

Council Agenda

Date: Thursday 28th February 2013
Time: 2.00 pm
Venue: Grand Hall Congleton Hall - Congleton Town Hall, High Street,
Congleton CW12 1BN

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

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

1. **Prayers**
2. **Apologies for Absence**
3. **Minutes of Previous meeting** (Pages 1 - 16)

To approve the minutes of the meeting held on 13 December 2012

4. **Mayor's Announcements**

To receive such announcements as may be made by the Mayor.

5. **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.

Please contact Julie North on 01270 686460
E-Mail: julie.north@cheshireeast.gov.uk with any apologies or requests for further information or to give notice of a question to be asked by a member of the public

6. **Public Speaking Time/Open Session**

In accordance with Council Procedure Rule 35 and Appendix 7 to the rules, a total period of 15 minutes is allocated for members of the public to speak at Council meetings.

Individual members of the public may speak for up to 5 minutes, but the Chairman will decide how the period of time allocated for public speaking will be apportioned, where there are a number of speakers.

Members of the public wishing to ask a question at the meeting should provide at least three clear working days' notice in writing and should include the question with that notice. This will enable an informed answer to be given. It is not a requirement to give notice of the intention to make use of public speaking provision. However, as a matter of courtesy, a period of 24 hours notice is encouraged.

7. **HS2**

To receive a presentation on the High Speed 2 project

8. **Recommendations from Cabinet** (Pages 17 - 92)

To consider the recommendations of Cabinet in relation to:

- (a) Treasury Management Strategy (pages 17 - 42)
- (b) Pay Policy Statement (pages 43 - 74)
- (c) Health and Wellbeing Board Terms of Reference (pages 75 - 92)

9. **Recommendations from Constitution Committee** (Pages 93 - 116)

To consider the recommendations of Constitution Committee in relation to:

- (a) Frequency of Meetings
- (b) Questions to Cabinet
- (c) Scheme of Delegation for Director of Public Health

10. **Designation of Monitoring Officer** (Pages 117 - 118)

To ratify the designation of Mr Michael Rowan as the interim Monitoring Officer

11. **Appointment of Committee Chairmen**

To appointment chairmen to committees

12. **Leader's Announcements**

The Leader to report details of appointments to Cabinet

13. **The Council's Medium Term Financial Strategy** (Pages 119 - 176)

To consider the Leader's Budget Report

14. **Three Year Medium Term Financial Strategy 2013 - 2016 Budget Report** (Pages 177 - 322)

To consider the Cheshire East Council Budget for 2013-2016

15. **Council Tax Statutory Resolution** (Pages 323 - 336)

To set the Council Tax for the financial year 2013/2014 in accordance with the formal resolutions as shown in section 18 of the report

16. **Recommendation from Cabinet - Becoming a "Strategic Council" - Review of Management Roles and Responsibilities** (Pages 337 - 358)

To consider the recommendations of Cabinet

17. **Notices of Motion** (Pages 359 - 362)

To consider any Notices of Motion that have been received in accordance with Procedure Rule 12

18. **Questions**

In accordance with Procedure Rule 11, opportunity is provided for Members of the Council to ask the Mayor, the appropriate Cabinet Member or the Chairman of a Committee any question about a matter which the Council, the Cabinet or the Committee has powers, duties or responsibilities.

Questions to the Mayor or Chairman of a Committee must be sent in writing to the Monitoring Officer at least 3 clear working days before the meeting.

At Council meetings, there will be a maximum question time period of 30 minutes. Questions will be selected by the Mayor, using the criteria agreed by Council. Any questions which are accepted, but which cannot be dealt with during the allotted period will be answered in writing. Questions must be brief, clear and focussed.

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CHESHIRE EAST COUNCIL**Minutes of a meeting of the Council**

held on Thursday, 13th December, 2012 at Main Hall Congleton Hall -
Congleton Town Hall, High Street, Congleton CW12 1BN

PRESENT

Councillor G M Walton (Chairman)
Councillor D Flude (Vice-Chairman)

Councillors C Andrew, Rachel Bailey, Rhoda Bailey, A Barratt, G Boston, D Brickhill, D Brown, L Brown, B Burkhill, P Butterill, R Cartlidge, J Clowes, S Corcoran, H Davenport, W S Davies, R Domleo, K Edwards, P Edwards, I Faseyi, J P Findlow, W Fitzgerald, R Fletcher, S Gardiner, L Gilbert, M Grant, P Groves, J Hammond, P Hayes, S Hogben, D Hough, P Hoyland, O Hunter, L Jeuda, M Jones, S Jones, F Keegan, A Kolker, W Livesley, J Macrae, D Mahon, D Marren, A Martin, M A Martin, P Mason, R Menlove, G Merry, A Moran, B Moran, B Murphy, H Murray, D Neilson, D Newton, P Nurse, M Parsons, P Raynes, L Roberts, J Saunders, M Sherratt, B Silvester, M J Simon, L Smetham, D Stockton, A Thwaite, G Wait, M J Weatherill, R West, P Whiteley, S Wilkinson and J Wray

Apologies

Councillors G Baxendale, D Bebbington, D Druce, H Gaddum, M Hardy, A Harewood, J Jackson, S McGrory, C G Thorley and D Topping

67 MINUTES OF THE MEETING HELD ON 11 OCTOBER 2012**RESOLVED**

That the minutes be approved as a correct record, subject to an amendment to minutes 47 and 50 to confirm that, Cllr Cartlidge declared a disclosable pecuniary interest in Item 50, which related to the recommendation regarding the Crewe Community Governance Review and absented himself from the meeting during consideration of this item.

