe, which includes findings relevant to our children and young people. In addition, two further reviews are due to conclude later this year on: emotional and mental wellbeing in children and young people, and special educational needs and disability. • Pathways and support – particularly in education settings – will form a key part of the renewed Preparing for Adulthood programme. The action plan developed from the completion of the NDTi audit tool will detail key actions when this is developed in September 2023 • Cheshire East has been awarded £1 million to support our transformational change through the DfE's 'delivering better values' programme of support. The two key areas in our action plan are to strengthen the graduated approach and support for children and families through inclusive practice and transition. We have held a range coproduction events to work across the partnership to refresh and align these priority areas with our SEND strategy. Whilst there is considerable work in this area, the programme confirmed our

By 2025 we want:	Performance 2023/24 – Quarter 1 Update
<p>improvements are embedded in practice.</p> <ul style="list-style-type: none"> • Focus on further improving communication across the SEND partnership • Review the pathways for transition to adulthood • Expand the local provision of SEND places to enable more children to attend a school 	<p>projections that it is not possible to mitigate the spend in this area sufficiently to achieve a sustainable position.</p> <ul style="list-style-type: none"> • We have strengthened our governance arrangements across the partnership with the Executive Director of Childrens Service appointed as chair of the SEND partnership board. • Following the publication of the new inspection framework for SEND, we have been working across the partnership to ensure that all services are collaboratively working together to refresh and update of our self-evaluation. This is ensuring that across the partnership we are identifying our key areas for improvements and supporting to develop clear actions and targets. • The Cheshire East 0-25 SEND Partnership is currently conducting a survey to hear from professionals, families, parent carers, children, young people, educational settings and anyone who contributes in the delivery of SEND services for children and young people aged 0 – 25. The partnership is aiming to hear about what is working well and what we could do better to improve the experiences and outcomes of our children and young people with SEND. The outcomes of the survey will be analysed to ensure that they align with our strategy and self-evaluation. • Cheshire East Council has been successful in its bid to secure government backing for two new free schools for children and young people with SEND. The successful bid means the Department for Education will build two new special schools, located in Middlewich and Congleton. The schools will create 120 places for children and young people from five to 19 years old. These additional special school places will enable children and young people to remain within Cheshire East and avoid the need to travel a longer distance to go to school. • Timeliness for Education, Health and Care Plans completion within 20 weeks including exceptions (cumulative for the year) for Quarter 1 is 62%, this continues to improve on a quarterly basis and is above the national average figure of 58%. • The Educational Psychology Service (EPS) has developed the triage process specifically to improve timeliness across both EPS and SEND services. The EPS had achieved 95% timeliness in July; the highest figure recorded since September 2021. In Q1 the EPS has provided 188 pieces of psychological advice and provided consultation to schools for 190 children. • In June preparations were underway for our first ever supported internship graduation event to celebrate the achievements of 34 graduates alongside friends, family, job coaches and employers.

By 2025 we want:	Performance 2023/24 – Quarter 1 Update
	<ul style="list-style-type: none"> • The Preparing for Adulthood (PFA) Strategic Group has been re-established. A national PFA audit tool is being used to determine the work we need to do to ensure all young people with additional needs in Cheshire East are supported to be as independent as possible from the earliest age. • In Q1 the first annual attachment and trauma conference was held for those working with children and young people across Cheshire East. The evidence-base of trauma informed practice was delivered to those in attendance with the intention of equipping delegates with the knowledge and understanding of how-to better support families in our community who may have been impacted by previous adverse experiences. • The Educational Psychology Service (EPS) continues to enhance the traded offer available to educational settings and stakeholders across Cheshire East which currently includes a range of training and coaching opportunities.
<p>Provision for young adults to live independently within in the community.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Leisure, life and meaningful employment opportunities are developed to improve life chances for young adults • Promote citizen engagement and participation 	<ul style="list-style-type: none"> • The Preparing for Adulthood team includes five social workers, three social care assessors and has access to one local area coordinator (LAC). • The primary duty of the Preparing for Adulthood team is to assess young people for eligibility under the Care Act 2014 and to support them to achieve the four goals of Preparing for Adulthood; access to higher education and or employment; independent living; community participation and being healthy as possible.. • Currently the Preparing for Adulthood team has 159 young people open to its service, it receives on average 5 referrals a month. • The Council created a bespoke Supported Internship Coordinator post 4 years ago as part of the Supported Employment Team. The number of supported internship places has increased from below 10, to over 40. The in-year conversion rate into paid employment is currently 79%. • There are now 7 organisations operating in Cheshire East providing high-quality Supported Internship programmes. • Young people with an EHC plan who are in employment is strong in Cheshire East we have a team of youth support advisers who work with the SEND Key workers, families, young people and providers to ensure that all options are open for young people, we currently have 40 young people with and EHC plan in employment / training or apprenticeships. • The Council has made good use of its Multiply allocation to commission out a range of numeracy courses across the Borough.

By 2025 we want:

Performance 2023/24 – Quarter 1 Update

- Direct Payments is the preferred method of enabling people to exercise choice and control over their care and support arrangements under the Care Act. Data from 2023/24 of young people who have moved into adult social care (18-25) showed that 32 out of 71 clients had taken a direct payment. That is 45% of this cohort had a direct payment which compares very favourably with the general adult figure of 21%.
- The success of the Supported Internship programme with Siemens is show cased in the video below.
- [Equality - Diversity and Inclusion - United Kingdom \(siemens.com\)](#)
- The below is a link to an article produced with Granada Reports- sharing the success of young people with complex needs progressing into paid work.

[Non-verbal man who had no understanding of world becomes 'incredible employee'; ITV News Granada](#)

Areas for development and priorities for 2023/24:

- We need to review the Preparing for Adulthood team's capacity to respond to increasing numbers and complexity of demand.
- We need to further develop the accommodation with care and support market to provide a wider range of choice for young people.
- The Council has been awarded £1.8m under the People and Skills strand of the Shared Prosperity Fund. (The Shared Prosperity Fund is the domestic equivalent of European funding). The Council will be focussing on 3 interventions below. Mobilisation is planned for November and a dedicated Project Manager is to be recruited.
 1. Employment support for economically inactive people.
 2. Skills courses including basic and career skills.
 3. Digital Inclusion courses.

By 2025 we want:	Performance 2023/24 – Quarter 1 Update
	<ul style="list-style-type: none"> Delivering more specialised bespoke Systematic Instruction training for in-work Pas, one course delivered to 12 PAs w/c 5.6.23 and another planned. Systematic Instruction is a specialised in-work instructional technique allowing young people with complex needs to gain real skills and paid employment. Celebrating success – a graduation ceremony is planned for Supported Interns, employers and parents/carers. <p>Embedding training in Schools and Colleges to support pathways on to a Supported Internship programme. This will aim to identify young people earlier and raise aspirations of young people with SEND. The first course is due to take place June 2023, the second course is November 2023.</p> <ul style="list-style-type: none"> We are aiming to develop training resources for employers working with young people and adults with additional needs. Utilising and embedding additional external funding from AtoW to help young people sustain paid work.
Priority: Ensure all children have a high quality, enjoyable education that enables them to achieve to their full potential	
<p>All children enjoy the best education which prepares them to thrive in adulthood.</p> <p>Key actions:</p> <ul style="list-style-type: none"> Ensure we have sufficient school places locally to meet the differing needs of children and respond to our growing population. Support and challenge all education settings to deliver our key priorities with a focus on addressing inequalities. Provide support and challenge where children are not attending 	<ul style="list-style-type: none"> Work is underway to progress the range of school capital schemes approved by the Children and Families Committee earlier in the year to address the sufficiency of school places in priority planning areas. These schemes, involving primary, secondary and special schools will see an estimated £90 million investment to reinforce our commitment to allowing families across Cheshire East to attend a successful school of choice. The local authority has increased its focus on educational outcomes for our disadvantaged learners. We have engaged with key stakeholders, including a borough wide conference with schools, which took place at Alderley Park Conference Centre. Over 180 people attended the event, mainly schools. We are currently collating this information to inform our future plans. A new monitoring system for pupils accessing alternative provision has been developed and piloted. This will provide a high level overview of the outcomes for this group of vulnerable young people which will allow commissioning teams to challenge providers to improve outcomes where necessary. We are working on a digital process to provide better awareness and responsiveness to children missing education. Schools will receive updates and training on this system in September so that children not

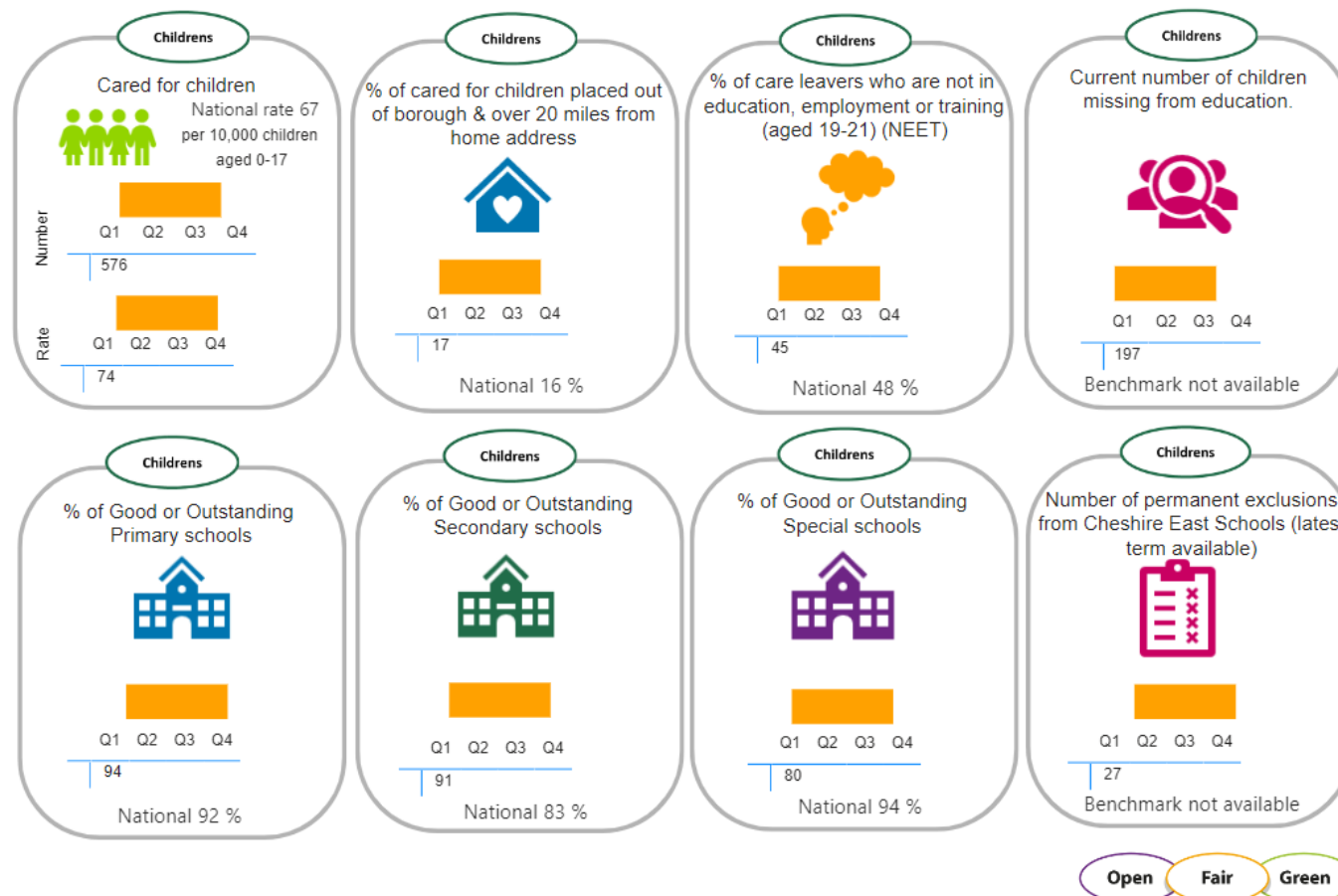
By 2025 we want:	Performance 2023/24 – Quarter 1 Update
<p>school or receiving an appropriate education.</p> <ul style="list-style-type: none"> • Support children to catch up on the learning they lost during Covid • Support children and young people's mental health and wellbeing to resolve problems as early as possible 	<p>attending can be quickly identified and supported to return to education. Part of this support will be a multi-agency panel who will work with the school to generate new ideas for support and to track progress</p> <ul style="list-style-type: none"> • We have secured new opportunities for schools to best utilise existing national and local offers around mental health support for children and young people. This included a funded training opportunity for secondary schools in Cheshire East. 22 secondary schools expressed an interest in the Youth Endowment Fund Trauma Informed Schools UK. Of these 11 schools were eligible to go ahead. Half will be selected as intervention and half will be the control group. The intervention schools will each receive over £12000 worth of training, consultation and support to fully embed trauma informed principles. • We facilitated our second Senior Mental Health Lead Network in April 2023. The network includes a range of professionals across health and education working towards common goals to improve outcomes for Children and Young People. Our spotlight session this term focused on attendance and staff wellbeing and supervision. We also launched the Cheshire East iThrive service directory. This can be used by any professionals who seek to promote mental health awareness and help children and young people with mental health and wellbeing needs or those at risk of mental health difficulties (whether staff in educational settings, social care, voluntary or health sectors or others). See attachment for more information about development and implementation
Priority: Reduce the reliance on long-term care by improving services closer to home and providing more extra care facilities, including dementia services	
<p>Vulnerable and older people live safely and maintain independence within community settings.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Work with partners to develop appropriate accommodation and extra care housing models 	<ul style="list-style-type: none"> • A joint strategic needs assessment (JSNA) review on falls has been completed, which highlights opportunities for prevention and early intervention. • A lifestyle prescription tool has been developed to support people with long term conditions in making changes to their lifestyles, reducing their risk of disease progression, need for further medication and the development of other conditions. This tool is being rolled out over Autumn 2023, having been developed in partnership across Cheshire East Place (Cheshire East Council, NHS, Voluntary, Community and Faith Sector Enterprise (VCFSE) colleagues) and refined following a pilot in January 2023. • Ongoing engagement with partners seeking development opportunities, particularly with regard to the council owned Crewe site which is going out to tender. A report is due to Adults and Health committee regarding further initiatives the council could take to stimulate the building of more ECH.
<p>People are cared for and valued by a professional and caring workforce.</p>	<ul style="list-style-type: none"> • Care4CE continues to support the care market and assists in the prevention of provider failure or provider quality issues, staff work alongside providers to train and support improvements.

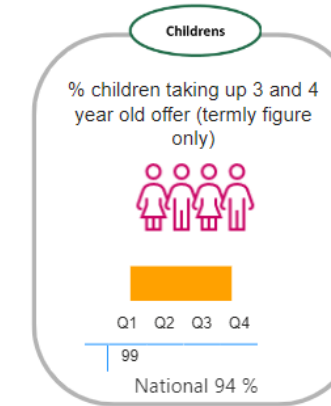
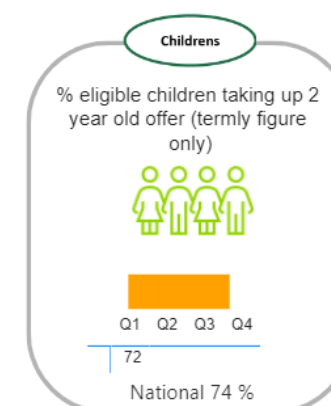
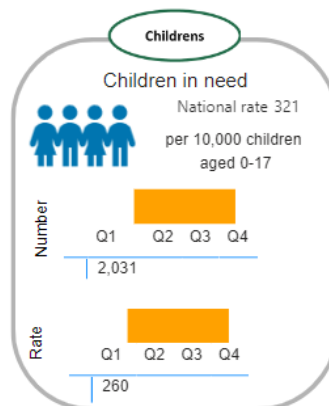
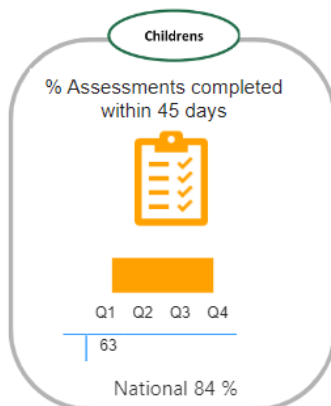
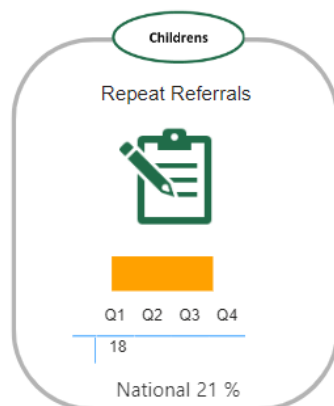
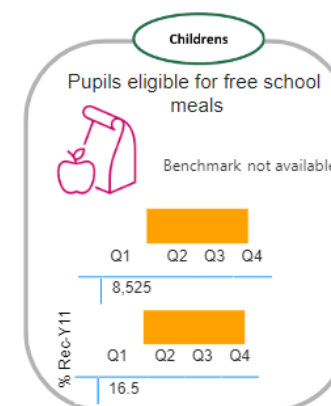
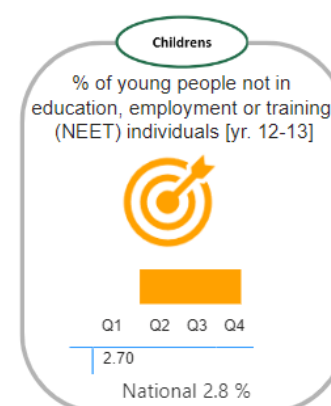
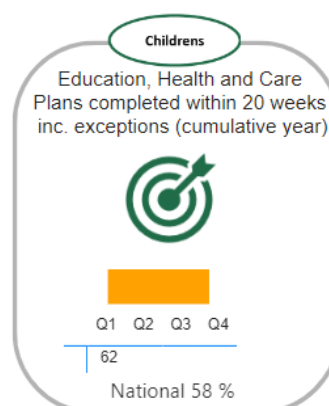
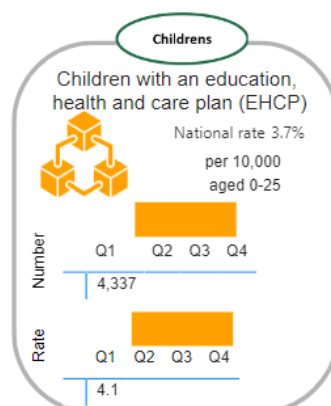
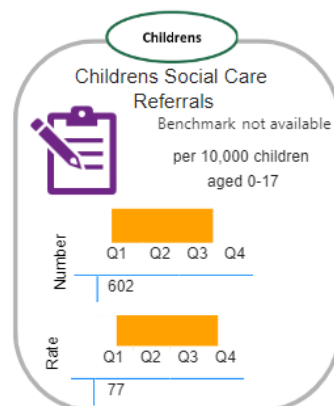
By 2025 we want:	Performance 2023/24 – Quarter 1 Update
<p>Care4ce to become an exemplar high quality trading company.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Develop a quality trading company • Recruit and train a skilled and motivated workforce. • Provide a professional pathway for progression 	<ul style="list-style-type: none"> • Care4CE has commenced the recruitment of apprentices to train young people in the provision of care and health services, the recruits will receive on the job training working with a mentor and work towards NVQ qualifications. • Care4CE staff continue to receive bespoke and mandatory training, staff are also encouraged to look to applying for professional apprenticeships leading to professional qualifications in Social Work and Occupational Therapy. • At this time the development of a trading company is not in the interests of the Council due to the severe cost of living pressures and the fragility of the social care market.
<p>To prioritise Home First for patients discharged from hospital. Where possible patients are discharged to a home of their choice.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Expand and develop the Home First service to support people to stay at home longer • Work to develop integrated health and social care teams • Carers Strategy to be implemented • Develop the Shared Lives service • Increased use of technology 	<p>Continued work at both hospitals to improve joined up operating DTA models which includes:</p> <ul style="list-style-type: none"> • Transformation towards a financially sustainable model for step up and step-down beds, to consolidate/reconfigure existing pathway 2 bed-based 'step-down' and 'step-up' provision and create clusters across the Borough. This will release funds to support alternative provision, to ensure people return directly to their homes thus improving outcomes and enhanced performance of service delivery. • Investment in our Reablement Team has enabled them to provide more support to reduce hospital admissions; provide direct support in acute hospitals both in wards and A&E and provide direct care and support in people's homes. • Training was conducted with ASC staff in June and July on use of technology as well as roadshows enabling staff to see device demonstrations. This had the goal of supporting an increase in referrals for TEC as an alternative to traditional care provision. It should be noted that a wide range of devices can be accessed via our TEC contact including pendant devices, tablets, smartwatches and epilepsy monitors. Work is also taking place to look at how TEC can be better utilised in Supported Living Accommodation. This has included visits to Heatherbrae and Warwick Mews. •

By 2025 we want:	Performance 2023/24 – Quarter 1 Update
<p>Adults receive quality assessments of need and support planning and good quality services to keep them safe and maintain their physical and mental wellbeing.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Fully implement social work practice within adult social care • Maintain and improve the quality of care and support services 	<ul style="list-style-type: none"> • The JSNA on Living Well for Longer is in line with our duties under the Care Act which underlie the initial conversations with residents and where required longer term assessments and support planning. • Ongoing monitoring of the quality of social work practice is routinely undertaken by practice managers and locality managers within supervision and audits. • All staff are training and updated on the Care Act and other key legislative frameworks and best practice models. • The recent establishment of the Social Care Reform, Practice Assurance and Development Team will enhance the capacity to improve quality of practice. • Lessons from safeguarding reviews and complaints are routinely reflected upon in detail to look at lessons learnt and areas of improvement required.