68 MAYOR'S ANNOUNCEMENTS

The Mayor:-

- 1 Referred to the Deputy Mayor's road traffic accident on the way to previous Council meeting held in Macclesfield and was pleased to report that she has made an excellent recovery and had had a safer journey to Congleton today.
- 2 Announced that, since the last Council meeting, in October he and the Deputy Mayor had attended over 70 events. This included civic

services in Mobberley and Disley, the annual Cheshire Legal Profession Service at Chester Cathedral and on 10th November, the annual ex-serviceman's Service in Congleton.

- 3 Announced that, on Remembrance Sunday he had the privilege of attending services in Chelford, Tatton Park, Alsager and Brereton. He would like to thank very sincerely those Members who attended other services across Cheshire East on his behalf. It was right and proper that each November the Borough remembered those who gave their lives for their country.
- 4 Announced that, on 6th November, he was at Tatton Park to witness the Lord Lieutenant present British Empire Medals to a number of very worthy recipients from across Cheshire East. Nationally these were the first such medals awarded since 1992. Tatton Park's facilities proved to be an excellent and very fitting venue for such a prestigious ceremony. A little later in the month he had again visited Tatton, where he had the pleasure of being presented with the first pineapple grown in the restored Pinery.
- 5 Announced that he was very keen that the Cheshire East Mayoralty cemented its links with the Cheshire Business community, which played such a vital role in the economic vitality of the Borough. On 9 November, he had attended a very interesting and informative breakfast meeting, organised by Business Networking International. As this event started at 6.30am it also went down as the earliest engagement that he have undertaken as Mayor.

The above was just a brief flavour of the many events he had attended in representing and trying to promote Cheshire East Council.

- 6 Announced that Cheshire East Council's A-Team had recently been awarded best apprenticeship scheme in the country at the national Training Journal Awards. The A-Team had triumphed in the face of tough opposition from the likes of Thomas Cook Group, BAM Nuttall Ltd and Manchester marketing agency McCann and had been told that the Council had raised the bar and set a new standard in apprenticeships. He was sure that all Members would join him in congratulating everyone involved in the A-Team and all of the amazing apprentices. He was delighted that two members of the A Team, Ciaran Murphy and Emma Parsons were at today's Council meeting and he presented them with the trophy which they had won in London.
- 7 Announced that Item 8 of the agenda, Leaders announcements would be moved to the end of the agenda.

69 DECLARATIONS OF INTEREST

Cllr S Gardiner declared a disclosable pecuniary interest in Notice of Motion number 2, relating to countryside policy, by virtue of being employed by a Member of Parliament and would leave the room during consideration of this matter.

Cllr A Moran declared a non-pecuniary interest in Item 11, Capital Programme and Treasury Management Strategy Update (supplementary capital estimate for additional Sustrans grant for Connect 2, Phase 3), by virtue of being the Chairman of the Beam Heath Trust, the landowner and which had received compensation from Cheshire East Council.

Cllr Findlow declared a non-pecuniary interest in the recommendation from Cabinet relating to item 9, Council Tax Base 2013/14.

70 PUBLIC SPEAKING TIME/OPEN SESSION

Mrs Charlotte Peters Rock used public speaking time to draw the Council's attention to the two consultations which were purportedly taking place in the Council's area. The first was in respect of the permanent closure of the permanently closed Tatton Ward, in Knutsford and the second the Foundation Trust public consultation. She considered that this had not been publicised adequately and she questioned whether members of the public were aware of the public consultation.

She wished to point out to Councillors what she considered to be a dire situation in the Knutsford area of Cheshire East and West in respect of Health and Social Care services, stating that there was a serious problem in respect of Congleton and Macclesfield Intermediate Care Wards.

She requested that the Leader of the Council set up that meeting with her to discuss what the Council would do to mitigate the effects of what she considered to be poor NHS planning in this Council area.

Mrs Mabel Taylor used public speaking time to refer to a letter which she had sent to the Rt Hon George Osborne MP and forwarded, by e-mail, to the Interim Chief Executive, Kim Ryley, which related to her enquiries regarding the public consultation exercise in respect of the closure of Bexton Court, Knutsford. She noted that a response to her e-mail had been promised by no later than 16 December and she requested reassurance that she would receive a response.

Mr Derek White, representing CRASH used public speaking time to express concern regarding two recent applications on Greenfield sites which had been considered at the recent Strategic Planning Board meeting and which CRASH had opposed. Whilst not being against development, the organisation believed that this should be where it would

bring employment and prosperity and should be focused on the route of the link road.

71 **NOTICES OF MOTION**

Consideration was given to the following Notices of Motion :-

1. Submitted by Cllr M Sherratt

Youth Homelessness

It is important that this Council recognises its responsibility in providing safe and secure routes for young people who find themselves temporarily homeless.

This Council notes that Centrepoin estimates 80,000 young people experience homelessness every year nationally. The Council acknowledges that, due to the fact that some young people who are without a secure home are sofa surfing, the full figures of youth homelessness may be higher than recorded figures collected both locally and nationally.

This Council resolves to:

- Identify ways of collating more data locally on youth homelessness. Work with local colleges, NHS trusts, Job Centres and other local services to identify additional ways this data can be obtained
- Work with local and national charities and homelessness organisations to ensure that every young person who needs help, including those who are not deemed a priority or are 'intentionally' homeless, is at a minimum directed to where help and advice may be available if it cannot be delivered by the local authority.
- Ensure that the online and face-to-face advice services include specific information on obtaining housing support if you have a disability, addiction or have mental health issues.
- Use proactive channels to reach young people at risk to ensure they have the info about advice channels that are available.

RESOLVED

That the motion be approved.

(Cllr Gardiner had declared a disclosable pecuniary interest in the following item and left the meeting during its consideration).

2. Submitted by Cllr P Nurse

Countryside Policy

Cheshire East Council draws attention to aspects of Government policy towards the Countryside and in particular:-

- The failure of policy to deal with Bovine TB which will now have a further year to develop;
- The slow response to the spread of Ash disease which threatens to destroy the stock of one of our finest trees;
- The decision to permit the wider development of agricultural land which reverses long established planning policies;
- The Council believes a change of approach is urgently required to deal with the problems facing the Countryside.

RESOLVED

That the motion be not accepted.

3. Submitted By Cllr S Corcoran

Request for Audit Investigation into Collapse of East Cheshire Community Transport

This Council requests that an internal audit investigation is carried out into the collapse of East Cheshire Community Transport and the withdrawal of Community Transport Macclesfield from providing Dial-a-Ride services. The investigation should specifically look at :-

- 1) whether the Council is obtaining better value for money through the private companies now running the Dial-a-Ride and Adult Care transport services or whether they were obtaining better value for money through the charities that previously ran the service
- 2) whether factually incorrect information has been given in answers to questions in full Council and in press releases issued by Cheshire East Council.

RESOLVED

That the motion be not accepted.

4. Submitted by Cllr L Jeuda and Seconded by Cllr G Boston

The Living Wage

Recent research by the Joseph Rowntree Foundation has found that it is becoming increasingly difficult for people on low incomes to maintain a decent standard of living and that many people are experiencing 'in work poverty'.

Other research shows that a Living Wage of £7.45 an hour would help to lift these families out of poverty and its introduction has been widely supported across all the major political parties, by the Mayor of London, the Anglican General Synod and the Catholic Bishops of England and Wales.

Cheshire East Council therefore welcomes and supports the adoption of the Living Wage by the Mayor of London and thirty five councils across the country and will adopt the policy for its own employees.

Cheshire East Council will also ensure that companies and organisations commissioned to carry out work on its behalf pay the Living Wage of £7.45 an hour to their employees.

RESOLVED

That the motion stands referred to Cabinet.

72 RECOMMENDATIONS FROM CABINET

Consideration was given to the following recommendations from Cabinet:-

(a) Connecting Cheshire Superfast Broadband Partnership Arrangement

Cabinet at its meeting on 17th September 2012, had given consideration to the partnership arrangements proposed for the delivery of the above project to provide superfast broadband services in areas of market failure, these being predominantly outlying rural areas and recommended that Council approve the partnership arrangement. It was proposed that Cheshire East be the accountable body and delivery agent for the project partners of Cheshire West and Chester, Warrington and Halton.

RESOLVED

- 1 That Cheshire East Council enter into a partnership arrangement with Cheshire West and Chester Council, Warrington Borough Council and Halton Borough Council for the delivery of the Connecting Cheshire Superfast Broadband Project.

- 2 That Cheshire East Council lead the partnership and fulfil the role as the accountable body and principal delivery agent of the Connecting Cheshire Partnership.

(b) Revised Statement of Gambling Principles

Cabinet at its meeting on 10th December 2012, gave consideration to the content of the Revised Statement of Principles under the Gambling Act 1985. The Statement formed part of the Council's Policy Framework and was, therefore, required to be formally adopted by Council. The Council was required to review its existing Statement of Principles by 31 January 2013 and a consultation with stakeholders had been carried out as part of that process. Cabinet resolved to support the content of the Statement of Principles and that their formal adoption be recommended to the Council.

The relevant Cabinet minute was circulated at the meeting.

RESOLVED

That the Revised Statement of Principles under the Gambling Act 1985, as set out in Appendix 1 of the report, be approved and adopted.

(c) Council Tax Base 2013/14

Cabinet, at its meeting on 10th December 2012, gave consideration to and made recommendations to Council in respect the Council Tax Base for 2013/14 and to important changes in its calculation. Approval of the Tax Base was required before 31 January 2013, so that the information could be used by the Cheshire Police Authority and by the Cheshire Fire Authority, for their budget purposes.

The relevant Cabinet minute was circulated at the meeting.

RESOLVED

- 1 That, in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, Council approves the amount to be calculated by Cheshire East Council as its Council Tax Base for the year 2013/14 as 137,122.19 for the whole area.
- 2 That the Cheshire East Council Tax Support Scheme be approved, in accordance with Appendix A of the report.
- 3 That the calculation of the Council Tax Base for Local Preceptors be approved, in accordance with Appendix B of the report.

73 **RECOMMENDATIONS FROM THE CONSTITUTION COMMITTEE**

Consideration was given to a number of recommendations from the Constitution Committee, as follows:-

(a) Re-organisation of Community Governance (Crewe) Order 2012 and Mini Review of Electoral Arrangements for the Parish of Leighton

At its meeting on 11th October 2012, Council had agreed that the draft Re-Organisation of Community Governance Order for Crewe be updated and submitted to Council on 13 December, following a mini review of electoral arrangements for the Parish of Leighton. In the light of the decision of Council on 11th October, which dealt with all other community governance arrangements for Crewe, all that remained to be decided were the arrangements for the area of Leighton and the final approval of the Reorganisation Order to give effect to the Council's decisions.