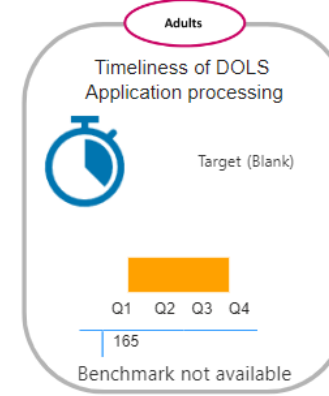
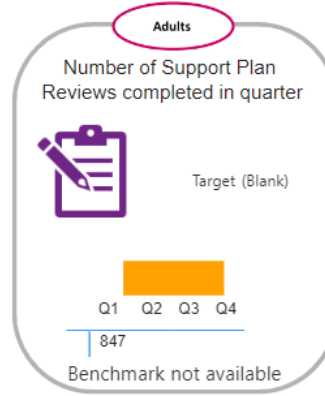
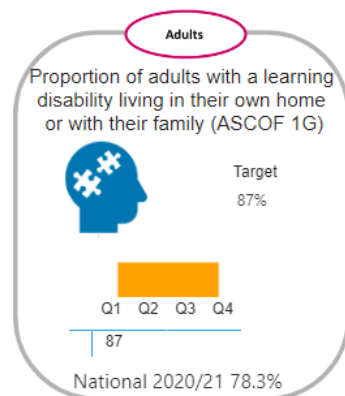
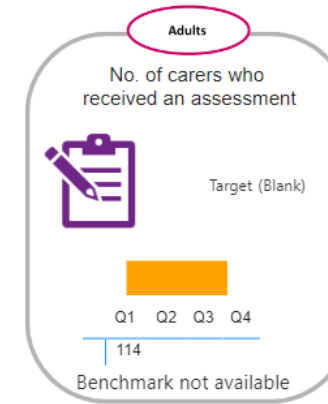
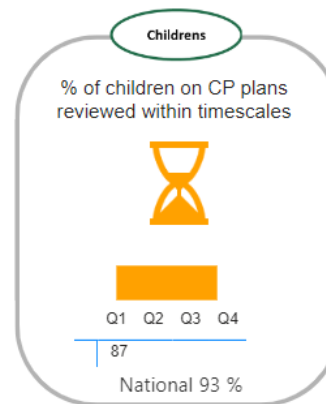
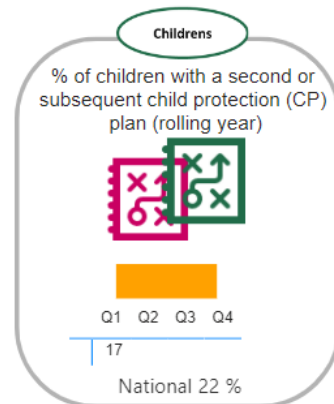
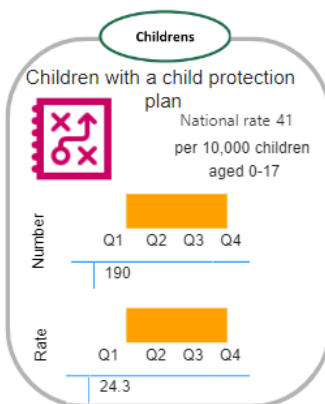
Performance measures supporting A council which empowers and cares about people

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

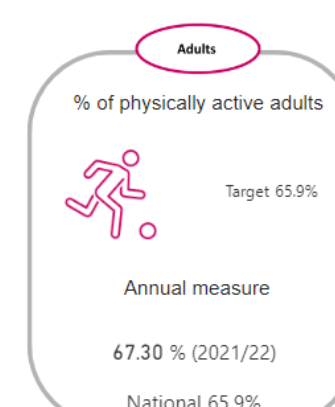
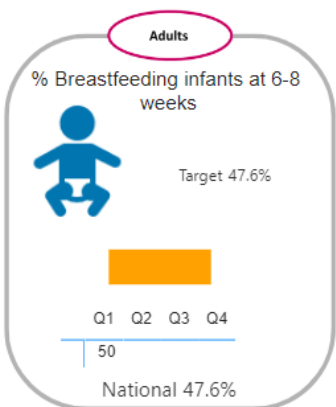
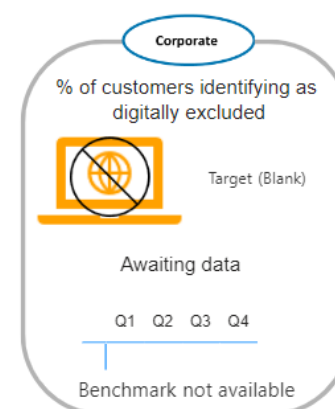
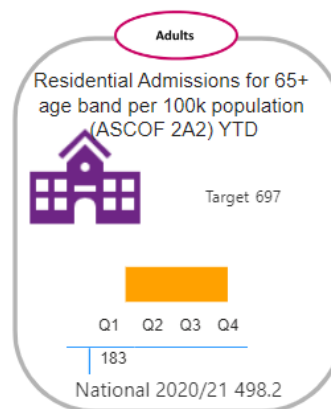
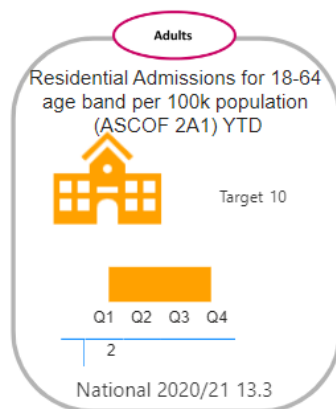




Open Fair Green



Open Fair Green



A thriving and sustainable place

By 2025 we want:

Performance 2023/24 – Quarter 1 update

Priority: A great place for people to live, work and visit

Enable access to well designed, affordable and safe homes for all our residents.

Key actions:

- Deliver housing to meet the needs of all residents including vulnerable and older people in the borough
- Review and evaluate the need for a private rented sector licensing scheme
- Ensure affordable homes are “tenure blind” and focussed on quality

We continue to work in partnership with our Registered Housing Providers to increase the number of affordable homes within Cheshire East – In quarter one, 126 new homes were completed, with projections indicating that we will exceed the annual target of 355 affordable homes.

A high-quality accessible library service, that remains relevant to the changing needs of Cheshire East residents and delivers value for money.

Key actions:

. A public consultation exercise took place on the revised proposed opening hours took place earlier this year and significant amount of responses were received to which the final proposals took into account. Ongoing conversations with Town and Parish Councils are taking place to explore the possibility of them providing funding for those libraries which are due to lose hours. To date six expressions of interest have been received and Cheshire East Council is working with those interested parties.

Formal staff consultation will begin in September with a view to changes to proposed opening hours from November

OFFICIAL

OFFICIAL

By 2025 we want:	Performance 2023/24 – Quarter 1 update
<ul style="list-style-type: none"> • Improve and adapt our libraries to meet any changing needs which offer value for money <ul style="list-style-type: none"> • Update and refresh the Library Strategy 	<p>23</p> <p>The summer reading challenge is taking place across all libraries' sites and initial indication suggest that this is the busiest year to date.</p> <p>A revised libraires strategy is planned for 24/25 once the revised corporate plan has been adopted</p> <ul style="list-style-type: none"> •
<p>High quality leisure and sports provision across the borough that delivers good value for money.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Improve our leisure centres • Provide walking and cycling recreational routes and outdoor recreational space 	<p>The Learn to Swim Scheme has grown to 9,809 swimmers participating in weekly lessons. And membership is over 20,000.</p> <p>The redevelopment of Congleton Leisure Centre is now complete with an official opening event held on 26th June. Initial attendance figures are high and will continue to be monitored through the contract management process in place with Everybody Health and Leisure as the Councils appointed operator.</p> <ul style="list-style-type: none"> • The MTFS proposal relating to a strategic review of future leisure provision across the borough and how this aligns to health needs is progressing with a report due to be presented at Environment and Communities Committee later in 2023, in advance of a public consultation. This review will also highlight the development of a clear investment plan to be delivered over the next 3 years.
<p>To reduce the number of long-term empty dwellings.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Establish baseline and review current strategy and policies 	<ul style="list-style-type: none"> • We continue to work with owners of empty properties to try and bring properties back into use. The level of long term empty homes continues to be maintained at below 1% of the total number of residential properties.

By 2025 we want:	Performance 2023/24 – Quarter 1 update
<p>New development to be appropriately controlled to protect and support our borough.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • To keep the Local Plan Strategy under review • Provide an effective Planning Service with capacity to efficiently determine planning applications • Robust and effective planning enforcement • • Implementation and maintenance of additional supplementary policy documents • Effective and competitive Building Control Service • Continued application of CEC Design Guide principles and focus on Place 	<ul style="list-style-type: none"> • Planning application performance against statutory performance measures is above target for major applications (94%) but below (84%) for minors. This includes extensions of time. A backlog of planning applications remains with staff retention and recruitment difficulties across all aspects of the Planning service including Planning Enforcement and Building Control. • The number of applications in the backlog continues to reduce (approximately 400 over normal 'on hand' levels) and applications are now being allocated to officers on registration. Fast track days continue to provide focused sessions for the backlog bringing consultees together where possible which is a source of further delay. 50% of applications are now being determined within 10 weeks, a significant improvement from 6 months ago. • Progress on the Modernisation Plan continues with the focus on the application backlog; staffing structures; the implementation of the new IT system; and improvements to the customer experience and updated communications strategies – all being monitored by Transformation Board. The IT system implementation has been delayed due to issues with the supplier adding to existing challenges. Significant progress against the key recommendations is however being made.
<p>To make best use of our surplus buildings and assets to support the borough and our partners.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Review the community asset transfer policy 	<p>Land to the rear of Harrop Road Allotments, Bollington transferred to the Town Council. This resulted in the CEC no longer being responsible for any future reactive maintenance costs.</p> <ul style="list-style-type: none"> • There are 13 other asset transfers underway, 10 of which are at an advanced stage with Legal Services instructed. These are being actively monitored through the Council's disposal programme.

By 2025 we want:	Performance 2023/24 – Quarter 1 update
<p>Continue to grow the Cheshire East visitor economy.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Deliver Cultural Strategy and Place Marketing Action Plan • Deliver Tatton Park business plan 	<p>The Councils' refreshed Cultural Framework is operational and commissioning activity is ongoing.</p> <p>Delivery of the Council's Visitor Economy strategy is being progressed.</p> <p>The core business of managing and conserving the Tatton Park estate, opening it to visitors and delivering the lease obligations has continued. Progress is being made on Tatton Vision Phase 2 projects, including delivery of Canaletto Impossible Perspectives, along with adding value to the visitor experience to improve positive perceptions, increase yield and extend length of stay.</p>
Priority: Welcoming, safe and clean neighbourhoods	
<p>Crime and anti-social activity and anti-social behaviour to be reduced.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Use our full range of education, engagement and enforcement tools to protect our communities. • Take formal enforcement action as appropriate • Clear and integrated enforcement approach with relevant fit for purpose policies 	<p>Cheshire East Council Trading Standards Team won a national award in recognition of its efforts to raise awareness of the dangers of using loan sharks. This is the second time the service has received this award given by the England Illegal Money Lending Team.</p> <p>Our Scams Awareness and Aftercare project, operated in partnership with Age UK will be extended across the whole of Cheshire East. The project has secured funding from the Police and Crime Commissioner for Cheshire and is set to provide regular 'scam' bulletins, interactive workshops and personalised advice on a one-to-one basis for those affected by scams.</p> <p>During an operation with Cheshire Police, the Trading Standards Team seized a significant quantity of illicit tobacco and counterfeit, and non-compliant disposable vapes from retail premises in Crewe. The operation also included the successful deployment of two specialist sniffer dogs who located the tobacco within hidden storage areas.</p> <p>The CCTV team have been praised by Cheshire Police after sharing evidence that led to the arrest of an individual involved in the possession and sale of drugs in one of our town centres. The team continue to share information and intelligence with the local police to help identify offences and offenders.</p> <p>The community Enforcement team continues to make a significant impact in and around the alleyways in Crewe.</p>

By 2025 we want:	Performance 2023/24 – Quarter 1 update
<ul style="list-style-type: none"> Investment in technology to enhance CCTV delivery 	<p>Q1 – 3 x section 46 Breach Fixed Penalty notices have been issued.</p> <p>FPN's issued for Borough:</p> <p>0 x Abandoned Vehicle 0 x Breach of Community Protection Notice 1 x Duty of care Household waste 2 x Fly tipping 0 x Breach of Dog Fouling and Dog Control PSPO]</p>
<p>Victims of crime and exploitation to be supported effectively by the council and partners through collaboration.</p> <p>Key actions:</p> <ul style="list-style-type: none"> Work with the police and partners to share intelligence and problem solve local issues Refresh the Safer Cheshire East Partnership Plan for 2020-23 Raise awareness around safeguarding <p>Raise awareness around safeguarding and community safety issues</p>	<p>In 2022, the Safer Cheshire East Partnership produced a Strategic Intelligence Assessment for the period 2022-2025. The Partnership are working on seven priority areas:</p> <ul style="list-style-type: none"> Violence against women and girls Exploitation of adults and children Cybercrime Serious and Organised Crime Domestic Abuse Knife Crime Road Safety <p>A plan is being created to explain what actions the Partnership will undertake in relation to the seven priority areas.</p>

By 2025 we want:

To protect residents and improve our environment.

Key actions:

- Review local air quality through our Annual Status Reports, taking action to respond to areas of poorer air quality
- Air Quality Management Areas have an action plan outlining planned measures to improve quality
- A regulatory service that balances advice and education
- Provide a robust licensing regime for alcohol, gambling and hackney carriage private hire vehicles
- Proactive inspection and surveillance programmes

Performance 2023/24 – Quarter 1 update

The 2023 Annual Status Report on Air Quality for the whole of Cheshire East has been completed and submitted to Defra for review. The report provides an overview on air quality monitoring results for the whole Borough as well as detailing our specific actions aimed at improving air quality in conjunction with our internal and external partners. Monitoring results for 2022 indicate a continued decrease in the levels of Nitrogen Dioxide, including those results within our current Air Quality Management Areas.

Following the award of Defra grant funding for cycling related projects in Congleton and a borough wide vehicle anti-idling and domestic burning campaign, we are now working on final plans to commit any remaining funding in the current financial year. Signage has been developed in conjunction with our local schools to raise 'on street' awareness of the problem of vehicle idling and we are working with our colleagues in Local Transport Planning to identify the best use of the remaining cycle grant funding.

The Air Quality Team have restarted their school education programme which was curtailed on account of the Covid-19 pandemic. Bookings are already being taken for the new education year 2023-2024 which starts in September and help to support a specific objective in our Air Quality Action Plan.

More recently the Regulatory Services Team has been given further grant funding to specifically support activities in and around Smoke Control Areas. This will be progressed in year.

The Food and Feed Enforcement Plan has been completed and submitted to the Food Standards Agency for review and comment. The Plan outlines the inspection burden in relation to food hygiene/standards and feed premises for the year and the arrangements and resources in place to support proactive and reactive work.

The new Food Law Code of Practice was published in June 2023. This document provides the national framework for the delivery of official controls in food businesses. This latest iteration also includes the new Food Standards Delivery Model arrangements which will increase the intervention frequency for higher risk premises a process being rolled out over the next 12 months. The Food Hygiene Delivery Model is also set for an overhaul with an anticipated implementation date of April 2025.

Where appropriate, inspection and monitoring programmes for the service have been produced for the year to support performance monitoring and statutory requirements. Examples include food and feed inspections, animal welfare licensing, mobile home licensing inspections, private water supplies and permitted processes.

By 2025 we want:	Performance 2023/24 – Quarter 1 update
<p>Improved green spaces for all. Enabling people to exercise and socialise in our parks and open spaces.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Review and improve our play areas and parks • Work with partners to provide a more welcoming environment • Secure funding for additional recreation provision along with improvements to the current provision • Increase the number of rewilded areas within our parks and open spaces 	<p>The Council continues to inspect, repair and where investment is available working with key community stakeholders to enhance our play areas and parks.</p> <p>A major project funded by the Crewe Towns Fund to the sum of £1,271,698 along with additional external grant contribution amounting to £400,000 is progressing on schedule, with the initial tranche of works now mobilising for the first tranche of four of eight Pocket Parks at McLaren Street, Derby Docks, School Crescent and Queen Street.</p> <p>This scheme will offer health, wellbeing and amenity enhancement to these vibrant green spaces amidst densely populated areas of Crewe.</p> <p>The NHS, Cheshire East Public Health and voluntary sector Green Spaces for Wellbeing social prescribing scheme is now established with group sessions taking place at Queens Park in Crewe & Victoria Park in Macclesfield. Ongoing collaboration with a variety of health sector and other key stakeholders including refugee liaison groups to continue to maximise outreach and promote accessibility to the health and wellbeing benefits offered by this initiative.</p> <p>The Council has again been awarded a full suite of Green Flag awards by Keep Britain Tidy, for no fewer than 11 of the borough's parks, nature reserves and green spaces at Bollington Recreation Ground, Brereton Heath Nature Reserve, Congleton Park, Fountain Fields in Middlewich, Milton Park in Alsager Queens Park in Crewe, Riverside Park in Macclesfield, Sandbach Park, Tatton Park, Tegg's Nose Country Park in Macclesfield and The Moor in Knutsford. These awards represent the quality, condition and overall cleanliness of these parks and open spaces, with three sites at Tatton Park, Congleton Park and Queens Park also retaining their Green Heritage Site status as endorsed by Historic England for the management of a park's particular historic features.</p> <p>Following the council's consultation on its Medium Term Financial Strategy (MTFS) we are undertaking an operational review of the grounds maintenance programme for our parks, public open spaces, and other green spaces. This evaluation process will include a review of the frequency of grass cutting, tree and flower bed maintenance and herbicide application as we attempt to understand the local needs and ensure we can also make essential savings.</p>
Priority: To reduce our impact on our environment	
<p>To have minimised overall waste generated in the borough and maximised our levels of recycling.</p> <p>Key actions:</p>	<p>The Councils estimated recycling rate for Q1 at 56% is slightly lower this quarter compared to that of previous years, but still above annual target, due to the reprofiling of waste being reported into Waste Data Flow.</p> <p>The Council has been working to introduce systems for the new garden waste subscription service. Residents will be able to sign up to the council's garden waste recycling scheme in October 2023, and the service will go live from 15 January 2023 (dependent on their scheduled collection date).</p>

By 2025 we want:	Performance 2023/24 – Quarter 1 update
<ul style="list-style-type: none"> • Introduction of the Municipal Waste Strategy • To review and consult on the household waste recycling provision 	<p>In waste prevention we are an APSE award finalist for 'best health and well-being initiative' for waste reduction volunteers' scheme and would like to thank all of our volunteers for the work they undertake in promoting waste reduction, reuse and recycling.</p>
<p>To improve biodiversity and natural habitats in the borough.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Increased rewilding • Embed biodiversity, including offsetting, across Cheshire East Council estate • Deliver the tree planting programme 	<p>The authority continues to plant trees, as part of the nature-based inset of our carbon reduction targets with a planned pipeline of work to achieve our inset target of 100 hectares. This Quarter we are working with key partners at Mersey Forest to plan our planting for the next planting season October to May 2023 – 24.</p> <p>As part of the ongoing review of the grounds maintenance programme for our parks, public open spaces, and other green spaces there is the opportunity to provide more no-mow or rewilded areas, which would diversify the range of habitat types in our parks and open spaces and transform grasslands to serve as an additional habitat and food resource for birds, small mammals, and insects in support of the council's aims to enhance and protect the borough's natural environment, and to restore nature.</p>
Priority: A transport network that is safe and promotes active travel	
<p>Improvements in the strategic infrastructure that support sustainable and inclusive growth across the borough.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Delivery of major infrastructure programmes 	<ul style="list-style-type: none"> • Poynton Relief Road opened in March 2023 • The North West Crewe highways package that improves safe access to the hospital and enables economic growth remains on programme for completion in Spring 2024 • The Middlewich Eastern Bypass Compulsory Purchase and Side Road Orders were confirmed following a public inquiry. The Full Business Case is now being prepared for submission to the Department for Transport before their grant is released (subject to their approval) to allow construction to start in early 2024.
<p>Safer and well-maintained roads.</p> <p>Key actions:</p>	<p>An annual indicator of safe and well-maintained roads has been developed by measuring annually the percentage of roads requiring structural maintenance. The target is no more than 4% of A roads and 5% of B and C roads. The last annual information gathered in this area, showed that the target was exceeded in both areas, with 3% of A roads and 4% of B and C roads identified as requiring structural maintenance.</p>

By 2025 we want:	Performance 2023/24 – Quarter 1 update
<ul style="list-style-type: none"> • Deliver planned investment to maintain the highway network • Review of appropriate strategies, such as speed management 	
Investment in electric vehicle infrastructure in our key service centres	<ul style="list-style-type: none"> • Submitted Expression of Interest as first step towards accessing £2.172m of funding. • Development of specification to deliver chargepoints for which funding is already secured • Rollout of chargepoints to support council's EV fleet.
<p>To increase parking provision close to local transport hubs.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Complete Local Transport Plan parking reviews 	<ul style="list-style-type: none"> • Project group set up within Strategic Transport & Parking to ensure delivery of the MTFS budget proposals within parking services. • The project includes town by town parking reviews.
<p>To promote uptake of cycling in our local service centres.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Installation of cycle storage facilities in Cheshire East car parks • Invest in new cycle routes and improve existing ones • Prohibit parking in existing cycle lanes 	<ul style="list-style-type: none"> • Baseline review of publicly available cycle storage facilities in town centres • Construction of part of Hurdsfield Road/Black Lane improved active travel route in Macclesfield • Successful bid for ATE funding to deliver Manchester Road, Wilmslow (northern) active travel scheme • Successfully secured significant funding towards the A530 Greenway from HS2 •

By 2025 we want:	Performance 2023/24 – Quarter 1 update
<p>To improve the speed and efficiency of public transport and encourage more residents to make fewer car journeys.</p> <ul style="list-style-type: none"> • Feasibility studies into the creation of rapid transit routes connecting existing infrastructure with key employment sites 	<ul style="list-style-type: none"> • Secured funding towards adaptive signal technology to mitigate public transport impacts of HS2
<p>To reduce areas of the borough not served by public transport.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Submit proposals to Rural Transport Fund • Develop quality bus partnerships with operators and town councils 	<ul style="list-style-type: none"> • The Flexilink service will be consulted upon in quarter 2 of 2023/24 to see if it can be improved and expanded.
<p>To encourage an increase in the use of public transport (especially buses).</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Operators work together to share real time information • Bus routes planned to provide multi-modal connectivity • Cheshire East bus app developed 	

By 2025 we want:	Performance 2023/24 – Quarter 1 update
<p>More residents to use walking routes.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Promote existing routes and nature trails • Create new walking routes between service centres 	<p>Work with partners on the Bollin Way and developing shared routes continues where possible. The promotion of trails at the Council's countryside sites and Tatton Park is ongoing.</p>
Priority: Thriving urban and rural economies with opportunities for all	
<p>Delivery of a strategic regeneration plan for Crewe.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Successful delivery of the regeneration programmes 	<ul style="list-style-type: none"> • Archives – A Story Shared has appointed contractors for the History Centre in Crewe and work has started to develop the programme to RIBA4. • Mechanisms have been put in place to ensure delivery of a programme of activity at LY2 and a Summer programme is underway. • The Economic Development Service continue to programme manage the Levelling Up Funds (Future High Street and the Towns Fund) from central government and successfully made the required returns. The team have worked closely with the Dept of Levelling Up, Housing and Communities (DLUHC) on the project adjustment request to approve the reallocation of funding across local projects as a method of mitigating the inflationary risks and construction costs. • Through the work of the economic development service, £6.4m from the Youth Investment Fund has been secured as match funding for the Crewe Youth Zone. This match sits alongside the existing £4m of funding