The Constitution Committee had reviewed when elections for the Leighton Parish Urban ward should be held and whether the number of Councillors for the parish should be amended. In respect of the area of Leighton, the Committee made a number of recommendations to Council.

RESOLVED: That :-

1. the change to the boundary of the Leighton Parish take effect from 1st April 2013;
2. no parish elections be held until 2015 but Cheshire East Council take steps to advertise the current vacancies on the Parish Council;
3. the number of Parish Councillors for Leighton remain unchanged at the present time but the number be reviewed when Cheshire East Council conducts its community governance review of parish councils;
4. accordingly, paragraph 10 of the draft order be retained in its present form; and
5. the draft Re-Organisation order, as appended to the report to the Constitution Committee, at Appendix A, be approved.

(b) Notice of Motion - Motions to Council

At the Council meeting on 19th July 2012, the following motion was proposed by Councillor Arthur Moran and was seconded by Councillor David Brickhill: -

“That all motions that are referred by Council to a Committee or Cabinet must be put on the agenda of the next meeting of that body or brought back to the next Council meeting for vote on a final decision.”

The Constitution Committee had considered the Motion and made recommendations to Council as to how Notices of Motion should be dealt with. The recommendations were moved and seconded as follows:-

(1) That the Democratic and Registration Services Manager be a nominated recipient of Notices of Motion, in addition to the Monitoring Officer, in order to enable Members to lodge Notices of Motion when the Monitoring Officer is not available.

(2) Members should be permitted to submit Notices of Motion by email, and a hard copy signature of the Members in question should not be a requirement of the process.

(3) The wording of the Rules should be amended to make it clear that the full text of the notice of motion would be reproduced with the agenda papers for Council meetings.

(4) A Notice of Motion should be regarded as withdrawn:

prior to the Council meeting if an indication to this effect is given in writing to at least one of the above-named officers by the Member who submitted the Notice; or

at the Council meeting if oral notice to this effect is given by the Member who submitted the Notice; or

if the Notice of Motion is not moved and seconded at the meeting of Council.

(5) There should be no distinction in the Rules between executive and non-executive functions; there being just one Rule, which simply requires the motion in question to be referred to the relevant decision-making body, which will be announced at Council by the Mayor.

(6) That each motion should then be referred to the relevant decision-making body for determination, without the need for any reference back to Council except where:

arising from consideration of the motion, the Constitution Committee recommends to the Council a change to the Constitution; or

there is some other legal or Constitutional requirement for the matter to be referred back to Council.

(6)That, following the moving and seconding of the motion in question; the mover and seconder having been given the opportunity to speak, the motion should stand referred to the appropriate decision-making body without debate.

(7)That, unless the chairman of the appropriate decision-making body agreed there were good reasons not to do so, notices of motion must be referred to that body within two meeting cycles, and that the proposer of the motion would be consulted before the chairman decided the matter.

(8)That the existing provision be retained whereby the Mayor may determine that it is conducive to the despatch of business for a motion to be dealt with in full at the initial Council meeting.

(9)That no notice of motion which, in the opinion of the Mayor, deals with the same or a similar matter to one which had come before Council during the previous 6 months, should be included on the Council agenda.

Amendment

The following amendment was moved and seconded and carried:-

“Whilst the Borough Solicitor will need to produce the detailed wording, the existing rules which allow 30 minutes for questions on notice to Cabinet members at Council meetings should be replaced by an alternative arrangement. Notice of these questions would not need to be given in advance of the meeting. The existing constitutional provisions which apply to questions on notice would continue to apply to the new arrangements eg questions should be clear and focussed; they should not be frivolous or derogatory; a single supplementary question which relates to the subject matter of the original question would be allowed etc. In summary, whilst delegated authority would need to be given to the Borough Solicitor to finesse the wording of the Rules, the existing provisions relating to questions on notice would apply to the new provisions which apply to Cabinet members, except that there would be no requirement for notice to be given to Cabinet members.

The existing rule which allows for questions on notice to be put to Chairmen of Committees to remain”.

RESOLVED

That, subject to the above amendment, the recommendations from the Constitution Committee be approved.

(c) Notice of Motion - Right to Speak at Meetings

At the Council meeting on 19th July 2012, Councillor A Moran had proposed and Councillor P Edwards seconded the following motion:

“That visiting Members to all Cabinet meetings, Committees, and Sub-committees have the right to speak once on each separate item on the agenda before the debate proper commences. This will apply to all items on the agenda, including Part II items”.

The current rules allowed any Member to attend any meeting and, with the consent of the Chairman, to speak on any matter on the agenda. Special provisions applied to meetings of Licensing and Planning meetings.

The motion had been referred to the Constitution Committee for consideration. The Committee had considered the motion and recommended that no action be taken.

RESOLVED

That no action be taken.

(d) Notice of Motion - Start Time of Council Public Meetings

On 12th October 2012, Council had considered the following motion, which had been proposed by Councillor Brickhill and seconded by Councillor A Moran:

“That in view of the increasingly bad traffic congestion in the morning rush hours all this Council’s public meetings, which cause additional traffic to travel in these periods, should never start before 10am if held in Sandbach and not before 10.30am if held elsewhere”.

The motion had been referred to the Constitution Committee for consideration. The Committee had considered the motion and recommended that no action be taken.

RESOLVED

That no action be taken.

(e) Scheme of Members' Allowances: Report of the Independent Remuneration Panel

During 2012, the Independent Remuneration Panel had conducted a review of the Scheme of Members’ Allowances.

The Constitution Committee, at its meeting on 26th November, considered the report of the Panel, as appended to the report at Appendix D and recommended that the Panel's recommendations be accepted by Council.

The recommendation from the Constitution Committee was moved and seconded.

Amendment

An amendment was proposed in respect of recommendation 3 of the Independent Remuneration Panel report, to require that there should be no retrospective payments to Local Service Delivery Committee Chairmen and Vice-chairmen. This was moved and seconded and carried.

RESOLVED:

- 1 That, subject to the above amendment, the recommendations of the Independent Remuneration Panel be approved.
- 2 That the Borough solicitor be authorised to make such changes to the Constitution as she considers are necessary, to give effect to the wishes of the Council in respect of all its resolutions relating to the recommendations of the Constitution Committee.

(At this point the meeting was adjourned for 10 Minutes).

74 CAPITAL PROGRAMME & TREASURY MANAGEMENT STRATEGY UPDATE

Consideration was given to a report which brought forward Cabinet recommendations for amendments to the Capital Programme and Treasury Management Strategy contained within the 2012/13 Mid Year Review of Performance report for Council approval.

RESOLVED

1. That the revised Capital Programme, as set out at appendix 4 of the report, be noted.
2. That the reductions in the approved Capital Programme (Appendix 1), the Supplementary Capital Estimates and Virements (Appendix 2) and the amendments to the Treasury Management Strategy (Appendix 3), be approved.

75 ANNUAL AUDIT LETTER

Consideration was given to a report which presented and provided a brief overview of the recently received Annual Audit Letter from the District

Auditor. This important document provided an objective external view of the good progress made by the Council in recent months and of the likelihood of further improvement under the new three year Council Plan and Medium Term Financial Strategy.

RESOLVED

That Council notes and acknowledges the positive view of the District Auditor on its recent progress and its prospects for further improvement and supports the Leader and Cabinet in the implementation of the new Council plan and related financial strategy.

76 REVIEW OF CONTRACT PROCEDURE RULES

Consideration was given to a report, which sought approval of the proposed amendments to the Council's Contract Procedure Rules. The proposed amendments were appended to the report.

RESOLVED

That the amendments to the Councils Procedure Rules, as set out in the Appendix to the report, be approved and that the Constitution be amended accordingly.

77 APPOINTMENTS TO CHESHIRE POLICE AND CRIME PANEL

At its Annual Meeting, Council had appointed Councillors Findlow, Fitzgerald, Murray and Nurse to the shadow Cheshire Police and Crime Panel. The shadow Panel would exist until the Police Commissioner elections. At the time Council made its nominations the shadow Panel of 10 Councillors appointed by the constituent Councils. Based upon the size of population Cheshire East Council believed that it would need to appoint 4 members to the Panel. Cheshire West and Chester Council would appoint 3, Warrington 2 and Halton 1.

Subsequent to the meeting of Annual Council, there had been protracted debate between the constituent authorities upon the question of membership of the Panel and how this should be composed after the end of the shadow period. Discussions between the authorities resulted in it being accepted that the allocation of seats would result in Cheshire East Council having 3 Panel members. Cheshire West and Chester Council would appoint 3, Warrington 2 and Halton 2. In the light of this change, Council was asked to formally appoint three Councillors to represent it on the Cheshire Police and Crime Panel.

RESOLVED

That Councillors Murray, Fitzgerald and Findlow be appointed as the Council's representatives on the Cheshire Police and Crime Panel.

**78 RECOMMENDATION FOR THE CONSTITUTION COMMITTEE -
COUNCIL GOVERNANCE ARRANGEMENTS**

The Constitution Committee, at its meeting on 26th November 2012, had considered a report on proposed changes to the governance arrangements of the Council, which gave effect to the decision taken at the Annual Council meeting in May 2012. The report recommended changes to the Council's scrutiny structure and the establishment of new Policy Development Groups.

Six new Policy Development Groups would be established which would play a central role in the Council's decision-making processes. The groups would actively involve backbench Members on a cross-party basis, giving them a key role in the formulation of policy. They would operate closely with both scrutiny committees and the Cabinet, both being informed by and informing the work of those bodies. The groups would hold some meetings in private, particularly in the initial stages, but would also meet regularly in public to ensure open accountability for their decisions.

Further details of the proposals, including Policy Development Group membership and Chairmen and Vice-chairmen, were set out in the Constitution Committee report and its appendices, which were submitted to Council. The proposed membership and the Chairman and Vice-Chairman of each Scrutiny Committee were circulated at the meeting and a number of additional nominations to the Committees were also submitted. The agreed membership details are appended to these minutes.

RESOLVED

- 1 That the arrangements set out in the report be adopted with immediate effect;
- 2 That the new Policy Development Groups referred to in the report be formally established, with the terms of reference and compositions as set out in Appendices A and E of the report;
- 3 That the new Scrutiny Committees referred to in the report be formally established, with the terms of reference and compositions as set out in Appendices D and E of the report, and that the existing Council scrutiny structure be dissolved;
- 4 That the terms of reference of the Policy Development Groups and Scrutiny Committees, and the operation of the Policy Development Groups, be reviewed after six months;
- 5 That when a Policy Development Group meets to agree its formal recommendations to Cabinet, the meeting be held in public and be open to all Members of the Council;

- 6 That the membership of each Policy Development Group be noted and the Chairman and Vice-Chairman of each Policy Development Group be formally appointed to those offices, as set out in Appendix E of the report;
- 7 That the membership of each Scrutiny Committee be noted and the Chairman and Vice-Chairman of each Scrutiny Committee be formally appointed, as circulated at the meeting and appended to these minutes; and
- 8 That the Borough Solicitor be authorised to make such changes to the Council's Constitution as she determines are necessary to give effect to the wishes of Council.