By 2025 we want:	Performance 2023/24 – Quarter 1 update
	<p>in place from both the Towns Fund and the Council funding. It means that all the funding is now available to build the new state-of-the-art youth centre.</p> <ul style="list-style-type: none"> • In June 2023 the Ly2 project was completed, which is the accelerated towns fund project. This is the conversion of the Lyceum Square into a new outdoor venue, which includes a multi-level stage, large digital screen, new lighting, defensible space for pedestrians The towns fund project 'Repurposing Our High Street' project went live and launched its a grant scheme, two murals an art-carpet and a green wall to screen off the service yard from the market centre. The first events have been held in the square as part of the Crewe Summer Season and it has included hosting Crewe Pride. • A key Towns Fund project managed by the Economic Development Service 'repurposing our high street project' commenced in Q1. It awarded its first grant to a new business that took up premises in Crewe town centre. The project manager is currently developing a pipeline of projects and is meeting with commercial property owners and letting agents to advise them of this new scheme. The purpose of the scheme is to bring empty shops and commercial buildings back into use in Crewe town centre, it will provide up to £30,000, depending on the length of lease. The funding is provided to the new business to assist in business needs refurbishments, it does not fund the property owners/ landlords. This project works closely with the broader business advice hub that the Business and Growth Team within the Economic Development Service are delivering. •
<p>Delivery of a strategic regeneration plan for Macclesfield.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Successful delivery of the regeneration programme for Macclesfield 	<ul style="list-style-type: none"> • The Audience Agency have been commissioned to provide audience insights into cultural activity in Macclesfield which will be fed into the development of a new cultural strategy for the Town. • Final designs have been signed off by DLUHC for the Macclesfield indoor market public toilets and changing places. The implementation of this project phase has started and consultations have been held with the market traders, who are supportive of this project. The construction of the new facilities is expected to start on the second week of August 2023 with a planned 8-10 week construction period • The vinyls over the pedestrian bridge at Macclesfield Rail Station have been completed. This was the last of the art work, which is part of the Treacle T-Art trail. Connecting to the murals on the seven shutters along Sunderland Street and the station lift shaft mural. • The Macclesfield team like other teams across the council have been developing bid ideas for the UKSPF. It is expected if these bids are signed off internally to be submitted in quarter 2

By 2025 we want:	Performance 2023/24 – Quarter 1 update
<p>Successful town centres in our other key towns.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Work with our partners and key stakeholders to understand what is important to our towns 	<p>The Economic Development Service's business and growth team has launched the business and growth hub as part of the UKSPF in 2022/23. This service is now operational, supporting start-ups and SME's seeking growth support in Cheshire East. A summary of the key outputs in Q1 are:</p> <ul style="list-style-type: none"> • > 1000 visits to the hub • 103 businesses have registered on the hub • >100 downloads of the templates / tools /guides • >100 inbound support requests (e-mail / phone/ chat etc.) • >140 outbound support activities ('phone / ZOOM meeting / face-to-face) • 15 business diagnostics completed with businesses • 7 Growth plans in preparation with businesses • 2 Growth plans finalised and in action. <p>In addition in Q1, The business and growth team have:</p> <ul style="list-style-type: none"> • Supported x3 local large-scale employers (new and existing) with growth plans (Likewize, Jet2 and Ornuia) via key account management by the team and senior CEC officers. • Responded to x36 new enquiries from businesses seeking support from Cheshire East Council in their business growth plans, local issues and/or general advice. • Delivered the Cheshire East representation at UKREiiF, a high profile regeneration and investment forum based in Leeds attended by 7000 delegates, including end users, developers and institutional investors. Cheshire East council partnered with Cheshire & Warrington LEP, Cheshire West & Chester and Warrington & Co to position the sub region and specific Cheshire East development schemes (Handforth, Crewe Town Centre) as an investment opportunity, to a targeted and wide-reaching audience. • Ongoing operational and strategic engagement with external partners such as Department of Business & Trade (DBT) and Cheshire & Warrington LEP to create sub regional package of business support toolkit, and to also respond proactively for DBT call outs to understand local economic strengths. This is intended to focus on our strengths and to increase new inward investment opportunities for Cheshire East.
<p>Maximise the commercial and regeneration opportunities</p>	<ul style="list-style-type: none"> • Secured key assurances through the HS2 Phase 2b petitioning process, including a study for Crewe station and further critical design work <p>Secured commitment from Government to establish a cross-Whitehall/CEC task force to focus on accelerating regeneration opportunities around the Crewe Hub</p>

By 2025 we want:	Performance 2023/24 – Quarter 1 update
associated with HS2 for the whole borough	
<p>Thriving and active rural communities.</p> <p>Key actions:</p> <ul style="list-style-type: none"> - Deliver the Rural action plan 	<ul style="list-style-type: none"> • Further the Connecting Cheshire Partnership(CCP), has achieved the following outputs for the Digital Cheshire ERDF programme, It has: • Connected 287 business to its supplier Airband, with more to come prior to September. • Provided a Business Support Programme Concluded - 250 businesses have benefitted from 12 hours of support. • Contract closure is underway for Digital Cheshire project and the project has received its final ERDF audit. • The new Digital Investment Plan for Cheshire Warrington and Halton has started to mobilise, and the following activities have been achieved: <ul style="list-style-type: none"> • procurement documents have been drafted and approved by all partners consulted for new Business Support Scheme and Demand Stimulation projects, this procurement will go live in Q2. • The First Community Fibre Project utilising the CCP Top-up Voucher Scheme concludes its build, subject to network testing in Broomhall, Nantwich • BDUK Project Gigabit Procurement is now underway across Cheshire – the contract has approx. £47m (estimated to start Feb 2024) • Applications to the UK Shared Prosperity Rural Fund top up are being prepared

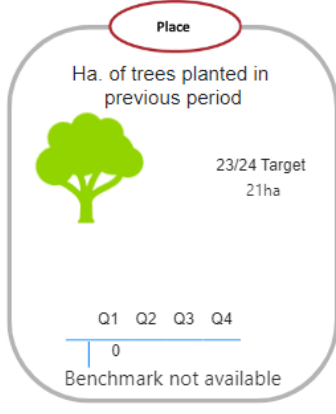
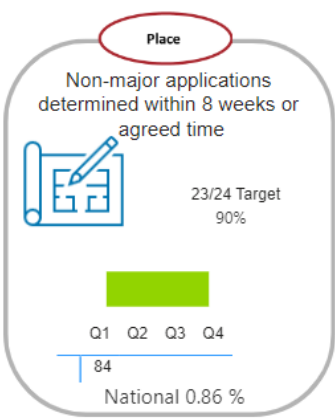
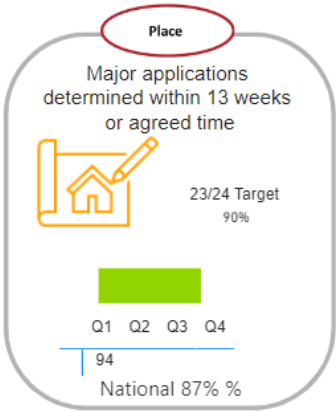
By 2025 we want:	Performance 2023/24 – Quarter 1 update
Priority: To be carbon neutral by 2025	
<p>To have delivered the milestones in becoming a carbon neutral council.</p> <p>Key actions:</p> <ul style="list-style-type: none"> • Deliver actions in the Cheshire East Council Carbon Action Plan 	<p>The Authority is making good progress on its ambitious target to be carbon neutral by 2025 with a key focus this year on</p> <ol style="list-style-type: none"> 1) Fleet: the transition of a minimum of 20 petrol / diesel vehicles to electric with charging facilities followed by a further 60 the following year. 2) Solar: To progress the second solar farm to submit a planning application by September 2023 with decision needed by April 2024. 3) Natural Offset: The planting of the next two key large woodlands this planting season Oct 2023 - May 2024. <p>The projects are all funded within the Council Medium Term Financial Strategy and in progress this quarter. In addition, work is progressing on our first solar farm at Leighton Crewe with construction beginning in the Autumn.</p> <p>The Estates (Facilities Management) have been successful in each round of public sector decarbonisation funding and have delivered to time and budget on each phase:-</p> <ul style="list-style-type: none"> • This quarter we have seen major work begin of Delamere House Crewe to insulate the building with replacement windows in preparation for the decarbonise air source heating system. Works are due to complete within the next quarter • 14 Air Source Heat Pumps (ASHPs) have been installed across the operational estate. A further 9 ASHPs installations are scheduled to commence during the next quarter. • Photo Voltaic Panels have been completed and are operational on a total of 19 buildings. This includes the top floors of two multi storey car parks in Macclesfield which have been covered in panels, making those sites cost neutral, income will also be achieved through export. A further 7 installations are scheduled to commence during the next quarter. • Improved insulation in 12 buildings • LED lighting improvements have been completed in 15 buildings, with a further 3 installations scheduled to commence within the next quarter. <p>Across the operational estate as a result:</p> <ul style="list-style-type: none"> • Overall emissions (and equivalent for the green electricity) show a reduction from the previous period. • Whilst electricity consumption has naturally increased in those building where ASHPs have been installed, all

By 2025 we want:	Performance 2023/24 – Quarter 1 update
	<p>other building categories have shown a decrease.</p> <ul style="list-style-type: none"> • Gas consumption decreased slightly across all building categories compared to the previous reporting period, with the exception of leisure gas consumption which shows a slight increase, this continues to be monitored. • Electricity generation is much higher <p>• Additionally, as part of the Social Housing Decarbonisation Fund, 49 homes were retrofitted in Q1</p>

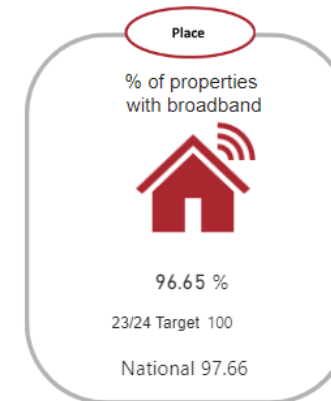
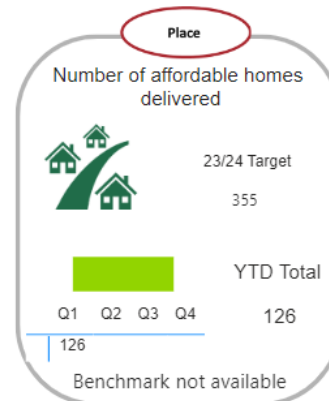
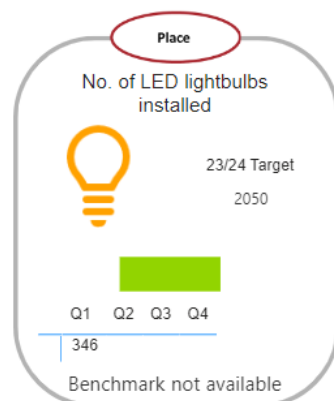
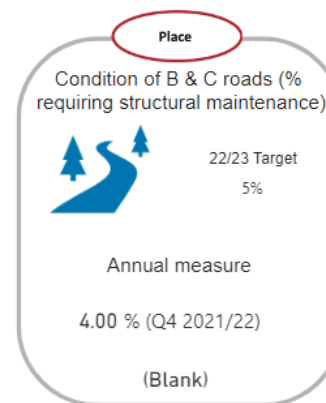
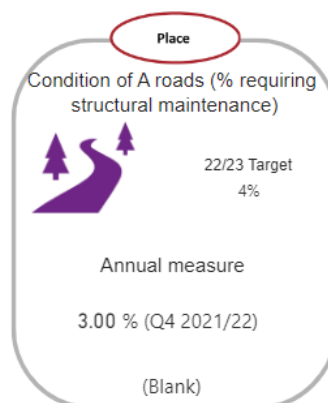
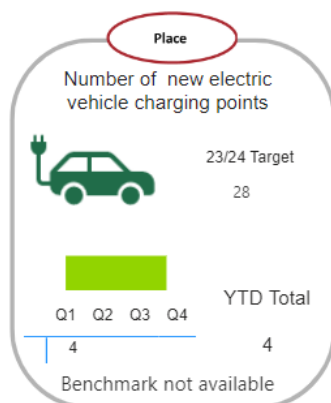
Performance measures supporting A thriving and sustainable place

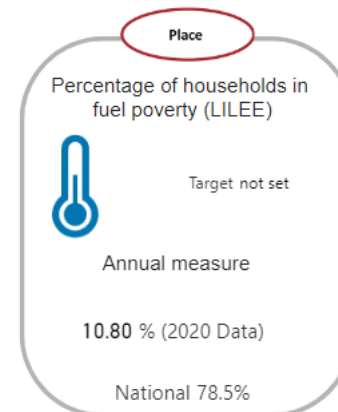
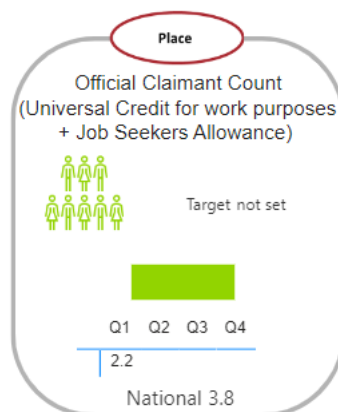
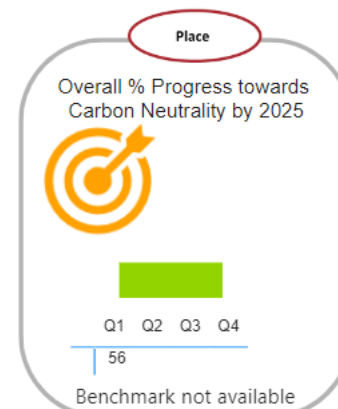
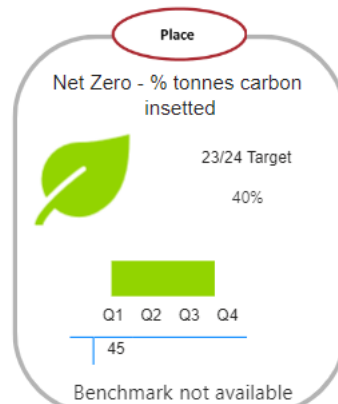
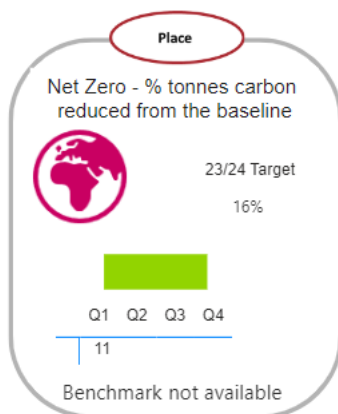


- A great place for people to live, work and visit
- Welcoming, safe and clean neighbourhoods
- Reduce impact on the environment
- A transport network that is safe and promotes active travel
- Thriving urban and rural economies with opportunities for all
- Be a carbon neutral council by 2025



**NB trees are only planted in planting season*





Open Fair Green

Office for Local Government Launch Metrics - Cheshire East

The metrics below will be included at the launch of Oflog.

Adult Social Care

Number	Metric	Financial Year	Cheshire East	Median of Cheshire East's CIPFA Nearest Neighbours	England median
1	Quality of life of people who use services - adjusted to account only for the additional impact of local-authority funded social care on quality of life, removing non-service-related factors (underlying health and care needs, gender, and so on) (1B in the ASCOF).	2021-22	0.432	0.401	0.409
2	Quality of life of carers (1C in the ASCOF).	2021-22	7.3	7.1	7.2
3	The proportion of people who received short-term services during the year – who previously were not receiving services – where no further request was made for ongoing support (2A in the ASCOF).	2021-22	91.5%	73.4%	76.3%
4	The proportion of people who use services who find it easy to find information about services (3D (1) in the ASCOF) – to be combined with 5 from 2024.	2021-22	58.0%	57.0%	57.3%
5	The proportion of carers who find it easy to find information about support (3D (2) in the ASCOF) – to be combined with 4 from 2024.	2021-22	70.4%	65.4%	65.3%
6	The proportion of requests for support to the LA which result in a service multiplied by the number of requests per 100,000 population.	2021-22	2142 per 100,000 population	2022 per 100,000 population	1709 per 100,000 population
7	Staff turnover in the workforce (The proportion of directly employed staff in the formal care workforce leaving their role in the past 12 months)	2021-22	29.0%	31.8%	28.7%

Waste

Number	Metric	Financial Year	Cheshire East	Median of Cheshire East's CIPFA Nearest Neighbours	England median
1	Proportion of household waste sent for recycling.	2021-22	56.3%	53.3%	41.9%
2	Residual (i.e., non-recycled) waste per household (tonnes).	2021-22	480.0kg	464.1kg	502.4kg
3	Contamination rate of recycling - calculated as estimated proportion that is rejected of total amount of household waste sent for recycling.	2021-22	5.7%	4.0%	5.6%

Adult Skills (MCA)

Number	Metric	Financial Year	Cheshire East	Median of Cheshire East's CIPFA Nearest Neighbours	England median
1	19+ Further Education and Skills Achievements per 100,000 population – including apprenticeships.	2021-22	2296 per 100,000 population	2627 per 100,000 population	2854 per 100,000 population
2	19+ Further Education and Skills Achievements per 100,000 population – excluding apprenticeships.	2021-22	1153 per 100,000 population	1443 per 100,000 population	1621 per 100,000 population
3	Proportion of the adult population aged 16-64 with level 3+ qualification.	2021-22	64.2%	61.6%	60.2%

Finance

Number	Metric	Financial Year	Cheshire East	Median of Cheshire East's CIPFA Nearest Neighbours	England median
1	Reserves as a percentage of Net Revenue Expenditure.	2021-22	25.5%	51.9%	54.9%
2	Reserves as a percentage of service spend.	2021-22	21.8%	46.3%	44.6%
3	Total Core Spending Power per dwelling.	2021-22	£1,705.54	£1,764.58	£1,885.14
4	Level of Band D council tax rates.	2021-22	£1,579.03	£1,622.27	£1,554.02
5	Council tax revenue per dwelling.	2021-22	£1,689.76	£1,534.27	£1,293.42
6	Social care spend as % of Core Spending Power.	2021-22	72.2%	66.4%	66.4%
7	Debt servicing as % of Core Spending Power.	2021-22	5.3%	7.4%	9.0%
8	Total debt as % of Core Spending Power.	2021-22	129.4%	152.2%	226.8%

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Corporate Policy Committee**5 October 2023****Strategic Risk Register Assurance
Report Q1 2023/24****Report of: David Brown, Director of Governance and Compliance,
Monitoring Officer****Report Reference No: CP/18/23-24****Ward(s) Affected: All****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 exercising 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.
- 2 This report provides an update on the activity of the council's Strategic Risk Register for Quarter 1 2023/24.

Executive Summary

- 3 This report provides the Corporate Policy Committee with an update on the activity of the Strategic Risk Register for Quarter 1 2023/24 with the Strategic Risk Register set out in further detail in the report appendix.

RECOMMENDATIONS

The Corporate Policy Committee is recommended to:

1. Confirm the position of the Strategic Risk Register for Quarter 1 2023/24, in respect of the content, description, scoring and risk management activity outlined.

Background

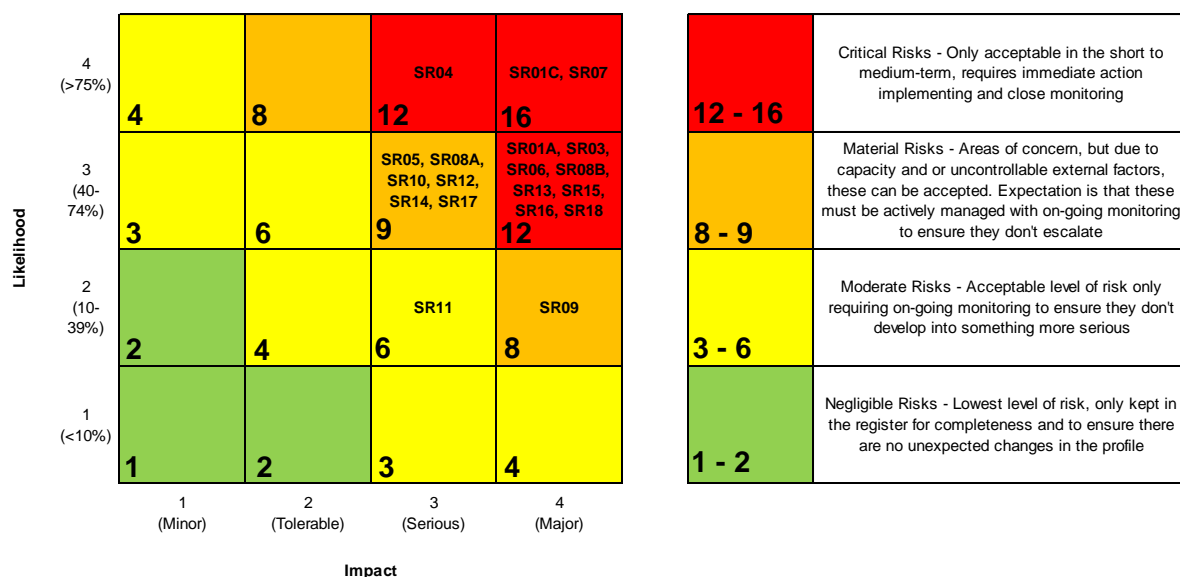
- 4 Risks included on the Strategic Risk Register are those which materially threaten the organisation's ability to achieve its strategic goals, in this case our corporate objectives in the Corporate Plan. This could be in the form of an individual threat to a specific objective, or the compound effect of a threat across several areas.
- 5 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 and Risk Management.
- 6 While the external context for local government nationally remains challenging, internal activity and decision-making remain focused on the achievement of core service delivery and implementing the cost reductions agreed in the Medium-Term Financial Strategy 2023-2027. Whilst inflation began to decrease over the quarter, there were still increases in price terms, and an increase in interest rates at the end of the quarter.
- 7 Local elections in the borough took place in May 2023; this saw 38 new members elected to the Council's 82 seats, with a Labour/Independent administration subsequently being confirmed, and induction activity and support beginning for all members.
- 8 Table 1 below sets out the Strategic Risk Register content, gross, net and target ratings for Q1 2023/24, organised by highest to lowest scoring risk.
- 9 Table 2 shows the net ratings for the last year, with a direction of travel based on the Q1 update against the previous quarter. The heat map below the tables (Chart 1) shows the continuing high concentration of critical and material rated risks.
- 10 Updates on the individual strategic risks follow in the report, but there are clear themes to the register following the review at the end of Quarter 1;
 - (a) Challenges to the managing the financial position
 - (b) demand on services,
 - (c) delivering improvement and change, and
 - (d) the wider/national context in which local government functions.