79 QUESTIONS

Due to the lateness in the day, at the suggestion of the Mayor, Council agreed that the responses to all the Member questions submitted should be circulated by e-mail to all Members of the Council. The questions and responses are also attached to these minutes.

80 LEADER'S REPORT TO FULL COUNCIL

The Leader of the Council:-

1. Announced recent changes to his Cabinet (Details are appended to these minutes).
2. Made a short statement in respect of the Council's proposed Economic Growth Plan, which would create new jobs and the Draft Development Strategy, which would provide development land and infrastructure for growth. The Leader stated that assets could be used more effectively and that there would be stronger links with developers and investors. He intended to bring forward proposals for a Council owned regeneration company, which would create jobs, deliver new housing and infrastructure and deliver investment to the Council.
3. Announced that the Director Places and Borough Solicitor/Monitoring Officer had resigned from their posts.

The meeting commenced at 2.00 am and concluded at 6.40 pm

Councillor G M Walton (Chairman)

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COUNCIL MEETING – 28 FEBRUARY 2013**ITEM 10 – RECOMMENDATIONS FROM CABINET****(a) TREASURY MANAGEMENT STRATEGY**

Extract from the Minutes of the Cabinet Meeting on 4 February 2013

148 TREASURY MANAGEMENT STRATEGY

Consideration was given to the report of the Interim Chief Executive and the Director of Finance and Business Services concerning the Treasury Management Policy and Strategy. Revisions were proposed to the existing Strategy and Prudential Indicators for 2012/13. A new Treasury Management and a new Annual Investment Strategy for 2013/14 were proposed together with prudential indicators for 213/14 to 2015/16. A revised Annual Policy Statement on Minimum Revenue Provision was also submitted for approval.

RESOLVED

That Council be recommended to approve the Treasury Management Policy Statement, the Annual Investment Strategy and the Minimum Revenue Provision Statement as set out in the report.

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CHESHIRE EAST COUNCIL

CABINET

Date of Meeting: 4th February 2013
Report of: Chief Executive/Director of Finance and Business Services
Subject/Title: Treasury Management Strategy and MRP Statement 2013/14
Portfolio Holder: Councillor Peter Raynes
Portfolio Holder for Finance

1.0 Report Summary

- 1.1 To present the 2013/14 Treasury Management Strategy Statement (TMSS), incorporating the Minimum Revenue Provision (MRP) Policy Statement, Investment Strategy and Prudential and Treasury Indicators 2013/16, required under Part 1 of the Local Government Act 2003.

- 1.2 Treasury Management is defined as:-

The management of the Council's investment and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

- 1.3 The Council has carefully managed its Treasury Management function and this report shows how Cheshire East has continued to fund the capital programme without the need for external borrowing. No new long term loans have been take out during 2012/13 and the cash position remains strong with the Council likely to enter 2013/14 with increased cash balances.

2.0 Decision Requested

- 2.1 Cabinet is requested to recommend to Council the approval of the Treasury Management Strategy and the Minimum Revenue Provision Statement for 2013/14.
- 2.2 The Strategy includes the Department for Communities and Local Government (DCLG) reporting requirements in accordance with the Local Government Investments Guidance under Section 15(1) (a) of the Local Government Act 2003.

3.0 Reasons for Recommendations

- 3.1 The Treasury Management Strategy details the activities of the Treasury Management function in the forthcoming year 2013/14. The Strategy for 2013/14 reflects the views on interest rates of leading market forecasts provided by Arlingclose, the Council's advisor on treasury matters. It also includes the Prudential Indicators relating to Treasury Management.
- 3.2 The CIPFA Code of Practice on Treasury Management requires all local authorities to agree a Treasury Management Strategy Statement including an

Investment Strategy annually in advance of the financial year. The strategy should incorporate the setting of the Council's prudential indicators for the three forthcoming financial years.

4 Wards Affected

4.1 Not applicable

5.0 Local Ward Members

5.1 Not applicable

6.0 Policy Implications including – Carbon Reduction, Health

6.1 Not applicable.

7.0 Financial Implications (Authorised by the Director of Finance and Business Services)

7.1 Effective Treasury Management provides support towards the achievement of service priorities, it allows the Council to invest in capital projects without any limit as long as it can demonstrate that its capital expenditure plans are affordable, external borrowing is prudent and sustainable and treasury decisions are taken in accordance with good practice.

8.0 Legal Implications (Authorised by the Borough Solicitor)

8.1 It is a requirement of the CIPFA's Treasury Management in the Public Services: Code of Practice, that Council receives an Annual Report on its Treasury Strategy, that Council sets Prudential Indicators for the next three years and approves an Annual Investment Strategy and an Annual MRP Policy Statement. There are stringent legislative requirements in place which dictate the way that a local authority deals with financial administration.

9.0 Risk Management

9.1 The steps outlined in this report will significantly mitigate the main legal and financial risk to the council's financial management:

- a. That council borrowing will comply with the Treasury Management Strategy

10.0 Background and Options

10.1 The Treasury Management Strategy set out in Appendix A is also reported to the Audit & Governance Committee for scrutiny before being presented to Full Council for approval on 21st February 2013.

10.2 The Treasury Management Strategy takes into account future borrowing requirements, based on the Council's three year capital spending plans, projected cash flow requirements and money market opportunities. The aim is to maintain control over borrowing activities, with particular regard for longer term affordability; but also to allow sufficient flexibility to respond to changes in the capital and money markets as they arise.

- 10.3 A comprehensive review of the capital programme has been undertaken during 2012-13 with the intention of making substantial savings and focussing on initiatives with the highest priority. The key aims of the challenge to the existing programme has been to:
- Realign capital expenditure with corporate priorities;
 - Cap the cost of financing the capital programme by reducing the need for future borrowing;
 - Create financial & non-financial capacity to enable new schemes to come forward;
 - Reassess business cases, particularly for investment projects.
- 10.4 In addition to the review of the capital programme, a balance sheet efficiency review has also been undertaken with the Council's treasury advisors, Arlingclose. This review aims to establish the most cost effective method of financing the capital programme and make adequate provision for the repayment of debt in future years. The review has considered the previous three financial years to form a view on the adequacy of the Council's reserves and working capital positions, as well as a projection of the expected position at the end of the following four financial years.
- 10.5 The methodology for applying capital receipts to finance capital expenditure has been considered as part of the review. An option available to the Council is to use capital receipts it currently holds in reserve and apply them to finance capital expenditure which has taken place in previous years and has been met from borrowing. This method is available to Council's wishing to use capital receipts to reduce debt repayment charges to revenue.
- 10.6 The application of the capital reserve will be undertaken in 2012-13 and will be used to repay £15m of borrowing for assets purchased after 2008 that are being written down over the various asset lives. The impact will be to reduce the level of revenue provision required for the repayment of debt in 2013-14 and future years by an estimated £2.4m.
- 10.7 In 2013-14 and future years, capital receipts in line with the Corporate Capital Receipts Policy will not be linked in any form to individual assets. Receipts will be fully applied to fund the capital programme in the year they are generated and the Council will hold no capital receipts in reserve on the balance sheet.
- 10.8 The savings in the short term on debt repayment charges will be off-set by increased debt repayment costs in future years as available capital receipts have been exhausted and future financing plans are realigned. New investment in the capital programme will need to be funded from borrowing to a greater extent in the future and therefore debt repayments may increase in the longer term.
- 10.9 The forecast for future capital receipts has remained at a prudent level for 2013-14 and therefore receipts of £10m will be made available to fund schemes within the 2013/14 programme.
- 10.10 The Council currently has external borrowing of £134m. The amount of interest paid on the Council's portfolio of long term loans is mainly at fixed rates of interest (circa 3.96%). This provides a degree of certainty to the capital financing budget. Currently long term interest rates are around 4.1%.

- 10.11 Within the Treasury Management Strategy, the Council will continue to minimise borrowing by making use of internal balances. This not only minimises costs, but also reduces the credit risk associated with investments, as the amount being invested is low. Given the current low interest rate environment is expected to continue throughout 2013/14 and beyond, the interest rate risk associated with delayed borrowing is assessed to be low.
- 10.12 The budgeted provision for the repayment of debt in the year 2013/14 has been broadly calculated as 4% of the estimated outstanding debt at the end of the year 2012/13. This is based on the assumption that debt will generally be repaid over 25 years. Where assets are to be funded from prudential borrowing, debt repayments are profiled over the estimated life of the specific asset in question.
- 10.13 The Council has undertaken prudential borrowing to fund £13m of new starts in 2013-14. The Council is conscious of the impact of repayment costs on the revenue budget and has only considered schemes where capital investment is required to secure long term revenue savings and repayment costs are affordable.
- 10.14 The rate of interest to be earned on the Council's cash balances that are temporarily invested pending their being used (estimated at £66 million) is budgeted to be 0.5%.

Capital Financing Budget 2013-14

Capital Financing Budget	2012/13 Original £m	2012/13 Revised £m	2013/14 £m
Repayment of Outstanding Debt	9.5	9.2	6.9
Contribution re: Schools TLC Schemes	-0.8	-0.8	-0.9
Direct Revenue Funding	0.0	0.5	0.4
Interest on Long Term Loans	6.4	5.3	5.7
Total Debt Repayment	15.1	14.2	12.1
Less: Interest Receivable on Cash Balances	-0.3	-0.3	-0.2
Net Capital Financing Budget	14.8	13.9	11.9

- 10.15 Cheshire East inherited investments made by the former Cheshire County Council with Heritable Bank, which went into administration in October 2008. Any expected losses associated with this were accounted for by Cheshire County Council in their accounts in 2008/2009. As at 31st March 2012 the balance sheet included investments with Heritable Bank of £0.8m of which £0.3m has since been repaid to Cheshire East BC. The remainder is expected to be received in instalments ending in April 2013 although this may be delayed due to ongoing litigation. The accounts currently provide for recovery of 88% of the original investments.
- 10.16 The principal changes to the 2013/14 Treasury Strategy have been:

- The addition to the lending list of further Non-UK banks although these are kept under continual review and can be deleted or added to as credit conditions change. In addition to credit ratings, the Council will also assess other indicators, such as credit default swaps, share prices, the sovereign's economic fundamentals, corporate developments highlighted through news articles and market sentiment. If any of these indicators give rise to concern, the counterparty may be suspended from further use irrespective of the existing credit rating.

The revision to the credit criteria, once approved by Council for use in 2013/14, will also apply to the residual period of 2012/13.