Table 1 – Strategic Risk Register Position Quarter 1 2023/24

Ref	Risk	Gross Score	Net Score	Target Score	Target Date
SR01C	Increased Demand for Children's Services	16	16	12	Mar-24
SR07	Failure of Council Funding	16	16	12	Jan-24
SR01A	Increased Demand for Adult's Services	16	12	9	TBC
SR03	Failure of Financial Management and Control	16	12	9	Dec-23
SR04	Information Security and Cyber Threat	16	12	12	N/A
SR06	Organisational Capacity and Demand	16	12	9	Dec-23
SR08B	Political Uncertainty	12	12	8	TBC
SR13	Reputation	16	12	9	Mar-24
SR15	Failure of the Local Economy	16	12	12	N/A
SR16	Failure to deliver MTFs savings	16	12	9	Dec-23
SR18	Delivery of the JTAI Improvement Plan	16	12	6	Jan-24
SR05	Business Continuity	12	9	6	Dec-23
SR08A	Governance and Decision Making	16	9	6	Mar-24
SR10	HS2 Infrastructure Investment	12	9	6	Mar-25
SR12	Fragility and Failure in the Social Care Market	16	9	9	N/A
SR14	CEC Carbon Neutral Status	16	9	6	2025
SR17	Local Planning Authority Modernisation Plan	12	9	6	Sep-24
SR09	Capital Projects - Place	16	8	8	N/A
SR11	Pandemic Virus	12	6	6	N/A

Table 2 – Strategic Risk Register Net Scores and Direction of Travel

Ref	Risk	Q2 Net	Q3 Net	Q4 Net	Q1 Net	Travel
SR01A	Increased Demand for Adult's Services	16	16	12	12	↔
SR01C	Increased Demand for Children's Services	16	16	16	16	↔
SR03	Failure of Financial Management and Control	6	9	9	12	↑
SR04	Information Security and Cyber Threat	12	12	12	12	↔
SR05	Business Continuity	9	9	9	9	↔
SR06	Organisational Capacity and Demand	12	12	12	12	↔
SR07	Failure of Council Funding	16	16	16	16	↔
SR08A	Governance and Decision Making	9	9	9	9	↔
SR08B	Political Uncertainty	12	12	12	12	↔
SR09	Capital Projects - Place	6	8	8	8	↔
SR10	HS2 Infrastructure Investment	16	12	12	9	↓
SR11	Pandemic Virus	9	9	6	6	↔
SR12	Fragility and Failure in the Social Care Market	16	12	9	9	↔
SR13	Reputation	9	9	12	12	↔
SR14	CEC Carbon Neutral Status	9	9	9	9	↔
SR15	Failure of the Local Economy	12	12	12	12	↔
SR16	Failure to deliver MTFS savings	-	-	-	12	NEW
SR17	Local Planning Authority Modernisation Plan	6	9	9	9	↔
SR18	Delivery of the JTAI Improvement Plan	16	16	16	12	↓

Chart 1 – Strategic Risk Heat Map Quarter 1 2023/24

- 11 These themes recognise similar causes and drivers of the risks on the Strategic Risk Register, and there are significant interdependencies between those areas, for example, the impact of demand for services upon the ability to manage the financial position of the authority.

Key Changes - Quarter 1 2023/24

- 12 During the Q1 review, a new risk has been added to the register, recognising the impact of the organisation failing to deliver the MTFS 2023-27; SR16. This currently has a net score of 12.
- 13 The net rating of SR03, Failure of Financial Management and Control, has been increased to 12 after early analysis of activity has demonstrated pressures on budgets as a result of rising demand, inflation levels and rising interest rates increasing the likelihood aspect of the risk.
- 14 SR02, the NHS Funding risk was removed from the strategic risk register this quarter; the interactions between council services and the NHS, which the council jointly manages, are documented in remaining risks on the register, the most notable of these being the Increased Demand for Adult Services risk (SR01A).
- 15 SR18, Delivery of the JTAI Improvement Plan sees a reduction of the next score, following a positive 6 month review of the plan with the Department of Education, who acknowledged the progress and impact achieved by the partnership.
- 16 The strategic risk register content is described in full in Appendix 1; Commentary on risk management activity from the Quarter 1 updates are detailed in the following section of the report, describing the impact of the risk upon the delivery of Council services.

SR01A Increased Demand for Adult's Services

- 17 External support has been commissioned to work with Adult Social Care (ASC) to assist in demand management and increase use of Assisted Technology. We will be reviewing our deployment of staff to ensure that they are deployed into the areas where they can have the biggest impact on demand reduction and prevention.
- 18 We have placed a senior member of staff within short term services to monitor the overall discharges from our two main hospitals to identify and resolve the referrals to ASC, it is estimated that too many individuals are referred for ASC who could otherwise return home with little or no support. Additional funding into the budget to mitigate the increases in demand and complexity.

SR01C Increased Demand for Children's Services

- 19 No change in the net rating this quarter. A fundamental review and realignment exercise for children's services is being carried out to future-proof services to deliver differently for less as part of our integrated children's services 4-year strategy. This strategy is being developed in consultation with services and will be received by the Children and Families Committee in November.

SR03 Failure of Financial Management and Control

- 20 Early view of progress on delivery of budget change items and analyses of pressures on budgets indicates some significant challenges to managing expenditure to budget, as a consequence of rising demand for services, levels of inflation, and rising interest rates.
- 21 Acknowledging these pressures, the assessed net risk prior to the further planned mitigating actions has been increased from the previous Quarter, reflecting an increased 'likelihood' of the risks to financial management.

SR04 Information Security and Cyber Threat

- 22 The Council continues to advance the number of solutions that are capable of utilising single sign on. MDM completed its phase 1a of integration of CRM and Council Tax for location data ensuring consistency and quality of data across both systems and so the action from last period has been closed. The Cyber Update for Corporate Policy Committee has been published and been through committee.
- 23 A revised DWP MOU has been received which highlights areas of security to strengthen, ICT are working with the suppliers to address some of these issues. These will come in the form of system modifications, which may take some time to delivery. The new requirements affect multiple councils as they are system wide. The Information Assurance and data Management program continues to increase the information maturity across the Council, which can be seen through the latest Audit and Governance Report.
- 24 There continues to be a large volume of ransomware attacks globally, this coupled with the unsettled nature of international politics through military, economic and environmental policies make threats extremely. There are mitigation activities within the organisation through capital programmes such as IADM, Digital and Security and Compliance which can limit the exposure of risk and minimise likelihood, but as described above with the level and sophistication of attacks it is felt that the Net Risk should remain constant.

SR05 Business Continuity

- 25 There is no change to the gross or net rating at this time. Further work has progressed during the Q1 period, with plans being developed for a joint internal exercise with the Emergency Planning team, focusing on a power outage event. This is scheduled to happen in September, with findings and feedback due to be shared with CLT. A specific follow up with CEC's ICT service will also be held after the wider session.
- 26 Development of the BC SharePoint site is at an early stage; this will be the second phase of development and progress after the risk management site has been completed, and as indicated in the Q4 update, the development and rollout of this system is a key action, which when completed, will reduce the net score to the target rating.

SR06 Organisational Capacity

- 27 National labour market pressures still exist, particularly in the care, social work, planning and ICT sectors. Local authorities are competing for the same staff, with some offering higher salaries and other benefits not in place at Cheshire East Council. As outlined above, a comprehensive programme of work is in place to address these pressures. Much of this work is now 'business as usual' activity, but additional initiatives have also been introduced.
- 28 Some key points to note:
- The recent approval for the exploration of a range of additional staff benefits will support the recruitment of staff, but also cost of living issues.
 - As a result of a programme of communication and delivery of a specific awareness session with managers across the Council, use of the Employee Assistance Programme has increased and places us 2% higher than that of our neighbouring authorities, indicating an improved access pathway for staff.
 - A move to a more agile way of working helps to attract a wider pool of candidates.
 - A process of office rationalisation is likely to embed and develop the Council's agile working approach, although may also affect the retention of existing staff.
 - Ongoing work to improve the efficiency of the recruitment process is in place.

- An increase to the value of the Cycle to Work scheme has been implemented to encourage staff to buy cycles which in turn supports CEC's carbon neutral ambitions by encouraging active travel. A further increase to £4K has also been agreed.
- The MARS scheme was offered again and resulted in 44 staff leaving the organisation, by end Jun 23. This has enabled the Council to re-design services and management structures to improve efficiency, create career development opportunities and reduce costs.

SR07 Council Funding

- 29 As reflected in comments for previous quarters, it is still considered that grant allocations and 'flexibilities' afforded by government fall significantly short of the estimates of spending required (largely due to pay and cost inflation, and effects on demand for services), and long-term solutions continue to be needed, particularly in respect of social care (including the relationship with health services) and the funding of high needs children's services .

SR08A Governance & Decision Making

- 30 Target score updated to align with the impact of the net score, actions updated, timescale for managing the risk has been added. The expected timescale is based on current governance arrangements and requirements. However, it is likely that new events and requirements will impact this before the identified actions are fully delivered.
- 31 During the quarter, internal training was provided to the Corporate directorate on decision-making and critical pathways, the other directorates will be provided with the training in Q2. Governance training was also completed for all elected members post-election, including specialist training for specific committees, e.g. Audit & Governance. The Corporate Policy Committee received an update on sub-regional working and agreed to expand the member development programme, seeking to explore further opportunities.

SR08B Political Uncertainty (local and national)

- 32 Target score updated to align with the impact of the net score, the net and target impact is the highest it can be and higher than the governance and decision-making risk. This is because central government decisions, over which the council has limited influence, can fundamentally change the way it operates and expectations for the services it delivers.

- 33 On-going work with elected members has maintained a good level of consistency in decision-making related to both governance and service delivery. The local elections have been completed and delivered consistency in the leadership of the council, although no one party has overall control. Following on from this, the process for updating the Corporate Plan has been begun. The period just ended has also seen consistency from central government membership.

SR09 Capital Projects - Place

- 34 Some capital projects are suffering from three impacts of, softening yields, continued inflation above normal levels and higher interest rates. Combined these three issues have hit the viability of schemes. The movement of these three indicators continued to be monitored. The effects of inflation continue to be felt across the wider programme of capital projects in Place, which is likely to require a process of prioritisation to be undertaken across the wider corporate capital programme. Due to the impact of inflationary factors the business cases associated with the larger capital investments are being reviewed to understand whether these projects remain viable and continue to deliver the required benefits.
- 35 Potential funding issues relating to the next tranche of investments as set out in the Infrastructure Delivery Plan (appended to the Local Plan) are being considered with a report planned to be taken to the September Highways and Transport Committee setting out a proposed mitigation approach. Key regeneration sites have a number of risks associated with their successful delivery which are being mitigated through a combination of value engineering and working with government officials to stand down projects and switch funding across to those projects that have stronger benefit cost ratios to ensure total programme is still able to deliver the full outcome benefits outlined in the business case.
- 36 Capacity / capability of internal support services to support the capital programme is a key risk to the delivery of these projects to programme and therefore budget. Mitigation is being attempted via a combination of internal discussions with the service and the use of external resources.

SR10 HS2 Infrastructure Investment

- 37 The risk has been refreshed based on the commitment from central government to support the Crewe Hub. While Phase 2a, between Birmingham and Crewe, has been delayed due to inflationary pressures, the additional time is a benefit in terms of preparedness and planning. Expectations are that Phase 2a will go ahead as planned.

- 38 Gross score reduced from 16 to 12 and net score reduced from 12 to 9, target remains the same at a 6. Crewe Hub efficiency study is underway and due to report back by end of Summer 2023. Government has launched a deep dive for the Crewe Hub which is a joint DfT/DLUHC initiative and due to be completed 2023.

SR11 Pandemic Virus

- 39 The Covid-19 pandemic has been declared to have ended by the WHO. The Spring Booster Campaign has concluded. An Autumn Booster campaign has been announced but details are still awaited. New variants continue to be tracked globally, but with a reduction in testing and a return to business as usual there are currently limited mitigations in place for preventing spread besides the vaccination programme. Emergent viral threats continue to be monitored with high levels of avian flu continuing to be seen in UK bird populations. Rising rates of measles globally are regarded as a significant threat by UKHSA with a drive to increase uptake of the MMR vaccine. In general Cheshire East has high uptake of the MMR vaccine compared to other areas, and we are contributing to sub-regional measles elimination planning.
- 40 As the scope of the risk is being reshaped away from COVID-19, the net impact was reviewed and discussed with the Risk Function. It was decided that the worst-case impact had not materially changed, and it was prudent to maintain some headroom for an increase. Any increase of the net impact would be based on scientific discoveries and, or a material reduction in the council's ability to manage a significant event.

SR12 Fragility and Failure in the Social Care Market

- 41 The net impact has been maintained during this quarter with the implementation of the Market Sustainability Plan and increase in fees for Care at Home and Complex Care. We continue to see improvements in Care at Home capacity, and the number of hand backs remain stable.
- 42 There is however increasing risks in relation to overseas recruitment in the care market in terms of the risk of modern slavery, which is a national issue not just relevant to Cheshire East. Although the strategic approach to support Care at Home (Home First) has had a positive impact on the Care at Home market, we have seen an increase in request for fee increases from Complex Care and Accommodation with Care. We have commissioned Care Cubes to support our approach to managing care costs.

SR13 Reputation

- 43 Communications and media: Current rating based on an expected increase in resident dissatisfaction due to budget cuts impacting services and the impact of the publication of a public interest report. During this period (Q1) we saw particular interest and activity in the following topics:
- Elections and Voter ID requirements
 - Poynton Pool
 - Highways maintenance
 - Crewe town centre regeneration, including Ly2 arts space, Crewe Youth Zone, Flag Lane Link Road
 - Garden waste subscription
 - Congleton Leisure Centre re-opens
 - Public interest report fee
 - South Macclesfield Development Area
 - Libraries consultation
- 44 Consultation: The consultation toolkit has been added to Centranet and an Equality Impact Assessment toolkit, guidance and template have also now been refreshed and added to Centranet. Planning for the next 12 months consultation activity has been undertaken and plans are being made to support the upcoming activities. Visibility and purpose of the Equality Impact Assessment have been increased and as such more use and an increase in quality have been experienced over the last period.
- 45 Customer Experience: Revised procedure for handling customer complaints rolling out to services within Childrens and Adults & Health directorates with plans to extend to services with Place directorate. Guidance document being developed to support managers with ensuring customer charter standards are maintained across the council.

SR14 CEC Carbon Neutral Status

- 46 The Authority is making good progress on its ambitious target to be carbon neutral by 2025. In order for the Council to achieve our 2025 target three mitigations will needed to be completed this year:

- Fleet: the transition of a minimum of 20 petrol / diesel vehicles to electric with charging facilities followed by a further 60 the following year.
- Solar: To progress the second solar farm to submit a planning application by September 2023 with decision needed by April 2024.
- Natural Offset: The planting of the next two key large woodlands this planting season Oct 2023 - May 2024.

47 The projects are all funded within the Council Medium Term Financial Strategy. The main risk would be pushing our Carbon neutral aim back beyond the 2025 target date. The Council would still achieve a significant 75% Carbon reduction / off set without these mitigation measures.

SR15 Failure of the Local Economy

48 No material change to the risk, the national economic situation continues to be monitored by the Economic Development Service. In June 23 the Office for National Statistics (ONS) published data for the UK's gross domestic product (GDP) and it estimated that the economy continued to be growing by 0.1% in Quarter 4 (Jan to Mar 2022/23).

49 The Bank of England Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target. This target is in place as economist tend to agree 2% demonstrates sustainable growth and employment rate. At its meeting ending on 21 June 2023, the MPC voted to increase Bank Rate by 0.5 percentage points, to 5%. This increase in interest rates was the thirteenth increase in the Bank's base rate since 16 Dec 2022 when the base rate was 0.25%. The increase in bank rates is the main tool to control (reduce) the twelve-month Consumer Price Inflation (CPI) with the aim to bring it back to the 2% target in the medium term. CPI has fallen from 10.1% in March 23 to 8.7% in April and remained at that rate in May. This rate is 0.3 percentage points higher than expected in the previous MPC report May 2023.

SR16 Failure to deliver MTFS savings

50 As reflected in SR03, an early view of progress on delivery of budget change items indicates some significant challenges to managing expenditure to budget, as a consequence of rising demand for services, levels of inflation, and rising interest rates.

SR17 Local Planning Authority Modernisation plan

- 51 The key priorities remain identified as the new ICT system, reducing the application backlog, staffing/restructure and communications / customer service. Despite previous supplier assurances, there have been significant recent delays on data migration which has created further concerns over previously revised implementation timeframes. Associated risks (impact/likelihood) on this specific project are high (9) and risk mitigation is being discussed with ICT and legal colleagues.
- 52 The application backlog is slowly reducing albeit staffing retention and recruitment matters remain. Detailed work on the draft structure is nearing completion with work on revised JDQs underway with formal consultation processes to begin after posts have been evaluated (subject to pressures on evaluation team). Customer service actions continue to be instigated with communications cascaded to the Service, alongside wider discussion with other Services to assist with improved application processes.
- 53 Resources to deliver the Plan remain largely with the Service and its managers while undertaking the day-to-day duties of a busy high-profile service causing the risk to stay high.

SR18 Delivery of the JTAI Improvement Plan

- 54 The net risk score has been reduced from 16 to 12 in line with our positive 6-month review with the DfE, where the DfE acknowledged the progress and impact for children and young people at risk of exploitation which had been achieved by the partnership. We now have a better understanding of our cohort of children and young people at risk, and there is evidence that the quality of practice has improved, although we recognise we still have more to do in continuing to improve the support we offer to children and young people.
- 55 The independent scrutineer completed an in-depth review of the partnership's arrangements, which included the effectiveness of the structure and function, overall approach to quality assurance and learning, listening to and acting on the voice of children and young people, the impact of the three priority sub-groups, communication, and training.

Horizon Scanning

- 56 As part of the Risk Function's horizon scanning and based on CIPFA's 'Nearest Neighbours' data, there is an on-going analysis of similar council's highest tier of risks. One more council's data has been added to the analysis since last quarter, bringing the total to six. Some of these council's publish their risk data twice a year, although from that data it is

observed that assessments are completed quarterly. Of the six council's data, four of the assessments are from this calendar year, while two are from the last. The risk scores have been normalised due to differences in risk matrices used, e.g. 3x3 and 5x5 as opposed to 4x4 used by CEC.

- 57 Based on analysis of the nearest neighbour's data, the table below shows which risk themes have been observed but are not represented in CEC's current strategic risk register. To be included in the list, half or more of the nearest neighbours must have recognised the risk.

Table 3 – Six Nearest Neighbours' Risk Themes

Risk Theme	Number of risks	Normalised Average Rating (16 Max)
Safeguarding the vulnerable	7	10
Information Governance	5	9
ICT or system failure	4	7
Schools and education	3	9
Ability to implement change	3	7
Suppliers & Partnerships	3	5

- 58 The same as last quarter, several risk themes are strongly represented but none have an average rating that would make them a critical risk (a score of 12 or higher). Safeguarding the vulnerable (both adults and children) has both the highest number of risks and the highest average rating. Of the six nearest neighbours reviewed, two councils have a risk each for both adults and children, three have one risk and one does not have a risk with that focus. The average rating has not changed at 10, placing them between a critical and a material risk.
- 59 CEC has a strategic risk based on delivery of the JTAI improvement plan, a specific project relating to safeguarding children. Once the project has been delivered, it is recommended by the Risk Function that a risk be created for both safeguarding of children and adults. This could form part of a review of all strategic people risks.
- 60 The interconnected risks of ICT resilience, ICT security and information governance are strongly represented, with one council having an individual risk for all three in a register totalling thirteen risks. On average the nearest neighbours have 2.2 risks in this area. ICT security is not included in the list above as CEC already has a risk with that focus. With the addition of one more neighbour, Information Governance can be found in five of the six registers reviewed (four of five last quarter), with an average score remaining the same at 9 or material.

- 61 There has been a reduction in number of risks with a focus on schools and education, down to three from four. Although it should be noted that the risk that was removed was specifically focused on the forced academisation of schools. The risks that remain have a broader scope around capacity and quality, the average score being 9, or a material risk.
- 62 Disregarding the addition of the sixth neighbour and focusing on iterative changes made by original set, the following notable changes have been observed from the latest updates:
- Removal of a risk focusing on the impact of COVID-19 on services and governance
 - Addition of a risk focusing on the efficacy of business continuity arrangements in the event of national emergency (driven by participation the national Mighty Oak exercise)
 - Reductions in adult services risks (internal capacity and market resiliency), which mirrors our own changes from Q3 to Q4 2022/23.
 - Increases in childrens services risks (internal capacity and market resiliency), our own Increased Demand for Children's Services risk having had the maximum score possible for the last four quarters.
- 63 The analysis shows that 44% of risks reviewed focus on an objective rather than an issue. Risks that focus on a fundamental, long-term objectives are preferable to issue based or short-term risks which focus on correction. For example, implementing an Information Security and Cyber Threat risk is preferable to having a future risk document your recovery from a successful ransom attack. Prevention being preferable to cure, objective based risks offer the opportunity to identify emerging areas on concern and take early action.
- 64 It should be noted that this review is limited to the top tier of risks, which themselves will have been influenced by the (to the reviewer) relatively unknown history and challenges faced by similar but not identical organisations.

Emerging Issues

- 65 As the Corporate Policy Committee receive the Quarter 1 reflection during the "live" Quarter 2 period, there are some emerging indications for the next review.

- 66 Further reduction to SR18, Delivery of the JTAI Improvement plan should be possible if the plan continues to be implemented as expected.
- 67 The LPA modernisation risk will be rephrased to ensure it reflects the findings and actions arising from the review of Section 106 funding as reported to the Audit and Governance Committee in September 2023.
- 68 The opportunity to undertake a full review of the strategic risk register will be taken during the next quarter, where we will seek to ensure there is minimal “duplication” on the register, that risk commentary focuses on the impact of the risk on our ability to deliver services to residents, and to provide assurance that actions identified to mitigate risk impact and likelihood have been implemented, and to what effect.

Consultation and Engagement

- 69 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

- 70 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

- 71 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

- 72 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

- 73 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

- 74 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.

An open and enabling organisation	A council which empowers and cares about people	A thriving and sustainable place
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Equality, Diversity and Inclusion

- 75 There are no direct implications arising from the recommendations of this update report.

Human Resources

- 76 There are no direct implications arising from the recommendations of this update report

Risk Management

- 77 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

- 78 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)

79 There are no direct implications arising from the recommendations of this update report.

Public Health

80 There are no direct implications arising from the recommendations of this update report.

Climate Change

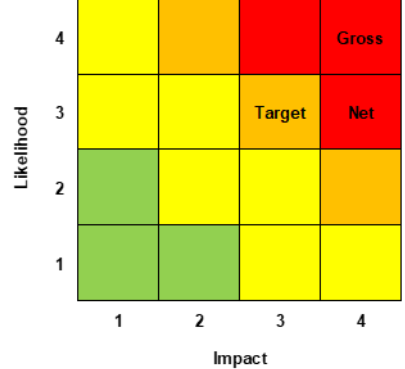
81 There are no direct implications arising from the recommendations of this update report.

Access to Information	
Contact Officer:	Josie Griffiths Head of Audit and Risk Management Email: Josie.Griffiths@cheshireeast.gov.uk
Appendices:	Strategic Risk Register Q1 2023/24 - Appendix 1
Background Papers:	None

Ref	Risk	Q4 Net	Q1 Net	Travel	Target
SR01A	Increased Demand for Adult's Services	12	12	↔	9
SR01C	Increased Demand for Children's Services	16	16	↔	12
SR03	Failure of Financial Management and Control	9	12	↑	9
SR04	Information Security and Cyber Threat	12	12	↔	12
SR05	Business Continuity	9	9	↔	6
SR06	Organisational Capacity and Demand	12	12	↔	9
SR07	Failure of Council Funding	16	16	↔	12
SR08A	Governance and Decision Making	9	9	↔	6
SR08B	Political Uncertainty	12	12	↔	8
SR09	Capital Projects - Place	8	8	↔	8
SR10	HS2 Infrastructure Investment	12	9	↓	6
SR11	Pandemic Virus	6	6	↔	6
SR12	Fragility and failure in the Social Care Market	9	9	↔	9
SR13	Reputation	12	12	↔	9
SR14	Climate Change (CEC Carbon Neutral 2025)	9	9	↔	6
SR15	Failure of the Local Economy	12	12	↔	12
SR16	Failure to deliver MTFS savings	-	12	NEW	9
SR17	Local Planning Authority Modernisation Plan	9	9	↔	6
SR18	Delivery of the JTAI Improvement Plan	16	12	↓	6

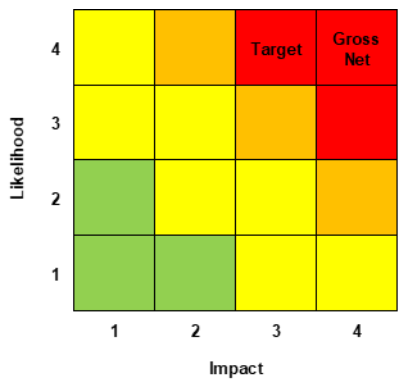
Likelihood	4 (>75%)	4	8	12 SR04	16 SR01C, SR07
	3 (40-74%)	3	6	9 SR05, SR08A, SR10, SR12, SR14, SR17	12 SR01A, SR03, SR06, SR08B, SR13, SR15, SR16, SR18
	2 (10-39%)	2	4	6 SR11	8 SR09
	1 (<10%)	1	2	3	4
		1 (Minor)	2 (Tolerable)	3 (Serious)	4 (Major)
		Impact			

<p>12 - 16</p>	<p>Critical Risks - Only acceptable in the short to medium-term, requires immediate action implementing and close monitoring</p>
<p>8 - 9</p>	<p>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</p>
<p>3 - 6</p>	<p>Moderate Risks - Acceptable level of risk only requiring on-going monitoring to ensure they don't develop into something more serious</p>
<p>1 - 2</p>	<p>Negligible Risks - Lowest level of risk, only kept in the register for completeness and to ensure there are no unexpected changes in the profile</p>

Risk Name: Increased Demand for Adult Services		Risk Owner: Executive Director of Adults, Health, and Integration
Risk Ref: SR01A	Date updated: 2 nd August 2023	Risk Manager: Executive Director of Adults, Health, and Integration
<p>Risk Description: 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.</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.</p>		
Interdependencies (risks): Failure of Council Funding, Fragility in the social care market, Failure of the local economy, Organisational capacity and demand		Lead Service Committee: Adults and Health Committee
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> • Delivery of market engagement events, keeping providers / people informed of preventative change resulting from the People Live Well, for Longer Transformation Programme. • Contracts and Quality Monitoring Policy Framework, monitoring the user outcomes that partners a 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 Commissioning 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. • 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. • 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. • Direct payment scheme, allowing users identify and manage their own care support. • 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. • Annual financial and resource planning by ASC services, considering expected demand, funding, the local social care market and other socio-economic trends. • Regular service/team meetings to disseminate information and discuss operational issues. • 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. • 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. • Engagement with the Integrated Care Partnership, including health partners. • 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. • Engagement with service users, collaboration with Healthwatch and other independent organisations to help drive service improvements and cost savings. • Business continuity assessments and resiliency preparation, both internally and with key partners. 		

Appendix A - Strategic Risk Register Detail Quarter 1 2023/24

Actions (Monitoring):	Target Date for Completion:
Impower Consulting review	Q4 2023/24
<p>Comments this quarter: External support has been commissioned to work with Adult Social Care to assist in demand management and increase use of Assisted Technology. We will be reviewing our deployment of staff to ensure that they are deployed into the areas where they can have the biggest impact on demand reduction and prevention.</p> <p>We have placed a senior member of staff within short term services to monitor the overall discharges from our two main hospitals to identify and resolve the referrals to ASC, it is estimated that too many individuals are referred for ASC who could otherwise return home with little or no support.</p> <p>Additional funding into the budget to mitigate the increases in demand and complexity.</p>	
<p>Timescale for managing risk to an acceptable level: TBC following the report and review of external support work. We anticipate that this will be completed and implemented by Q4 23/24.</p>	

Risk Name: Increased Demand for Children's Services		Risk Owner: Executive Director of Children's Services
Risk Ref: SR01C	Date updated: 3 rd July 2023	Risk Manager: Children's Services Directorate Management Team
<p>Risk Description: That Cheshire East's local social, economic and demographic factors, including the impact of the pandemic, lead to an increase in the level 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 council's outturn for 2022/23 reflects a deficit of £47m held in the dedicated schools grant (DSG) reserve. This is 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 allowed to hold a negative reserve for this purpose until March 2026, however this position is unaffordable and unsustainable. This risk continues to be a feature of ongoing liaison with the Department for Education and the Department for Levelling Up, Housing and Communities. The Children and Families Committee approved the council's DSG Management Plan in September 2022 setting out the medium-term forecasts for the reserve. It highlighted that without significant changes to funding the DSG reserve deficit is not recoverable. A full update on the DSG Management plan will be taken to committee in autumn 2023 to incorporate learning and actions from the delivering better value programme.</p> <p>The service has received growth through the MTFs to help address the pressures but the challenge to deliver to budget will remain present in 2023/24. 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>		
Interdependencies (risks): Increased Demand for Adult Services, Failure of Financial Management and Control, Organisation Capacity and Demand, Failure of Council Funding, Failure of the Local Economy		Lead Service Committee: Children and Families Committee
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> The service has received growth through the MTFs to help address the pressures. This includes growth for children's social care, school transport, Educational Psychology and SEND services in response to the demand in these areas. Extensive activity is taking place to manage and reduce costs. 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. We are closely monitoring the demand to services and the reasons that are driving demand so that we can be responsive and mitigate any risks to service delivery. Performance is monitored on a monthly basis by services. 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. 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. However, this is a challenging landscape and the number of cared for children continues to increase, and to a large extent is being driven by the increase in unaccompanied asylum seeking children (UASC) that we are accommodating, with these young people accounting for 19% of the individuals entering care in the last 6 months. Increased demand for placements since the pandemic has increased placement costs which is impacting on the budget. We will continue to review our approach, and look to identify options for children to live within their family networks as we believe this is the best outcome for them. We have been successful in gaining DfE funding for innovation and supporting family networks which will increase opportunities for children to remain living in their families. A robust governance structure is established for SEND. A strategy is in place to manage increasing demand and reinforce SEN support in settings. There is significant investment in local SEND provision to meets children's needs more locally but also reduce dependency on high-cost independent school placements. 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. The high needs 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. Despite this work and the associated plans there is no prospect currently for spend to be aligned with budget and the resultant deficit to manage statutory demand, continues to increase. We are continuing to support children and young people who are most vulnerable through the Household Support Fund and the Holiday Activity Fund. Vouchers worth £4m were distributed on behalf of the Department of Work and Pensions over 2022/23 to support the most vulnerable households across the county with food, utilities, housing costs, and other essentials. 		
Actions (Monitoring):		Target Date for Completion:

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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 Big Board arrangements)	March 2027
Expanding 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 to monitor progress)	February 2024
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 2023
Implement Family Hubs – improving access and reach of services, supporting earlier intervention, and improving partnership working (Family Hub Steering group)	March 2024
HR and service areas are working together to develop a refreshed recruitment and retention strategy (Reviewed monthly through directorate management team meetings)	September 2023
Comments this quarter: No change in the net rating this quarter. A fundamental review and realignment exercise for children's services is being carried out to future-proof services to deliver differently for less as part of our integrated children's services 4-year strategy. This strategy is being developed in consultation with services and will be received by the Children and Families Committee in November.	
Timescale for managing risk to an acceptable level: March 2024. The integrated children's services strategy is a 4-year plan. We aim to see an incremental reduction in the risk as we implement our strategy. By the end of March 2024, 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 a low level of risk by 2026.	

Risk Name: Failure of Financial Management and Control		Risk Owner: Director of Finance and Customer Services (s151 Officer)
Risk Ref: SR03	Date updated: 9 th August 2023	Risk Manager: Head of Finance
<p>Risk Description: The risk relating to the effective planning, recording, allocation, review and transacting of income and expenditure, relative to approved budgets.</p> <p>Consequences: Misuse of public funds and a failure to ensure good value for money would result in poorer services for residents and local infrastructure; ultimately reducing the health and prosperity of the borough and its residents; and leading to financial difficulties for the Council regarding sufficiency of reserves, and a reduced ability to effectively plan, manage and deliver robust, balanced and sustainable budgeting in the future.</p> <p>Causes: This risk is particularly operational in nature; failure to develop and follow comprehensive and effective internal controls and sound budget management practices would result in the risk materialising.</p>		<p>Likelihood</p> <p>4</p> <p>3</p> <p>2</p> <p>1</p> <p>1 2 3 4</p> <p>Impact</p>
Interdependencies (risks): Economy, External Funding		Lead Service Committee: Corporate Policy Committee
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> Financial planning arrangements include preparation by the finance team, in liaison with senior operational managers, of detailed financial forecasts, based on the best available information and including prudent assumptions based on professional judgement and external advice. Use of quality financial systems, with appropriate training and subsequent audit of their effectiveness to provide management and control of the Council's finances. Balanced budget to put into effect the council's service plans for the forthcoming year, matched by available funding and including a risk assessment of the adequacy of general reserves. MTFS sets out how the Council will deliver the Council's corporate plan including identification of budget gaps. Use of a standard report format and report clearance process which ensures provision of relevant information on financial impact and risk exposure to the decision makers. Clear and effective communication of changes or updates to Finance and Contract Procedure Rules. Sources of specialist advice and guidance. Budget monitoring, comparing actual performance against approved budget, is undertaken throughout the financial year and reported to service committees. Outturn reporting and audit of statements supports in-year monitoring and future year planning. Risk-based approach to the use of reserves, identifying appropriate reserve levels and ensuring that reserves are not depleted without first identifying a strategy to restore them to risk-assessed levels during the MTFS period. Where a residual deficit is forecast, a number of actions will be explored including: <ul style="list-style-type: none"> use of any service or non-specific underspends to offset pressures elsewhere within the budget accessing external funding ensuring compliance with any funding conditions use of reserves use of general balances Treasury management strategy to manage the council's cash flows, including an investment strategy focused on the security of principal sums and a borrowing strategy to manage interest payable and other charges. A capital strategy that prioritises capital investment programmes, identifies the financial impact of investment in schemes and limits the amount of unsupported borrowing to be taken. Education and training for Officers and Councillor, includes Finance and Contract Procedure rules. Engagement with government departments related to financial models and consultation. Education and training on Finance and Contract Procedure Rules for officers and Members. 		
Actions (Monitoring):		Target Date for Completion
Training and briefing to Councillors committees, including financial management in local government, including FM Code (CIPFA webinars); in Cheshire East (in-person training session); and financial management of services (via briefings for each service committee)		September 2023

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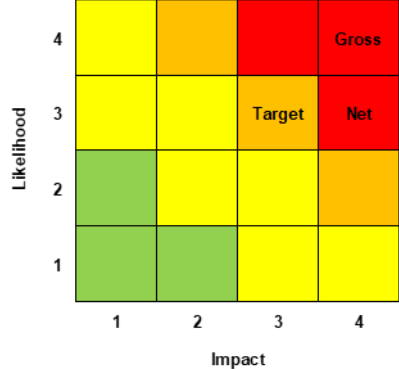
Action Plan on adherence to FM Code (Report to Finance Sub-Committee)	November 2023
Budget management regime implemented for 2023/24 to track activities relating to delivery of approved budget changes (Tracking of delivery activities, and frequent reporting to CLT, to facilitate 'early warning system' ahead of formal financial reporting, enabling greater service business management control)	April 2023
Early view of progress on budget policy changes reported to July cycle of Service Committees (Reports to Service Committees, including RAG rating and commentary on each budget change item)	July 2023
Training for budget managers and senior Service Managers on use of the FP&A forecasting module (Training plan to be developed for roll-out after successful implementation of FP&A for the 2023/24 year; monthly review of progress)	December 2023
<p>Comments this quarter: Early view of progress on delivery of budget change items and analyses of pressures on budgets indicates some significant challenges to managing expenditure to budget, as a consequence of rising demand for services, levels of inflation, and rising interest rates.</p> <p>Acknowledging these pressures, the assessed net risk prior to the further planned mitigating actions has been increased from the previous Quarter, reflecting an increased 'likelihood' of the risks to financial management.</p> <p>Timescale for managing risk to an acceptable level: December 2023</p>	

Risk Name: Information Security and Cyber Threat		Risk Owner: Head of Information Communication Technology and CIO
Risk Ref: SR04	Date Updated: 13 th July 2023	Risk Manager: ICT Programme Manager
Risk Description: (Cause) There is a risk that as the Council continues to move towards using new technology systems to reduce costs and fulfil communication, accessibility, and transaction requirements, (threat) it becomes increasingly vulnerable to a security breach, either maliciously or inadvertently from within the Council or from external attacks by cyber-criminals. (Impact) This could result in many negative impacts, such as distress to individuals, legal, financial, and reputational damage to the Council, in addition to the possible penetration and crippling of the Council's IT systems preventing it from delivering its Corporate Outcomes.		
Interdependencies: This risk has interdependencies with corporate risk SR5 Business Continuity and SR13 Reputation. It also has links to the Financial Resilience risk, as funds for maintenance and replacement will be stretched, placing additional strain on assets and resilience of information security controls.		Lead Service Committee: Corporate Policy Committee
Key Mitigating Controls: <ul style="list-style-type: none"> The CIO is an advocate of and reports on Information Risk to the Corporate Leadership Team and the Audit and Governance Committee and makes the Annual Statement of Internal Control of Information Risk. The Council has a number of Information and Data Security policies which are published on the Centranet and help to protect from the Council from inappropriate and unauthorised access and communicates what to do in the case of an incident. 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 Progress on Information Risk and Information Security is monitored through the Information Security Steering Committee (ISSC), Strategic Information Governance Group (SIGG) and the Virtual IGG Task and Finish Group. The Council has an Incident Reporting process which has been communicated to staff, all incidents are scored and assessed by IGG to ensure that the breaches are minimised, and future breaches are reduced. The Council complies with the Public Services Network PSN Code of Connection, NHS Data Security and Protection Toolkit, DWP's MOU and NHS Digital controls, work continues with the consolidation and enhancement of elements of the security estate to meet the ever-developing threat profiles. This includes third party IT hardware and software tests undertaken by accredited security vendors, these validate that the network and hardware are secure and robust, if any vulnerabilities are found then a mitigation plan is drawn up and actioned. The Council has an Information Asset Register which is reviewed on an annual basis and has been published on the open data portal. There is also an Information Assurance Data Management (IADM) programme of activity to increase awareness and maturity of information assurance and governance across the Council. The programme is tasked with guiding the organisation to manage its information in a compliant and efficient way. Data Classification has been rolled out to the organisation; this allows the categorisation of information so that appropriate controls can be employed to protect the information. The Council provides security and compliance e-learning 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 Councils 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. Controls are in place to restrict access to the data centres and network equipment and risk assessments of existing systems and networks are on-going. The Council has a Data Protection Officer who assists in ensuring compliance with GDPR and to specify the procedures to be adopted. The Council's ICT Services have a strategic direction to move to a "Cloud First" principle, whilst this enables an evergreen environment which is always up to date, additional controls are needed to prevent compromise or inappropriate use and access. This includes contract compliance and monitoring to ensure ongoing protection of information. To support the strategic direction and architecture principles all technical solutions are reviewed at the Technical Design Authority to ensure correct alignment. 		

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<ul style="list-style-type: none"> In addition, the Council is looking to move to Zero Trust architecture, this is a direct result of increased threats posed to the working infrastructure. This shift is in line with the latest thinking and guidelines issued by the NCSC. In support of this a high-level business case for Infrastructure Investment of which Security & Compliance is an element was submitted and subsequently approved. This additional funding will be used to develop the necessary tools to start the implementation. 	
Actions (Monitoring):	Target Date for Completion:
N/A	N/A
<p>Comments this quarter: The Council continues to advance the number of solutions that are capable of utilising single sign on. MDM completed its phase 1a of integration of CRM and Council Tax for location data ensuring consistency and quality of data across both systems and so the action from last period has been closed. The Cyber Update for Corporate Policy Committee has been published and been through committee.</p> <p>A revised DWP MOU has been received which highlights areas of security to strengthen, ICT are working with the suppliers to address some of these issues. These will come in the form of system modifications, which may take some time to delivery. The new requirements affect multiple councils as they are system wide. The Information Assurance and data Management program continues to increase the information maturity across the Council, which can be seen through the latest Audit and Governance Report.</p> <p>There continues to be a large volume of ransomware attacks globally, this coupled with the unsettled nature of international politics through military, economic and environmental policies make threats extremely. There are mitigation activities within the organisation through capital programmes such as IADM, Digital and Security and Compliance which can limit the exposure of risk and minimise likelihood, but as described above with the level and sophistication of attacks it is felt that the Net Risk should remain constant.</p>	
Timescale for managing risk to an acceptable level: N/A	

Risk Name: Business Continuity		Risk Owner: Director of Governance and Compliance (Monitoring Officer)
Risk Ref: SR05	Date updated: August 2023	Risk Manager: Head of Audit & Risk
<p>Risk Description: 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>		
<p>Interdependencies (risks): Information Security and Cyber Threat, Pandemic Virus, Fragility in the Social Care Market, Council Funding, Organisational Capacity & Demand</p> <p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> BC Plans held for each service area – clear format, identifying critical and serious priority activities with recovery time objectives. BC impact assessments undertaken across the organisation to understand challenges to service delivery ahead of known events, informing decision making and mitigation plans. High level course on Business Continuity Management has been added to the Council's Learning Lounge ICT Shared Service also have a Crisis Recovery Plan that has been updated to take account of lessons learned as a result of ICT outage incidents. This Crisis recovery plan overview contains key information for the ICT Shared Service disaster recovery Ongoing liaison with Emergency Planning Shared Service 		Lead Service Committee: Corporate Policy Committee
Actions (Monitoring):		Target Date for Completion:
Co-ordinate refresh of BC plans with specific focus on ICT systems (one off action)		October 2023
Review and refresh of the Business Continuity Framework (2-year review cycle)		October 2023
Development of SharePoint BC system (one off project)		TBC
Rollout and training for the SharePoint BC system (2-year review cycle)		Post SharePoint system development
Work with Emergency Planning to hold regular scenario testing (one off action)		Began March 2023
<p>Comments this quarter: There is no change to the gross or net rating at this time. Further work has progressed during the Q1 period, with plans being developed for a joint internal exercise with the Emergency Planning team, focusing on a power outage event. This is scheduled to happen in September, with findings and feedback due to be shared with CLT. A specific follow up with CEC's ICT service will also be held after the wider session.</p> <p>Development of the BC SharePoint site is at an early stage; this will be the second phase of development and progress after the risk management site has been completed, and as indicated in the Q4 update, the development and rollout of this system is a key action, which when completed, will reduce the net score to the target rating.</p>		
Timescale for managing risk to an acceptable level: Q3 2023/24		

Risk Name: Organisational Capacity and Demand		Risk Owner: Director of Finance & Customer Services
Risk Ref: SR06	Date updated: 22 nd August 2023	Risk Manager: Head of HR
<p>Risk Description: National and local demographics alongside external factors (including COVID and EU Exit) led to increasing and changing demands on services. This, combined with ongoing financial pressures, an ageing workforce, staff turnover and skills shortages in key areas resulted in insufficient capacity and an inability to retain or attract staff in some areas. This results in a detrimental impact upon the physical, emotional, and mental wellbeing of staff, and impacts negatively on the Council's ability to deliver all of its intended objectives and outcomes.</p> <p>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.</p>		
Interdependencies (risks): Business Continuity, Pandemic Virus, Increased demand for Adults Services, Increased demand for Children's Services		Lead Service Committee: Corporate Policy Committee
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> To address demand, workforce planning is in place via the Council's Workforce Strategy. This is a 4-year strategy with ongoing review. Service Workforce Plans are also undertaken on a bi-annual basis to review and support workforce planning on a service-by-service level. 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 is ongoing. Focused apprenticeship levy funding, specific succession planning and talent management initiatives are used to support high priority areas. In addition, a recruitment and retention programme has also 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 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. A 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, alongside the Government's consultation on capping the pay rates for agency social workers. Additional 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 update for all staff, promotion of the government funded initiative Able Futures. Support is in place for senior managers in the redesign and restructure of services to meet MTFS targets, including MARS to minimise the impact on the workforce. 		
Actions (Monitoring):		Target Date for Completion:
Development of toolkits to support workforce planning (Quarterly review by HRMT)		January 2024
Analysis of exit interview and questionnaire data with the relevant Executive Director to support the retention of staff (Exit interview data reviewed quarterly by HRMT and the relevant BR Business Partner)		October 2023
Introduction of a range of additional employee benefits, enhancing the existing offer (Monthly review by HRMT)		April 2024
Continued work on the implementation of social work academies across Children's Services and Adults, Health & Integration (Quarterly review by HRMT)		March 2024
Support colleagues in Adults, Health & Integration with a bespoke Workforce Strategy (Review with HC-M)		December 2023
Continued use of a programme of local and national recruitment fairs (Quarterly review by HRMT)		January 2024
Explore the introduction of 'stay interviews' to support the retention of staff (Pilot to be considered)		October 2023
<p>Comments this quarter: National labour market pressures still exist, particularly in the care, social work, planning and ICT sectors. Local authorities are competing for the same staff, with some offering higher salaries and other benefits not in place at Cheshire East Council. As outlined above, a comprehensive programme of work is in place to address these pressures. Much of this work is now 'business as usual' activity, but additional initiatives have also been introduced.</p>		

Some key points to note:

- The recent approval for the exploration of a range of additional staff benefits will support the recruitment of staff, but also cost of living issues.
- As a result of a programme of communication and delivery of a specific awareness session with managers across the Council, use of the Employee Assistance Programme has increased and places us 2% higher than that of our neighbouring authorities, indicating an improved access pathway for staff.
- A move to a more agile way of working helps to attract a wider pool of candidates.
- A process of office rationalisation is likely to embed and develop the Council's agile working approach, although may also affect the retention of existing staff.
- Ongoing work to improve the efficiency of the recruitment process is in place.
- An increase to the value of the Cycle to Work scheme has been implemented to encourage staff to buy cycles which in turn supports CEC's carbon neutral ambitions by encouraging active travel. A further increase to £4K has also been agreed.
- The MARS scheme was offered again and resulted in 44 staff leaving the organisation, by end Jun 23. This has enabled the Council to re-design services and management structures to improve efficiency, create career development opportunities and reduce costs.

Timescale for managing risk to an acceptable level: December 2023

Risk Name: Failure of Council Funding		Risk Owner: Director of Finance and Customer Services (s151 Officer)																																		
Risk Ref: SR07	Date updated: 9 th August 2023	Risk Manager: Head of Finance																																		
<p>Risk Description: The risk that the level of income is insufficient to support delivery of the Corporate Plan. This risk acknowledges that Council reserves are not intended, or sufficient, for the support of day-to-day operations for any meaningful period.</p> <p>Consequences: Based on an extreme but plausible worst-case scenario of funding cuts, the Council's regulatory obligations would be maintained, although delivered by 'barebones' services. Other Council services/ functions may see similar resources reductions, or be closed altogether. A reduction in services would negatively affect the quality of life in the borough and the strength of the local economy. Regulatory breaches could also occur in relation to a number of different services, financial management being one of them. Some funding is specific to a service or outcome and cannot be redistributed; and without the designated funding a service could not be provided.</p> <p>Causes: Significant reduction to local income generation or central government cuts would result in the worst-case scenario. The high levels of national debt, high inflation and weak national economy at the present time mean that the Council is highly likely to have to prioritise its spending in the short to medium-term.</p>		<table><tr><td rowspan="4">Likelihood</td><td>4</td><td></td><td></td><td>Target</td><td>Gross Net</td></tr><tr><td>3</td><td></td><td></td><td></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			Target	Gross Net	3					2					1							1	2	3	4			Impact			
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Interdependencies (risks): Financial Management and Control		Lead Service Committee: Corporate Policy Committee																																		
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none">Financial planning arrangements include preparation by the Finance Team of detailed financial forecasts, based on the best available information and including prudent assumptions based on professional judgement and external advice and intelligence.Preparation of the Medium-Term Financial Strategy (MTFS) for 2023-2027 fully reflected latest understanding of 'spending powers' as per 2022 Autumn Statement and draft local government financial settlement; and included plans and proposals to reduce net spending accordingly in order to set a balanced, robust and sustainable budget.Balanced budget to put into effect the Council's service plans for the forthcoming year; matched by available funding and including a risk assessment of the adequacy of general reserves.Monitoring of grant funding formula, and engagement with consultants, local government finance networks and central government representatives to enhance local forecasting and access to funding.Each Directorate is required to manage and balance their net spending to approved budgets, including appropriate and effective use of any specific grants in accordance with their terms, and use of earmarked reserves in accordance with their approved purpose.The Children's Directorate participated in the DfE's delivering better value (DBV) programme to support the Council to achieve a more sustainable financial position in relation to supporting children with high needs/ SEND and is working on a programme of change.																																				
Actions (Monitoring):		Target Date for Completion																																		
Preparation of the Medium Term Financial Strategy (MTFS) update for 2024-2028 to fully reflect latest understanding of 'spending powers', with plans and proposals made to reduce net spending plans accordingly and seek approval for a balanced, robust and sustainable budget (Approval of budget at Full council in February. Robust and frequent reporting of delivery of the budget changes approved, to Corporate Leadership Team and Members. Formal reporting of forecasts to Committees in Financial Reviews during the year)		February 2024																																		
Liaison with DLUHC on the growing deficit in respect of high needs/ SEND funding (Included as necessary in Committee reports; and reflected in MTFS update)		December 2023																																		
<p>Comments this quarter: As reflected in comments for previous quarters, it is still considered that grant allocations and 'flexibilities' afforded by government fall significantly short of the estimates of spending required (largely due to pay and cost inflation, and effects on demand for services), and long-term solutions continue to be needed, particularly in respect of social care (including the relationship with health services) and the funding of high needs children's services.</p>																																				
<p>Timescale for managing risk to an acceptable level: January 2024</p>																																				

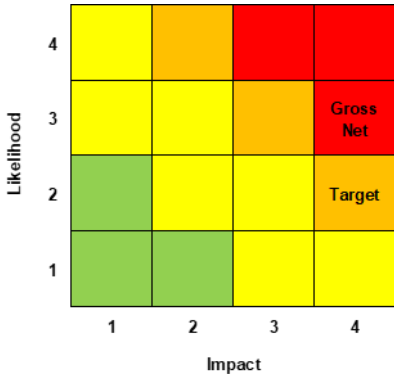
Risk Name: Governance & Decision Making		Risk Owner: Director of Governance and Compliance (Monitoring Officer)
Risk Ref: SR08A	Date updated: 21 st July 2023	Risk Manager: Director of Governance and Compliance (Monitoring Officer)
<p>Risk Description: Failure to develop a robust corporate governance infrastructure and ensure aligned decision-making throughout the organisation</p> <p>The council is a complex public sector organisation with a broad range of objectives, some of which it is legally obligated to deliver, others are identified within its Corporate Plan. Formal reporting and decision-making within the council is prescribed by local authority regulation. The decision-making process at all levels, must comply regulatory requirements while also delivering those stated objectives. The Council is a complex public sector organisation and interacts with other complex organisation such as Health, Police, emergency response, housing providers etc. Appropriate governance is required to ensure alignment of decisions which reflect the best interest of residents across the public sector and other partnerships.</p> <p>Detailed consequences: The failure of governance and decision-making may result in stated goals may not be met and, or public funds wasted. Ultimately these 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. Interpretation of 'good' decision-making may be inconsistent throughout the organisation without a holistic approach to guidance, reporting, oversight and challenge. Without comprehensive vertical reporting and challenge, senior management cannot effectively implement a robust level of accountability and drive positive change in their areas of responsibility. Limited resources may cause partnership working and work for the wider public benefit becoming secondary to individual organisational priorities.</p>		
Interdependencies (risks): Financial Resilience, Reputation, Capacity and demand, Political uncertainty		Lead Service Committee: Corporate Policy Committee
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> Council's Constitution covers decision making processes, including finance and contract procedure rules. Following the change to Committee system, mechanisms are in place to capture learning from the use of the committee system from Members (Constitution Working Group) Constitution is a publicly available document; guidance on the use of the decision-making processes is provided by enabling services including Legal, Finance, Democratic Services, and Audit and Risk. Constitutional updates are overseen (recommended and administrated) by the Director of Governance and Compliance (also the 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. Schemes of delegation; local and financial are in place to provide clarity on responsibilities ensure separation of duties is in place where required and minimise the risk of management override Assurance mechanisms on the organisations' compliance with its decision-making processes are provided through the external audit (Statement of Accounts) and the work of the internal audit team. There are other external inspections, such as Ofsted, which may examine elements of our decision-making processes through their work, although this 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 		
Actions (Monitoring):		Target Date for Completion
Review of shared service governance arrangements with specific actions to be identified		2023/24
Implementation of CIPFA recommendations for the Audit & Governance Committee (Annually by Audit & Governance Committee)		December 2023
Operational changes implemented based on systemic improvements and decision-making (Corporate services and statutory officers)		March 2024 approval by Full Council

Appendix A - Strategic Risk Register Detail Quarter 1 2023/24

Comments this quarter: Target score updated to align with the impact of the net score, actions updated, timescale for managing the risk has been added. The expected timescale is based on current governance arrangements and requirements. However, it is likely that new events and requirements will impact this before the identified actions are fully delivered. The Executive Director of Corporate Service left their post in the quarter, requiring a review of the interim and long-term corporate structure. This change has impacted the corporate discussion on systemic improvements and decision-making.

During the quarter, internal training was provided to the Corporate directorate on decision-making and critical pathways, the other directorates will be provided with the training in Q2. Governance training was also completed for all elected members post-election, including specialist training for specific committees, e.g. Audit & Governance. The Corporate Policy Committee received an update on sub-regional working, and agreed to expand the member development programme, seeking to explore further opportunities.

Timescale for managing risk to an acceptable level: March 2024

Risk Name: Political Uncertainty		Risk Owner: Director of Governance and Compliance (Monitoring Officer)
Risk Ref: SR08B	Date updated: 21 st July 2023	Risk Manager: Director of Governance and Compliance (Monitoring Officer)
<p>Risk Description: Failure to anticipate and manage local and national political uncertainty</p> <p>Global risks, economic, conflict etc impacting on central government policy approach and focus of local political objectives.</p> <p>The Corporate Plan guides the council's decision-making, it informs what is considered a 'good' outcome and areas of priority. Political changes may result in stakeholders no longer being aligned with that current plan. Central government policy decisions can materially impact the council in many ways, while other risks might draw out specific changes and capture their direct impact, this risk brings together the total effect of political uncertainty for consideration.</p> <p>Detailed consequences: Unplanned changes in priorities or the introduction of new goals are likely to result in a budgetary overspend or previously agreed targets not to be met. A high level of uncertainty can create confusion, increased administrative overhead or delay planned initiatives. Changes in funding or the cancellation of infrastructure projects can undermine both the Corporate Plan and the MTFS. Individual projects within the Corporate Plan can become subject to changes in local political activity</p> <p>Detailed causes: The ever-changing social and economic situation in the UK and globally can result in swift changes in political views, leadership, public sentiment or regulatory requirements. National macroeconomic factors, such as GDP, interest and exchange rates, are key drivers of uncertainty. Rapid changes in public perception through social media or other routes can rapidly alter the political environment or priorities.</p>		
Interdependencies (risks): Reputation, Council Funding, Governance & Decision-Making		Lead Service Committee: Corporate Policy Committee
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> Engagement with national government, consultations and requests for feedback Application for and funding agreement processes, governance process for ad hoc grants Engagement with political administration of CEBC Engagement with group leaders of CEBC parties Induction, on-going training and committee briefings for CEBC members Service Committee support and briefings for members and senior officers Corporate Plan and MTFS regular and ad hoc (post material changes) review process, including contingency planning Preparation for elections and promoting engagement in democracy Forward planning for each committee's policy development and areas of political sensitivity The development and delivery of the Corporate Plan 		
Actions (Monitoring):		Target Date for Completion
A review of the Committee briefing process against recognised best practice to identify any potential improvements that may be required		2023/24
New member induction and training programme (Monitoring Officer)		May 2024
<p>Comments this quarter: Target score updated to align with the impact of the net score, the net and target impact is the highest it can be and higher than the governance and decision-making risk. This is because central government decisions, over which the council has limited influence, can fundamentally change the way it operates and expectations for the services it delivers.</p> <p>On-going work with elected members has maintained a good level of consistency in decision-making related to both governance and service delivery. The local elections have been completed and delivered consistency in the leadership of the council, although no one party has overall control. Following on from this, the process for updating the Corporate Plan has been begun. The period just ended has also seen consistency from central government membership.</p>		
<p>Timescale for managing risk to an acceptable level: 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.</p>		

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Risk Name: Capital Projects - Place		Risk Owner: Executive Director of Place
Risk Ref: SR09	Date updated: 28 th July 2023	Risk Manager: Place Directors and Business Managers as relevant to
<p>Risk Description: Failure to deliver major capital projects.</p> <p>The council delivers a broad range of capital projects in support of the aims and objectives of its Corporate Plan. The range of projects includes transport infrastructure, town centre regeneration, refurbishment and improvement of existing council assets such as schools and leisure centres, and renewable energy generation.</p> <p>Impact: Without a robust system for managing the capital programme and individual projects, the stated objectives may not be delivered. Projects could also fail to deliver to the time, cost and quality parameters set out in business cases. This could have significant financial and reputational implications for the Council. Due to the nature of the projects and their large cost, delays can materially impact the ability to deliver future projects, thus negatively impacting the borough.</p> <p>Likelihood: The scale and complexity of the overall capital programme is challenging. Appropriate governance and controls are important to ensure resources and funding are prioritized effectively, and where required agree adjustments to the time, cost and quality parameters set out in the business case. Where appropriate, members are updated on significant changes to agreed objectives through briefings to the relevant committee.</p> <p>The broad range of partners and stakeholders for individual projects and interdependencies between projects are also significant challenges that require effective management.</p>		<p>Likelihood</p> <p>Impact</p>
Interdependencies (risks): Climate change, Infrastructure Investment, Economy, Council Funding		Lead Service Committee: Economy and Growth, Environment and Communities, Highways and Transport
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> The Capital Strategy and overall Capital Programme is presented annually as part of the Medium-Term Financial Strategy at full Council. New projects and schemes are subject to the approval of detailed business cases in accordance with the Finance Procedure Rules The Assets Board provides strategic oversight of the Council's land and property assets including recommendations and reports on acquisition, disposal and development. The Capital Programme Board undertakes detailed appraisals of projects and business cases; undertakes gateway reviews and risk management reviews of major capital projects; and receives post project completion reports to assess benefit realisation and lessons learnt. Appropriate and proportionate governance has been established to oversee project delivery, including risk registers. This includes project boards to manage individual projects and thematic programme boards to provide additional strategic oversight and manage interdependencies, e.g. Carbon Neutral Programme Board, Leisure Investment programme Board, Place Board. This governance considers and makes practical decisions on the prioritisation of resources and funding including, where appropriate adjustments to agreed time, cost and quality parameters. The Place Board provides strategic oversight of all the major Crewe-centric and Macclesfield-centric projects, including HS2 and strategic housing sites, to ensure individual projects are fully aligned to the overarching vision and delivery plan for each town. Financial monitoring undertaken quarterly, with summary data reported to Finance Sub-Committee and appropriate service committee. High level progress updates are reported to the appropriate service committee twice a year. More detailed progress reports on individual projects or programmes are provided on a periodic basis. Regular 121s between Executive Director and Directors which includes updates on key capital projects 		
Actions (Monitoring):		Target Date for Completion:
A new module within the Unit4 ERP system will improve financial monitoring to provide more regular information on actual and forecast spend		Revenue module now in operation, capital module deployment ongoing – date TBC
<p>Comments this quarter: •Some capital projects are suffering from three impacts of, softening yields, continued inflation above normal levels and higher interest rates. Combined these three issues have hit the viability of schemes. The movement of these three indicators continued to be monitored.</p> <p>The effects of inflation continue to be felt across the wider programme of capital projects in Place, which is likely to require a process of prioritisation to be undertaken across the wider corporate capital programme. Due to the impact of inflationary factors the business cases associated with the larger capital investments are being reviewed to understand whether these projects remain viable and continue to deliver the required benefits.</p>		

Appendix A - Strategic Risk Register Detail Quarter 1 2023/24

Potential funding issues relating to the next tranche of investments as set out in the Infrastructure Delivery Plan (appended to the Local Plan) are being considered with a report planned to be taken to the September Highways and Transport Committee setting out a proposed mitigation approach.

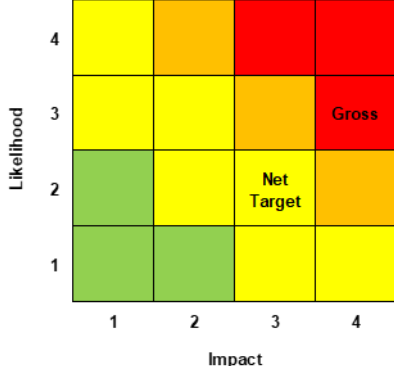
Key regeneration sites have a number of risks associated with their successful delivery which are being mitigated through a combination of value engineering and working with government officials to stand down projects and switch funding across to those projects that have stronger benefit cost ratios to ensure total programme is still able to deliver the full outcome benefits outlined in the business case.

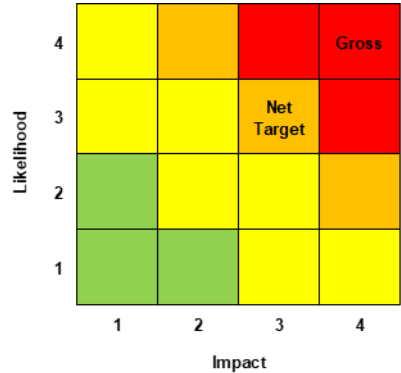
Capacity / capability of internal support services to support the capital programme is a key risk to the delivery of these projects to programme and therefore budget. Mitigation is being attempted via a combination of internal discussions with the service and the use of external resources.

Timescale for managing risk to an acceptable level: N/A (Net score is equal to target) - 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: HS2 Infrastructure Investment		Risk Owner: Executive Director of Place
Risk Ref: SR10	Date updated: 11 th August 2023	Risk Manager: HS2 Programme Director
<p>Risk Description: HS2 is a government led scheme, impacting Cheshire East Borough. HS2 services will call at Crewe station when Phase 2a opens between 2032 and 2036 with 2 HS2 trains per hour. Plans for Phase 2b include the Crewe North Connection that could enable up to 5/7 HS2 trains per hour calling at Crewe, in each direction. However, the business case for Phase 2b does not include any additional services, from the 2 HS2 trains per hour, calling at Crewe when Phase 2b opens between 2035 and 2040.</p> <p>Government's proposals for Crewe hub station fall far below those of other HS2 hubs and don't reflect its role as a rail super-hub and the first HS2 hub in the North. Current proposals are unlikely to unlock the regeneration, growth and levelling up potential for Crewe from the investment in HS2. Securing the required investment for the Crewe station is critical to the Council in delivering its Crewe hub vision, maximise cost and programme efficiencies and minimise disruption to rail passengers and local communities.</p> <p>The government is in control of the HS2 programme and its delivery timescales. Delays to the scheme were announced as part of the Integrated Rail Plan, published in November 2021. In March 2023, Government announced a further 2-year delay to the delivery of HS2 Phase 2a, between the West Midlands and Crewe, as a way to manage the affordability pressures resulting from the construction inflation pressures. Such delays, and the risk of further delays to HS2 Phase 2b, leads to uncertainty on the delivery and viability of the Council's wider ambitions for the Crewe hub. However, Government has reiterated its ambition to deliver the full western leg of HS2, including Phase 2a to Crewe and 2b on to Manchester.</p> <p>The Council has been developing its vision and plans for the Crewe hub alongside partners for several years, at significant cost to the Council, lack of firm commitments about timing, infrastructure and HS2 train services means there are uncertainties on the programme delivery and scope puts increasing risk on these costs being abortive</p>		
Interdependencies (risks): Economy and World Events, Organisational Capacity and demand, Council funding, Capital Projects		Lead Service Committee: Highways and Transport, Environment and Communities, Economy and Growth
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> The Council secured the following commitments from Government through its petition against the Phase 2b hybrid bill: <ul style="list-style-type: none"> To fund and commission a study to identify the interventions needed at Crewe station to support future passenger demand and unlock regeneration opportunities and to fund the necessary design work of such interventions which is due to be completed by the end of summer 2023, and to establish a Crewe Hub Taskforce, made up of senior officials from the Council and from across central government departments, focused on maximising the regeneration opportunities from HS2 for Crewe. The taskforce will be governed under a more robust governance arrangement than the prior arrangements to drive forward the regeneration potential for Crewe. There have been no control failures to date. In fact, the controls in place today are probably stronger than at any point in achieving the objective with Government now actively and publicly supporting our ambitions to deliver the Crewe Hub Vision. Following this report, Government will fund the design work for the recommended solution. Furthermore, Government has now commenced a deep dive for the Crewe Hub. This is a joint DfT/DLUHC initiative that will identify ways in which central government can better support CEC to unlock the opportunities for Crewe. The Council is also looking at opportunities to bring forward key investments in advance of HS2 to seek to accelerate the benefits and reduce the overall risk further. 		
Actions (Monitoring):		Target Date for Completion
Developing a public affairs strategy to help lobby Government and gain support from local politician, MPs and neighbouring authorities (Seek endorsement from the MRG and support to implement)		December 2023
Decoupling investments from HS2 programme and seek funding from existing government funds. Delivery of Phase 1, Mill Street Corridor – Station Link (Seek to fund and deliver revised scheme for Nantwich Road/Pedley Street (previous LUF Bid scheme) via funding from Shared Prosperity Fund, developer contributions and CEC capital programme)		March 2025
<p>Comments this quarter: The risk has been refreshed based on the commitment from central government to support the Crewe Hub. While Phase 2a, between Birmingham and Crewe, has been delayed due to inflationary pressures, the additional time is a benefit in terms of preparedness and planning. Expectations are that Phase 2a will go ahead as planned. Gross score reduced from 16 to 12 and net score reduced from 12 to 9, target remains the same at a 6. Crewe Hub efficiency study is underway and due to report back by end of Summer 2023. Government has launched a deep dive for the Crewe Hub which is a joint DfT/DLUHC initiative and due to be completed 2023.</p>		
Timescale for managing risk to an acceptable level: March 2025		

Risk Name: Pandemic Virus		Risk Owner: Executive Director of Adults, Health and Integration
Risk Ref: SR11	Date updated: 16 th August 2023	Risk Manager: Director of Public Health
<p>Risk Description: Ongoing risk of genetic shift resulting in rapidly spreading strain of influenza and other diseases previously unseen in humans for which there may be multiple Variants and no guaranteed preventative treatment available. In addition to the human health risks pandemic illnesses poses a risk to healthcare capacity and CEC business continuity.</p> <p>(Cause) There is always a potential that a pandemic will occur, due to the high level of mobility throughout the world, (threat) having a negative impact upon the health and wellbeing of the Cheshire East population, place significant pressures upon the health and care system and its workforce, threaten the viability of local business and further exacerbate the financial pressures faced by health and care organisations and the Council, (impact) resulting in serious illness and in some cases death, unmet health and care needs, interruption to education, economic down turn and business failure and a widening financial gap in health and care organisations.</p>		
Interdependencies (risks): Fragility in the social care market, Business continuity, Financial resilience		Lead Service Committee: Adults and Health Committee
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> National Vaccine roll out. The Spring Booster Campaign has now ended. Details of the Autumn Booster Campaign are currently awaited, but it is anticipated that this will be delivered alongside the flu vaccine in eligible cohorts. Cheshire East Emergency Planning activity. Returned to business-as-usual structures and functions. This includes the Health and Wellbeing Board and the Health Protection Forum. A structured debrief is being prepared by the emergency planning team on behalf of the local resilience forum. Advice and guidance to schools, businesses and residents. Covid specific advice has reduced, the health protection team continue to provide ad-hoc advice on communicable diseases in a range of settings. Communications issued in line with potential emergent or ongoing threats to human health. Initiating flu vaccination programme for all staff and communications supporting need for public vaccinations. Established and operating 		
Actions (Monitoring):		Target Date for Completion:
Initiating flu vaccination programme for all staff and communications supporting need for public vaccinations (reviewed monthly)		October 2023
Horizon scanning to understand long-term management of Covid-19, the early identification of emergent threats and contributing to emergency planning/health resilience. (Reviewed monthly)		On-going
Sub-regional collaboration on health resilience and measles elimination. (Reviewed monthly)		On-going
<p>Comments this quarter: The Covid-19 pandemic has been declared to have ended by the WHO. The Spring Booster Campaign has concluded. An Autumn Booster campaign has been announced but details are still awaited. New variants continue to be tracked globally, but with a reduction in testing and a return to business as usual there are currently limited mitigations in place for preventing spread besides the vaccination programme.</p> <p>Emergent viral threats continue to be monitored with high levels of avian flu continuing to be seen in UK bird populations. Rising rates of measles globally are regarded as a significant threat by UKHSA with a drive to increase uptake of the MMR vaccine. In general Cheshire East has high uptake of the MMR vaccine compared to other areas, and we are contributing to sub-regional measles elimination planning.</p> <p>As the scope of the risk is being reshaped away from COVID-19, the net impact was reviewed and discussed with the Risk Function. It was decided that the worst-case impact had not materially changed, and it was prudent to maintain some headroom for an increase. Any increase of the net impact would be based on scientific discoveries and, or a material reduction in the council's ability to manage a significant event.</p>		
Timescale for managing risk to an acceptable level: N/A		

Risk Name: Fragility and Failure in the Social Care Market		Risk Owner: Executive Director of Adults, Health and Integration
Risk Ref: SR12	Date updated: 2 nd August 2023	Risk Manager: Director of Adult Social Care, Director of Commissioning
<p>Risk Description: A failure of the local social care market.</p> <p>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.</p> <p>Detailed causes; the major risk going forward is the financial impacts on providers resulting from the 9.7% uplift in National Living Wage from April 2023, high rates of inflation and increased energy costs (some providers have seen a 400% increase on renewal of their energy contracts). While there is proposed growth within the MTFS for Adult Social Care this will not be sufficient to offer fee uplifts for all providers as well as funding growth in demand and complexity of need. It is likely that this 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 residents. It will also bring challenges in managing budgets in 2023/24.</p>		
Interdependencies (risks): Failure of Council Funding, Business Continuity, Pandemic Virus, Failure of the Local Economy		Lead Service Committee: Adults and Health Committee
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> 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 Commissioning 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. Delivery of market engagement events, keeping providers / people informed of preventative change resulting from the People Live Well, for Longer Transformation Programme. 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. Annual financial and resource planning by ASC services, considering expected demand, 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. 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. Worked with former Cheshire CCG into the development of ICS and ICP plans. Engagement with the Integrated Care Partnership, including health partners. The Quality Monitoring Partnership Forum and Care at Home Commissioning meeting, both meet once a month. 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. Engagement with service users, collaboration with Healthwatch and other independent organisations to help drive service improvements and cost savings. Business continuity assessments and resiliency preparation, both internally and with key partners. 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. Domiciliary care provider's fees are reviewed and adjusted to try and maximise value for money, while also trying to keep the sector attractive to potential staff. 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. A Joint CEC/ICB Market Oversight Group meets daily to ensure that the Council is obtaining best value for care home placements and making best use of block booked care home beds. 		

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<ul style="list-style-type: none"> 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. 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. Low level support for the British Red Cross who respond to crisis situations in the community. 	
Actions (Monitoring):	Target Date for Completion:
Develop engagement with community groups and 3rd sector (VCFSE Project Group, monthly and Commissioning SMT, weekly)	December 2023
Commissioning of Care Cubes (SMT and DMT, monthly)	December 2023
Comments this quarter: The Net impact has been maintained during this quarter with the implementation of the Market Sustainability Plan and increase in fees for Care at Home and Complex Care. We continue to see improvements in Care at Home capacity, and the number of hand backs remain stable. There is however increasing risks in relation to overseas recruitment in the care market in terms of the risk of modern slavery, which is a national issue not just relevant to Cheshire East. Although the strategic approach to support Care at Home (Home First) has had a positive impact on the Care at Home market, we have seen an increase in request for fee increases from Complex Care and Accommodation with Care. We have commissioned Care Cubes to support our approach to managing care costs.	
Timescale for managing risk to an acceptable level: 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. However the Government has just announced additional funding for recruitment and retention in the care sector and it is hoped that this could mitigate the likelihood and impact of the risk. It is anticipated that this would be by end of Q4.	

Appendix A - Strategic Risk Register Detail Quarter 1 2023/24

Risk Name: Reputation		Risk Owner: Chief Executive
Risk Ref: SR13	Date updated: 11 th August 2023	Risk Manager: Head of Communications, Head of Customer Services, Head of Business Change
<p>Risk Description: That consideration is not given, and management action is not taken, to effectively manage the reputation of the Council, leading to a loss of public confidence, threatening the stability of the Council and our ability to meet the corporate priorities.</p> <p>The risk is managed primarily through the work in three different areas; Communication & Media, Customer Experience and Consultation.</p>		<p style="text-align: center;">Likelihood</p> <p style="text-align: center;">Impact</p>
Interdependencies: The emergence of any issue highlighted as a strategic risk has the potential to represent a strategic risk to reputation		Lead Service Committee: Corporate Policy Committee
<p>Key Mitigating Controls:</p> <p><i>Communication & Media;</i></p> <ul style="list-style-type: none"> • Effective monitoring and reporting of organisational reputation and sentiment. • Weekly reputation reporting to senior managers. • Monitoring of social and traditional media. • Communications and media function advised at an early stage of all future demand and emerging issues to enable effective planning. • Providing a 24/7 emergency communications on call function. • Communications strategies for key projects and issues developed agreed and reviewed with senior stakeholders and decision makers. • Positive proactive communication across multiple channels to celebrate the council's successes and achievements, building positive reputation. • Comms programme planned and reviewed over short-term (daily) and long-term (monthly / annually) including review of council service plans, consultation and engagement programs. • Review communications business continuity, priorities and emergency / crisis comms protocols and plans. • Media relations protocol and approvals process. • Media training programme for key spokespersons. • Regular meetings with comms leads from public sector partner organisations to collaborate, share plans and intelligence. • Values and behaviours for officers and members are established and organisational culture is monitored and supported through a range of initiatives. • 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. • Monitor public sector press (e.g. MJ and LGC) and maintain and develop relationships with these media outlets to maximise opportunities for positive coverage. • Development and delivery of communication strategies to influence public awareness and informedness of key universal services, inc. planning, highways, waste and recycling. • Communications handling requirement for each service committee meeting agreed with lead officer(s). • Quarterly 'Conversation with the Leader and Deputy Leader' videos. • Regular internal communications to members and officers. • Use performance management reports for council services and programmes to identify reputational opportunities and risks at an early stage. • Continue to develop proactive direct comms to be issued via e-mail / SMS – we currently have 34,000 subscribers for 'push' notifications across a range of topics. <p><i>Customer Experience:</i></p> <ul style="list-style-type: none"> • Consistency in standards of service and behaviours through the Customer Charter. • Training for all staff and leaders to promote the importance of customer experience. • Key performance measures on customer satisfaction and experience monitored. • Random sampling and analysis of end to end customer journeys. 		

- Customer satisfaction and effort assessed post contact.
- Voice recording of all calls and ongoing performance management of Advisors.
- Regular liaison with services to ensure ongoing accuracy of advice and information provided and to plan for initiatives likely to generate high customer demand.
- Proactive identification of arising issues for customers and liaison with Communications Team to develop appropriate communications.
- Continuous improvement team tasked with root cause analysis of issues and identifying service improvements.

Consultation;

- Ensure that consultation is undertaken when proposals are still at a formative stage.
- Design consultation which gives sufficient reasons for any proposal or change to permit stakeholders to undertake intelligent consideration and response to the options.
- 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.
- Equality Impact Assessments (EIA) are completed, appropriate for the purpose of use and that they are signed off before any consultation can begin.
- Make it clear HOW consultation and engagement activity, EIA and other intelligence has been conscientiously taken into account when finalising the decision.
- 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.

Actions (Monitoring):	Target Date for Completion
<i>Communication & Media;</i>	
Review annual business plans for communication requirements (Annually)	Q1 2023/24
Ensure alignment of annual communications programme and consultation and engagement programme (Quarterly)	Q1 2023/24
Delivery of the Communications Strategy for Residents 2022-25 priorities (Provide progress reports to CPC every six months)	Through 2023/24
Provide communications support for implementation of MTFS proposals to ensure all stakeholders are well-informed about any changes to service and policy (Annually)	Through 2023/24
<i>Customer Experience;</i>	
Introduce enhanced policies and procedures to improve the quality of responses to complaints and formal correspondence (Customer Experience Programme. Monitored)	Q4 2023/24
Continue to improve technology to support front line staff in monitoring the full end to end customer journey (Monitored by the Digital Customer Service programme)	Through 2023/24
Develop a new operating model for customer service delivery across the Council (Monitored by the Customer Experience Programme, new model agreed and signed off by CLT)	Q4 2023/24
Develop a policy for how the Council uses and engages with customers via social media (Digital Customer Services Programme)	Through 2023/24
<i>Consultation;</i>	
Delivery of Equality Impact assessment training to Equality champions	Q2 2023/24
Undertake a residents survey linked to the Corporate Plan refresh	Q3 2023/24
Complete the service restructure to enable recruitment to vacant posts in the research and consultation team	Q3 2023/24
Comments this quarter:	
<i>Communications and media:</i>	
Current rating based on an expected increase in resident dissatisfaction due to budget cuts impacting services and the impact of the publication of a public interest report. During this period (Q1) we saw particular interest and activity in the following topics:	
<ul style="list-style-type: none"> • Elections and Voter ID requirements • Poynton Pool • Highways maintenance • Crewe town centre regeneration, including Ly2 arts space, Crewe Youth Zone, Flag Lane Link Road • Garden waste subscription • Congleton Leisure Centre re-opens • Public interest report fee • South Macclesfield Development Area • Libraries consultation 	

Consultation:

The consultation toolkit has been added to Centranet and an Equality Impact Assessment toolkit, guidance and template have also now been refreshed and added to Centranet. Planning for the next 12 months consultation activity has been undertaken and plans are being made to support the upcoming activities. Visibility and purpose of the Equality Impact Assessment have been increased and as such more use and an increase in quality have been experienced over the last period.

Customer Experience:

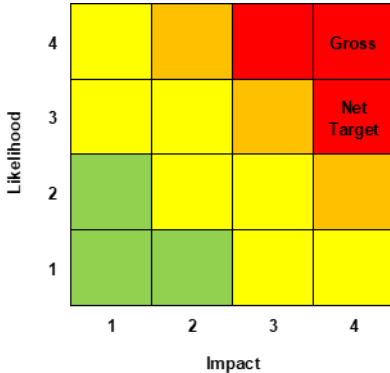
Revised procedure for handling customer complaints rolling out to services within Childrens and Adults & Health directorates with plans to extend to services with Place directorate. Guidance document being developed to support managers with ensuring customer charter standards are maintained across the council.

Timescale for managing risk to an acceptable level: March 2024

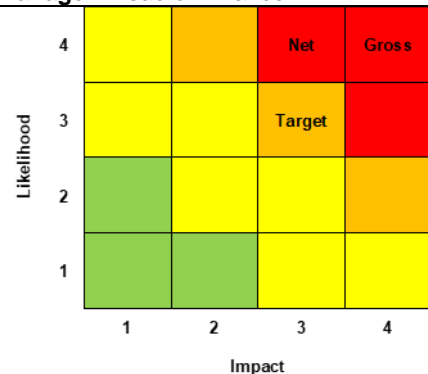
Appendix A - Strategic Risk Register Detail Quarter 1 2023/24

Risk Name: Climate Change (CEC Carbon Neutral Status 2025)		Risk Owner: Executive Director of Place
Risk Ref: SR14	Date updated: 21 st July 2023	Risk Manager: Head of Environmental Services
<p>Risk Description: Failure to achieve Carbon Neutral status for the Council by the 2025 milestone target as a result of ineffective planning and delivery of actions.</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>		
Interdependencies (risks): Economy and World Events, Organisational Capacity and demand, Council funding, Capital Projects		Lead Service Committee: Environment and Communities
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> • Risk is reviewed as part of the brighter futures transformation projects board, operational board and member steering group • Carbon Neutral Programme established with Programme Board reviewing progress and risks monthly • Member Advisory group overseeing its delivery • Annual update on progress reported to relevant committee • Climate change is a key consideration as part of our statutory planning duties as an authority and within the development of local planning policy • Planned natural offset set at 10% more than required to reduce risk of non-delivery in any one project area 		
Actions (Monitoring):		Target Date for Completion:
Secure planning permission for second solar farm (Delegated Authority granted at March 2023 Economy & Growth Committee. Action will be reviewed monthly at Carbon board chaired by Head of Environmental Services)		March 2024
Transition of Electric Fleet project, failing to meet targets (New Capital funding secured though 2023 MTFS Action for fleet transition and tree planting progress, will be reviewed monthly at Carbon Board chaired by Head of Environmental Services)		March 2024
Progress of Natural Offset planting failing to meet targets (In response to capacity issues at Mersey forest, more of the project work to be delivered by CE for Oct – May planning season)		1 st October 2023
<p>Comments this quarter: The Authority is making good progress on its ambitious target to be carbon neutral by 2025. In order for the Council to achieve our 2025 target three mitigations will be needed to be completed this year:</p> <ul style="list-style-type: none"> • Fleet: the transition of a minimum of 20 petrol / diesel vehicles to electric with charging facilities followed by a further 60 the following year. • Solar: To progress the second solar farm to submit a planning application by September 2023 with decision needed by April 2024. • Natural Offset: The planting of the next two key large woodlands this planting season Oct 2023 - May 2024. <p>The projects are all funded within the Council Medium Term Financial Strategy. The main risk would be pushing our Carbon neutral aim back beyond the 2025 target date. The Council would still achieve a significant 75% Carbon reduction / off set without these mitigation measures.</p>		
Timescale for managing risk to an acceptable level: Delivery milestone – 2025		

Risk Name: Failure of the Local Economy		Risk Owner: Executive Director of Place
Risk Ref: SR15	Date updated: 11 th August 2023	Risk Manager: Director of Growth and Enterprise

Risk Description: Failure of the local economy			
<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>			
Interdependencies (risks): Capital Projects, HS2 Infrastructure Investment, Pandemic Virus, Climate Change			Lead Service Committee: Economy and Growth
Key Mitigating Controls: <ul style="list-style-type: none">Cheshire East Business support hub has been launched.Business forum to engage and plan future support.Investment plans to support regeneration and development.Place marketing and inward investment.			
Actions (Monitoring):		Target Date for Completion:	
Launch of business support grants: (Quarterly returns to government) <ul style="list-style-type: none">Repurposing our high street grants from Crewe town centreDecarbonisation grants for businessNew employment space grant		March 2025	
Comments this quarter: The national economic situation continues to be monitored by the Economic Development Service. In June 23 the Office for National Statistics (ONS) published data for the UK’s gross domestic product (GDP) and it estimated that the economy continued to be growing by 0.1% in Quarter 4 (Jan to Mar 2022/23).			
The Bank of England Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target. This target is in place as economist tend to agree 2% demonstrates sustainable growth and employment rate. At its meeting ending on 21 June 2023, the MPC voted to increase Bank Rate by 0.5 percentage points, to 5%. This increase in interest rates was the thirteenth increase in the Bank’s base rate since 16 Dec 2022 when the base rate was 0.25%. The increase in bank rates is the main tool to control (reduce) the twelve-month Consumer Price Inflation (CPI) with the aim to bring it back to the 2% target in the medium term. CPI has fallen from 10.1% in March 23 to 8.7% in April and remained at that rate in May. This rate is 0.3 percentage points higher than expected in the previous MPC report May 2023.			
Timescale for managing risk to an acceptable level: N/A, net score is equal to target score.			

Appendix A - Strategic Risk Register Detail Quarter 1 2023/24

Risk Name: Failure to deliver MTFS savings		Risk Owner: Director of Finance and Customer Services (s151 Officer)	
Risk Ref: SR16	Date updated: 9 th August 2023	Risk Manager: Head of Finance	
Risk Description: Failure to achieve 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. Drivers of likelihood: The planned savings may not be delivered unless services are committed to delivering them and are supported through timely reporting and oversight mechanisms. Services are also required to use specific pieces of funding for their intended purposes. Potential impacts: Failure to deliver net spending within the agreed annual budget will reduce the Council's reserves and may endanger its medium-term financial stability, ultimately leading to reduction in the services it can provide to its residents. Misuse of grant funding can result in the Council having to repay the monies.			
Interdependencies (risks): Organisational Capacity and Demand, Reputation, Failure of Council Funding, Political Uncertainty, Capital Projects – Place, Failure of the Local Economy, Planning application recovery plan		Lead Service Committee: Corporate Policy Committee	
Key Mitigating Controls: <ul style="list-style-type: none">See Strategic Risk SR03 Failure of Financial Management and Control			
Actions (Monitoring):		Target Date for Completion:	
See Strategic Risk SR03 Failure of Financial Management and Control		N/A	
Comments this quarter: As reflected in SR03, an early view of progress on delivery of budget change items indicates some significant challenges to managing expenditure to budget, as a consequence of rising demand for services, levels of inflation, and rising interest rates.			
Timescale for managing risk to an acceptable level: December 2023			

Appendix A - Strategic Risk Register Detail Quarter 1 2023/24

Risk Name: Local Planning Authority Modernisation Plan		Risk Owner: Executive Director of Place
Risk Ref: SR17	Date updated: 11 th August 2023	Risk Manager: Interim Director of Planning, Head of Planning
Risk Description: <p>Following the completion of the 'Local Planning Authority Review and Service Transformation' report and presentation to Environment & 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 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, lack of agreed change management process within the Modernisation Plan.</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 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) Target (Yellow), (2,4) Orange; (3,1) Yellow, (3,2) Yellow, (3,3) Net (Orange), (3,4) Red; (4,1) Yellow, (4,2) Orange, (4,3) Red, (4,4) Gross (Red).</p>
Interdependencies (risks): Organisational Capacity and Demand, Reputation, Council Funding,		Lead Service Committee: Environment and Communities
Key Mitigating Controls: <ul style="list-style-type: none"> Environment and Communities Report 31/10/2022; Local Planning Authority Review and Service Transformation Report and Modernization Plan. Planning Services Transformation Plan. Monitoring of progress against Modernisation Plan by Transformation Board and Environment and Communities Board. Regular meetings of Interim Director of Planning and Head of Planning and managers to review action logs and progress on key priorities. Steering Group established to review workstream and focus priorities. Internal Audit reports on Community Infrastructure Levy and Section 106 will inform the scope of a member/officer working group. IT System Project has its own Project Board attended by the supplier. Weekly monitoring of resources / recruitment during manager's meetings. 		
Actions (Monitoring):		Target Date for Completion
IT System Project escalation with the supplier, IDOX (Fortnightly meetings, or more often as required)		Q3 2023/24
Staffing Restructure – discussion with HR re JDQs evaluations (Regular meetings and updates)		Q3 2023/24
Comments this quarter: The Modernisation Plan is now in place with regular meetings to monitor progress including monthly updates to the action log. The key priorities remain identified as the new ICT system, reducing the application backlog, staffing/restructure and communications / customer service.		
<p>Escalation of issues with the ICT supplier has resulted in better engagement and resource commitment from them with clearer timeframes for implementation which will help manage future risk. The application backlog is slowly reducing. Detailed work on the restructure is underway, including dialogue with key stakeholders and an indicative timeframe for formal consultation. Various updates to websites / letter templates and a draft Communications Strategy have been completed.</p> <p>Resources to deliver the Plan priorities remain stretched as it is the Planning Service - including at management level - itself that is undertaking many of these actions, alongside significant budget pressures causing the risk to stay high.</p>		
Timescale for managing risk to an acceptable level: 3-12 months (depending on priority)		

Appendix A - Strategic Risk Register Detail Quarter 1 2023/24

Risk Name: Delivery of the JTAI Improvement Plan		Risk Owner: Executive Director of Children's Services
Risk Ref: SR18	Date updated: 3 rd July 2023	Risk Manager: Improvement Board
<p>Risk Description: That as a safeguarding children's partnership, Cheshire East Council's children's services, health, and police, do not achieve the improvements needed at the necessary pace to address the recommendations from the joint targeted area inspection (JTAI) of child exploitation, including child sexual exploitation. This would mean that we would not achieve the council's desired outcomes for children and young people at risk of exploitation.</p> <p>There is also a reputational risk of not delivering the required improvements, as this could result in an inadequate rating by Ofsted. An inadequate rating by Ofsted would have a significant impact on the council's reputation, ability to recruit and retain staff, and would increase costs in order to deliver improvement activity. Significant work is required to deliver these improvements which requires sufficient capacity and resources.</p>		
Interdependencies (risks): Increased Demand for Adult Services		Lead Service Committee: Children and Families Committee
<p>Key Mitigating Controls:</p> <ul style="list-style-type: none"> We have a comprehensive partnership improvement plan in place to address the recommendations from the JTAI inspection. An independent scrutineer has provided scrutiny to the partnership. The scrutineer has completed an in-depth review to inform how the partnership is structured and manages its business including how it evaluates impact. The partnership has agreed the changes that will be made to the Safeguarding Children's Partnership in response to these findings. Meetings of the Executive Group of the Safeguarding Children's Partnership have been increased to bi-monthly from quarterly to support increased pace of change. An 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. An Improvement Board is in place with an independent chair – our DfE Improvement Advisor, for additional scrutiny and challenge of the improvement plan. A strategic improvement group is in place which is focused on delivery of the improvement plan. DfE Improvement Advisor meets with senior leaders and conducts visits to frontline services to evaluate the impact of changes, and supports and advises senior leaders. Reviews of progress take place with the DfE. External support and challenge is in place from the DfE Improvement Advisor, who meets with senior leaders and conducts visits to frontline services to evaluate the impact of changes, and supports and advises senior leaders. Reviews of progress take place with the DfE. On 3 May 2023, the JTAI Improvement Board agreed that the priority action around the front door had been addressed and the immediate action taken during the inspection had been embedded within practice. This was a significant milestone. Significant amount of awareness raising has taken place across the partnership on exploitation, including a partnership Exploitation Conference with national keynote speaker, and training sessions delivered over a partnership learning week in January 2023. We have launched 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. There is a shared understanding of the children and young people who are at risk of exploitation across the partnership. Audits of practice are completed quarterly to evaluate the quality of practice and the effectiveness of service improvements. 		
Actions (Monitoring):		Target Date for Completion
Deliver the improvement plan and scrutinise impact on outcomes for children and young people at risk of exploitation (Monthly by the Improvement Executive Board)		November 2023
Complete an audit of children at risk of exploitation to evaluate the impact of changes on quality of practice (Safeguarding Children's Partnership Executive to ensure achieved by the completion date)		July 2023
<p>Comments this quarter: The net risk score has been reduced from 16 to 12 in line with our positive 6-month review with the DfE, where the DfE acknowledged the progress and impact for children and young people at risk of exploitation which had been achieved by the partnership. On 3 May 2023, the JTAI Improvement Board agreed that the priority action around the front door had been addressed and the immediate action taken during the inspection had been embedded within practice. This was a significant milestone.</p> <p>We now have a better understanding of our cohort of children and young people at risk, and there is evidence that the quality of practice has improved, although we recognise we still have more to do in continuing to improve the support we offer to children and young people.</p>		

Timescale for managing risk to an acceptable level: January 2024 This risk can be managed to an acceptable level if our improvement plan achieves the impact on practice that we are anticipating.

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CORPORATE POLICY COMMITTEE WORK PROGRAMME 2023-24

Report Reference	Corporate Policy Committee	Title	Purpose of Report	Lead Officer	Consultation and Engagement Process and Timeline	Equality Impact Assessment	Part of Budget and Policy Framework	Corporate Plan Priority	Exempt Item and Paragraph Number
CP/53/22-23	30/11/2023	Annual Review of Committee Decisions	To report on the decisions made by Service Committees during 2021/22 and 2022/23.	Director of Policy and Change	No	No	No	Open	No
CP/25/23-24	30/11/2023	Workforce Strategy Update Report	To provide an update on achievements in relation to the Council's Workforce Strategy	Head of HR	No	No	No	Open	No
CP/26/23-24	30/11/2023	ICT Strategy Annual Update	To provide an update on achievements in relation to the Council's ICT Strategy	Head of ICT	No	No	Yes	Open	No
CP/30/23-24	30/11/2023	Performance Report Quarter 2 2023/24	To update on performance against the Corporate Plan. To include H&S accident and incident statistics.	Director of Policy and Change	No	No	No	Open; Fair; Green	No
CP/29/23-24	30/11/2023	Strategic Risk Register Assurance Report Q2 2023/24	This report provides an update on the activity of the Council's Strategic Risk Register for Quarter 2 2023/24	Head of Audit and Risk	No	No	No	Open	No

CORPORATE POLICY COMMITTEE WORK PROGRAMME 2023-24

CP/33/23-24	30/11/2023	Council Tax Base 2024/25	This report notifies of the Council Tax Base for Cheshire East and identifies any changes to the calculation of the tax base for 2024/25, 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 2024.	Director of Finance and Customer Services	No	No	Yes	Open	No
CP/28/23-24	30/11/2023	Second Financial Review of 2023/24 (Corporate Policy Committee)	This report outlines how the Council is managing resources to provide value for money services during the 2023/24 financial year. The purpose of the report is to note and comment on the Second Financial Review and Performance position of	Director of Finance and Customer Services	No	No	Yes	Open	No

CORPORATE POLICY COMMITTEE WORK PROGRAMME 2023-24

			2023/24 and approve Supplementary Estimates and Virements.						
CP/32/23-24	30/11/2023	Medium Term Financial Strategy Consultation 2024/25 - 2027/28 (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 2023. 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.	Director of Finance and Customer Services	Yes	No	Yes	Open	No
CP/51/23-24	30/11/2023	Six Monthly Complaints Report	To provide an update on Complaints and customer contact for the period 1st April to 30th September 2023 and to provide	Head of Customer Services	No	No	No	Open	No

CORPORATE POLICY COMMITTEE WORK PROGRAMME 2023-24

			assurance that actions arising from complaints and improvements identified are being actioned						
CP/57/23-24	30/11/2023	Annual Review of the Committee System and Medium-Term Financial Strategy Savings	Following Full Council held on 19 July 2023, to consider a further review of the committee structure	Director of Governance and Compliance	Yes	Yes	No	Open	No
CP/54/23-24	30/11/2023	WorkplaCE	Report back on the outcome of the consultation for WorkplaCE	Director of Finance and Customer Services	Yes	Yes	Yes	Open; Green	No
CP/60/23-24	30/11/2023	Cheshire East Council Electoral Review	To consider and approve the Council-size draft submission to the Boundary Commission following recommendation by the Electoral Review Sub-Committee.	Head of Democratic Services and Governance	Yes	TBC	TBC	Open	No
CP/61/23-24	30/11/2023	Asylum Seekers in Cheshire East	To provide Corporate Policy Committee with an update on Asylum Seekers in the borough	Head of Communities and Integration	N/A	No	No	Fair	TBC
CP/62/23-24	30/11/2023	Changes to the Constitution	To give consideration to proposed changes to the Constitution	Director of Governance and Compliance	No	No	No	Open	No

CORPORATE POLICY COMMITTEE WORK PROGRAMME 2023-24

CP/37/23-24	18/01/2024	Third Financial Review of 2023/24 (Corporate Policy Committee)	This report outlines how the Council is managing resources to provide value for money services during the 2023/24 financial year. The purpose of the report is to note and comment on the Third Financial Review and Performance position of 2023/24 and approve Supplementary Estimates and Virements.	Director of Finance and Customer Services	No	No	Yes	Open	No
CP/35/23-24	18/01/2024	Medium Term Financial Strategy Consultation 2024/25 - 2027/28 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 2023. Responses to the consultation would be reported to the Corporate Policy Committee to	Director of Finance and Customer Services	Yes	No	Yes	Open	No

CORPORATE POLICY COMMITTEE WORK PROGRAMME 2023-24

			support that Committee in making recommendations to Council on changes to the current financial strategy.						
CP/36/23-24	18/01/2024	Pay Policy Statement (PPS) 2024/25	To seek approval of the Pay Policy Statement 2024/25. The changes from the 2023/24 PPS will be highlighted in the report and a copy of the revised PPS will be enclosed once drafted.	Head of HR	Yes	No	No	Open; Fair; Green	No
CP/38/23-24	08/02/2024	ICT Hybrid Programme implementation update	To provide an update on progress with the implementation of ICT Hybrid Programme	Head of ICT	No	No	Yes	Open	No
CP/39/23-24	08/02/2024	Medium Term Financial Strategy 2024/25-2027/28	To recommend the Medium-Term Financial Strategy for 2024 to 2028 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	Director of Finance and Customer Services	No	No	Yes	Open	No

CORPORATE POLICY COMMITTEE WORK PROGRAMME 2023-24

			Management, Investment and Reserves Strategies.						
CP/59/23-24	08/02/2024	Southern Gateway Pedestrian and Cycleway Connectivity Scheme – Land and Rights	The making of a Compulsory Purchase Order (CPO) pursuant to section 226(1)(a) of the Town and Country Planning Act 1990 (as amended) and pursuant and Schedule 3 to the Acquisition of Land Act 1981 and all other powers as appropriate for the purpose of acquiring the land and new rights for the purpose of facilitating the development, redevelopment, and improvement of the land by way of highway and public realm works.	Director of Growth and Enterprise	Yes	No	Yes	Open; Green	TBC
CP/63/23-24	08/02/2024	Calendar of Meetings 2024/25	To approve the calendar of meetings for the municipal year 2024/25.	Head of Democratic Services and Governance	TBC	No	No	Open	No
CP/31/23-24	21/03/2024	Equality, Diversity and	To update on EDI in line with our	Director of Policy and Change	No	No	No	Open; Fair; Green	No

CORPORATE POLICY COMMITTEE WORK PROGRAMME 2023-24

		Inclusion - annual report	statutory duty to report annually						
CP/40/23-24	21/03/2024	Performance Report - Quarter 3 of 2324	To report on performance against the Corporate Plan. To include H&S accident and incident statistics.	Director of Policy and Change	No	No	No	Open; Fair; Green	No
CP/41/23-24	21/03/2024	Strategic Risk Register Assurance Report Q3 2023/24	This report provides an update on the activity of the Council's Strategic Risk Register for Quarter 3 2023/24	Head of Audit and Risk	No	No	No	Open	No

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **General Appeals Sub Committee**
held on Tuesday, 22nd August, 2023 in the Committee Suite 1,2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor S Edgar (Chair)

Councillors T Dean and E Gilman

OFFICERS IN ATTENDANCE

Sue Kenyon, Legal Clerk

Ian Marshall, Operations Support Manager, Transport

Helen Rawlinson, Transport Manager

Josie Lloyd, Democratic Services Officer

OTHERS IN ATTENDANCE

Rebecca Airey, Legal (Observer)

47 APPOINTMENT OF CHAIR**RESOLVED:**

That Councillor S Edgar be appointed as Chair of the meeting.

48 APOLOGIES FOR ABSENCE

There were no apologies for absence.

49 DECLARATIONS OF INTEREST

There were no declarations of interest.

50 PUBLIC SPEAKING TIME/OPEN SESSION

There were no members of the public present.

51 EXCLUSION OF THE PRESS AND PUBLIC**RESOLVED:**

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.

52 SCHOOL TRANSPORT APPEALS

Consideration was given to the following School Transport Appeals.

53 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 upheld.

54 CASE 2 - 11.35AM

The case was deferred to a later meeting.

55 CASE 3 - 12.20PM

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 until the end of the academic year and a review required for future academic years.

56 CASE 4 - 1.05PM

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 dismissed.

The meeting commenced at 10.00am and concluded at 1.30pm

Councillor S Edgar

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CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Finance Sub-Committee**
held on Thursday, 7th September, 2023 in Committee Suite 1, 2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

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

Councillors D Brown, J Clowes, B Drake, R Kain, C O'Leary and F Wilson

OFFICERS

Alex Thompson, Director of Finance and Customer Services
David Brown, Director of Governance and Compliance
Julie Gregory, Legal Team Manager - Place/Corporate
Paul Mountford, Democratic Services
Lianne Halliday, Senior Manager – Procurement
Tom Shuttleworth, Interim Director of Environment and Neighbourhoods

ALSO PRESENT

Councillor A Moran, Chair of the Ansa Board
Kevin Melling, Managing Director of Ansa

15 DECLARATIONS OF INTEREST

Councillor A Moran declared for the record that he was the Chair of the Ansa Board.

16 MINUTES OF PREVIOUS MEETING

RESOLVED

That the minutes of the meeting held on 7th June 2023 be approved as a correct record.

17 PUBLIC SPEAKING/OPEN SESSION

There were no public speakers.

18 MEDIUM TERM FINANCIAL PLANNING ASSUMPTIONS - FEEDBACK FROM TASK GROUP

The Sub-Committee considered a report back on the work of the Medium Term Financial Planning Assumptions Task Group.

The Director of Finance and Customer Services and other officers had met informally with the Task Group on 6th September. Councillors J Clowes, B Drake, C O'Leary and F Wilson were in attendance.

The Task Group had reviewed the planning assumptions underpinning the MTFS and in doing so had raised comments and queries across a range of issues to which officers had responded as follows:

MTFS: Beyond the next year's Budget, the MTFS presented a balanced "forecast" rather than a set "budget". It was only the one-year position that was formally approved at full Council.

Pay inflation: The Leisure Trust was a separate legal entity which managed its own pay inflation and remuneration levels. For wholly-owned companies, pay negotiations followed the same arrangements as for the Council, which avoided the risk of equal pay claims within the Cheshire East Group.

Pensions: It was noted that an update report on the Cheshire Pension Fund was due to go to the Finance Sub-Committee in November 2023.

Fees and Charges: Income should only be charged to cover the cost of the service; the Council was not legally allowed to make a profit (although its wholly-owned companies were).

ASDV dividends: Any dividends received from wholly-owned companies were allocated to the Council's bottom line and not earmarked for a specific purpose.

Capital Financing: Whole life costs of invest-to-save schemes could be considered. If the benefit outweighed the costs, business cases could be brought forward for decision.

Reserves: A breakdown of what had been included in the 2023/24 £5m budgeted reserves drawdown was provided. This would form part of a future report to the Sub-Committee.

Council tax: High banded houses increased the taxbase more than low banded houses. Cheshire East had an above average banding in terms Band D equivalents.

Council tax: Officers would review the operation of the landlord discount scheme.

Business rates: It was noted that a working group had been set up to review the current discretionary relief policy and would be meeting soon.

The Working Group had concluded that the planning assumptions were appropriate, and no changes were recommended at this time.

The Director of Finance and Customer Services advised that the planning assumptions would be fed into next year's MTFS strategy, subject to any announcements by Government.

The Chair thanked members of the working group and officers for their work.

RESOLVED

That the report of the Task Group be received and noted.

19 WHOLLY-OWNED COMPANIES GOVERNANCE REVIEW - BOARD COMPOSITION AND SHAREHOLDER AGREEMENT

The Sub-Committee considered a report which set out the key findings and recommendations of the Shareholder Working Group in relation to the governance of the Council's wholly-owned companies, having regard to its review of compliance with the published CIPFA guidance and other good practice.

The Working Group had been chaired by the late Councillor S Carter during this first phase of the review. The review was ongoing and would continue into next year.

The Working Group's conclusions regarding the most effective approach to designing the Council's longer term company governance, reporting and board arrangements were as follows:

1. There should be a revised Board structure to support good governance.
2. There should be an observer appointed to attend meetings of each company board to report direct to the Finance Sub-Committee as the shareholder committee.
3. Immediate attention should be given to rectifying some areas, including the removal of Cheshire East Residents First (the group structure) from the governance structure and relevant documentation.
4. A further in-depth review of Shareholder documentation should be undertaken.
5. The risk appetite of the Council in respect of company risk was overall rated as 'Low' and risks should be appropriately mitigated to this position.
6. Risk mitigation and controls should be improved.
7. The Working Group should continue to report on future proposals for improving governance.

Further details were set out in the report.

The Director of Governance and Compliance presented the recommendations set out in the report. In doing so, he advised that the remuneration of observer members on company boards would be a matter for consideration by the Independent Remuneration Panel as part of its next full review of members' allowances. He also advised that the full

Council date in recommendation 3.1(a) would need to be changed to a later date to be determined by the Sub-Committee.

To assist members in considering the proposals, diagrams showing the current and proposed governance arrangements were circulated at the meeting. The proposed governance arrangements included the removal of Cheshire East Residents First (CERF) as a holding company, with companies reporting direct to the Finance Sub-Committee in future as the shareholder committee.

Members commented that a low-risk approach as advocated in the report could mean that the companies would miss out on opportunities by being too risk averse. Officers responded that business opportunities could still be reported to the Sub-Committee for consideration.

The recommendations in the report were moved and seconded subject to the determination of a suitable Council date from which the new arrangements would take effect.

An amendment to the substantive motion was then moved and seconded that the following changes be made to the recommendations in the report:

3.1(a) Two elected members to be appointed to each company board.

3.3 the amended shareholder agreements set out in Appendices 1 and 2 be further amended as follows:

Para 4.1.1 to provide for two elected members to be appointed to each company board.

Para 4.7 to provide that the quorum at any meeting of the directors shall include at least one elected member who is a member of the board.

Para 4.8, which provides that the chair of the board will be the managing director, be deleted.

It was noted that these arrangements may need to be adapted to the particular circumstances of Tatton Part Enterprises, given the small size of that company.

RESOLVED (unanimously)

That the Sub-Committee agrees that

1. From 18 October 2023 (date of Full Council), the Board of Directors of each of the wholly-owned companies will be comprised as follows:
 - Two elected Members to support local knowledge and service user functions. The Members will be appointed by the Finance

Sub-Committee following an open expression of interest and a transparent process; and

- Two Council Officers, being 1x Finance Officer (on the recommendation of the Chief Finance Officer) and 1x Service specific officer (on the recommendation of the Chief Executive);
 - The Managing Director of the wholly-owned company; and
 - At least one Director who may be appointed through external advert, being an independent sector specialist appointed for their expertise by the Finance Sub-Committee, supported by the Council's HR service.
2. An Observer will continue to be appointed to attend meetings of the Board of each company as the Shareholder representative by the Finance Sub-Committee from amongst its membership. The Observer will have the right to access all information and documents, to attend all meetings and to ask questions of the Board.
 3. All current and future Director appointments will be subject to a Shareholder approved service contract, and all Directors will be required to enter into this contract as part of their new or continuing appointment.
 4. The amended shareholder agreements set out in appendices 1 and 2 be adopted from 18 October 2023 subject to the following further amendments:

Para 4.1.1 to provide for two elected members to be appointed to each company board.

Para 4.7 to provide that the quorum at any meeting of the directors shall include at least one elected member who is a member of the board.

Para 4.8, which provides that the chair of the board will be the managing director, be deleted, and the remaining paragraphs of that section of the shareholder agreement be renumbered accordingly.
 5. That Cheshire East Resident First (CERF) no longer form part of the governance structure of any Council wholly-owned companies and any shares it holds be transferred to Cheshire East Council.
 6. That the Shareholder Working Group be asked to continue to:
 - (a) undertake a full detailed review of the Shareholder Agreements against the CIPFA guidance and other good practice;

- (b) ensure that the wholly-owned companies support the Council's strategic objectives and decision-making;
 - (c) ensure that an appropriate and proportionate mechanism for control and review of risk is developed;
 - (d) consider the purpose of Orbitas Bereavement Services and Tatton Park Enterprises;
 - (e) consider the creation of a timely mechanism for seeking shareholder permissions between scheduled committee meetings; and
 - (f) develop a business planning template to be implemented across the wholly-owned companies.
7. Company risk registers and strategic decisions made by the companies form part of the reporting and monitoring mechanisms.
8. It be recommended to the Corporate Policy Committee that companies' risks should be a separate category on the strategic risk register.
9. That the Council's risk appetite in respect of the companies is 'Low' and that the companies should maintain a low-risk approach to business activity.

20 WORK PROGRAMME

The Sub-Committee considered its work programme for 2023-24.

Following a question from members, the Director of Governance and Compliance confirmed that a report on the review of the committee system was due to be considered by the Corporate Policy Committee at its meeting in November.

RESOLVED

That the work programme be noted.

21 PROCUREMENT PIPELINE

The Sub-Committee considered a report which provided an update of the pipeline of procurement activity, an update on the contracts awarded this financial year, and an update on the number of cases where, and reasons why, procurement activity had required the use of waivers.

The detailed waivers referred to in the report would be considered in Part 2 of the meeting.

It was proposed that a member working group be re-established for the current year to review procurement activity and report back to the Sub-Committee. The Procurement Working Group terms of reference had been approved on 6th of July 2022 and were set out at Appendix 3 to the report.

RESOLVED (unanimously)

That the Sub-Committee

1. approves the 1 pipeline project in Appendix 1, column H of the report as business as usual;
2. notes the reason for 4 waivers approved between 1st April 2023 and 31st August 2023 (4 in total in 2023/24);
3. notes the contracts awarded since April 2023 as set out in Appendix 2; and
4. appoints a Procurement Working Group for the current year to review 2022/2023 procurement activity, the members to be:

Councillor J Clowes
Councillor B Drake
Councillor M Gorman
Councillor R Kain

22 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded from the meeting during consideration of the following items pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1, 2, 3 and 5 of Part 1 of Schedule 12A to the Local Government Act 1972 and the public interest would not be served in publishing the information.

23 PROCUREMENT PIPELINE

The Sub-Committee considered details of the waivers referred to in the Procurement Pipeline report.

In addition, the Sub-Committee was briefed on a matter relating to a contract let by Ansa for the processing of mixed recycling. A briefing paper setting out the background to the matter, and the options for further action, had been circulated to members prior to the meeting.

Councillor A Moran and Mr Kevin Melling were permitted to attend for this matter.

RESOLVED

That

1. the details of the waivers referred to in the Procurement Pipeline report be noted; and
2. with regard to the contract for the processing of mixed recycling, Ansa proceed on the basis of Option 2 as set out in the briefing paper.

Mr Melling left the meeting at this point.

Councillor Moran was permitted to remain for the next item as Vice-Chair of the Adults and Health Committee.

24 EXTRA CARE HOUSING PFI SCHEMES

The Sub-Committee received an update on the Cheshire Extra Care PFI contract. A briefing paper setting out in detail the background to the matter, including recent developments, was shared with members.

Members asked if officers could work in a consistent way with those residents affected. The Director of Finance and Customer Services undertook to feed that back to the team involved.

RESOLVED

That the update be noted.

The meeting commenced at 2.00 pm and concluded at 3.44 pm

Councillor N Mannion (Chair)

Schedule of Urgent Decisions Made by the Chief Executive following consultation with Members

Under Paragraphs 2.10 and 2.11 of the Committee Procedure Rules, an item of urgent business which has to be decided before the next meeting of a committee can be determined by the Chief Executive in consultation with the chair and/or vice-chair of the committee.

Date	Summary of decision	Decision on behalf of
6 July 2023	<p>Appointment of Members to Exclusions Appeals Panel</p> <p>The Council had received a request for an independent review hearing to be held in accordance with s.51A of the Education Act 2002 and The School Discipline (Pupil Exclusions and Reviews) Regulations 2012.</p> <p>The Council had a pool of lay members who were eligible to sit on the independent review panel for exclusions. However, on this occasion none of the lay members were available.</p> <p>The Constitution required panel members to be appointed by the Corporate Policy Committee. However, there was not a scheduled meeting of the Committee within the required timescale. It was therefore necessary to appoint up to three members from neighbouring authorities.</p> <p>Decision</p> <p>To appoint up to three lay members (who shall not be Councillors) from neighbouring authorities to sit on the independent review panel.</p>	Corporate Policy Committee

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