- The addition to the lending list of Registered Providers. Typically these are Registered Social Landlords managing large quantities of housing stock.
- Following changes to CIPFA's guidance, the prudential indicator for net debt and capital financing requirement has been replaced with gross debt and the capital financing requirement. This has also resulted in the removal of the indicator 'Gross and Net Debt'.

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

Name: Joanne Wilcox
Designation: Corporate Finance Lead
Tel No: 01270 685869
Email: lisa.quinn@cheshireeast.gov.uk

Appendices:

*Appendix A – Treasury Management Strategy Statement & Investment Strategy
2013/14 – 2015/16*

**Treasury Management Strategy Statement
and Investment Strategy 2013/14 to 2015/16**

Contents

- 1. Background**
- 2. Capital Financing Requirement**
- 3. Interest Rate Forecast**
- 4. Borrowing Strategy**
- 5. Sources of Borrowing and Portfolio Implications**
- 6. Debt Rescheduling**
- 7. Annual Investment Strategy**
- 8. Investment Strategy**
- 9. Policy on Use of Financial Derivatives**
- 10. 2013/14 MRP Statement**
- 11. Monitoring and Reporting on the Treasury Outturn and Prudential Indicators**
- 12. Other Items**

Annexes

- A. Existing Investment & Debt Portfolio Position (Section 2.2)**
- B. Prudential Indicators**
- C. Economic & Interest Rate Forecast (Sections 4.1 & 5.1)**
- D. Current Recommended Sovereign and Counterparty List**
- E. Non- Specified Investments for use by the Council**
- F. MRP Statement 2013/14**

1. Background

- 1.1. The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code") and the Prudential Code require local authorities to determine the Treasury Management Strategy Statement (TMSS) and Prudential Indicators (PIs) on an annual basis. The TMSS also includes the Annual Investment Strategy (AIS) that is a requirement of the CLG's Investment Guidance.
- 1.2. As per the requirements of the Prudential Code, the Authority has adopted the CIPFA Treasury Management Code at a meeting of its Council on 23rd February 2012.
- 1.3. The purpose of this TMSS is, therefore, to approve:
 - revisions to Treasury Management Strategy and Prudential Indicators for 2012/13
 - Treasury Management Strategy for 2013/14
 - Annual Investment Strategy for 2013/14
 - Prudential Indicators for 2013/14, 2014/15 and 2015/16 (Annex B)
 - MRP Statement (Annex F)
- 1.4. The Authority has borrowed and invested substantial sums of money and therefore has potentially large exposures to financial risks including the loss of invested funds and the effect of changing interest rates. The successful identification, monitoring and control of risk is therefore central to the Authority's treasury management strategy.

2. Capital Financing Requirement

- 2.1 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The CFR, together with Usable Reserves, are the core drivers of the Authority's Treasury Management activities.
- 2.2 The Authority's currently has £159m of debt and £99m of investments. This is set out in further detail at **Annex A**.
- 2.3 **Money Borrowed in Advance of Spending Need:** The Authority is able to borrow funds in excess of the current level of its CFR up to the projected level in 2015/16. The Authority is likely to only borrow in advance of need if it felt the benefits of borrowing at interest rates now compared to where they are expected to be in the future, outweighs the current cost and risks associated with investing the proceeds until the borrowing was actually required.
- 2.4 The forecast movement in the CFR in coming years is one of the Prudential Indicators (PIs), which can be found in Annex B. The movement in actual external debt and usable reserves combine to identify the Authority's borrowing requirement and potential investment strategy in the current and future years.

Table 1: Balance Sheet Summary Analysis

	2012/13 Estimate £m	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m
General Fund CFR	196	227	253	260
Less: Existing Profile of Borrowing	-124	-118	-107	-98
Less: Other Long Term Liabilities	-23	-22	-21	-20
Cumulative Maximum External Borrowing Requirement	49	87	125	142
Usable Reserves	-37	-38	-38	-43
Cumulative Net Borrowing Requirement/(Investments)	12	49	87	99

3. Interest Rate Forecast

- 3.1 The Arlingclose interest rate forecast continues its theme of the last few years, that is, that interest rates will remain low for even longer. Indeed, the forecast is for official UK interest rates to remain at 0.5% until 2016 given the moribund outlook for economic growth and the extension of austerity measures announced in the Chancellor's Autumn Statement. Until there is a credible resolution of the problems that stalk the Eurozone - and that resolution requires full-scale fiscal union which faces many significant political hurdles - then the UK's safe haven status and minimal prospect of increases in official interest rates will continue to combine and support the theme within the forecast.
- 3.2 The economic and interest rate forecast provided by the Authority's treasury management advisor is attached at **Annex C**. The Authority will reappraise its strategies from time to time in response to evolving economic, political and financial events.

4. Borrowing Strategy

- 4.1 Treasury management and borrowing strategies in particular continue to be influenced not only by the absolute level of borrowing rates but also the relationship between short and long term interest rates. This difference creates a "cost of carry" for any new longer term borrowing where the proceeds are temporarily held as investments because of the difference between what is paid on the borrowing and what is earned on the investment. The cost of carry is likely to be an issue until 2016 or beyond. As borrowing is often for longer dated periods (anything up to 50 years) the cost of carry needs to be considered against a backdrop of uncertainty and affordability constraints in the Authority's wider financial position.
- 4.2 As indicated in Table 1, the Authority has a gross and net borrowing requirement and will be required to borrow up to £49m in 2013/14. The Authority will adopt a flexible approach to this borrowing in consultation with its treasury management advisers, Arlingclose Ltd. The following issues will be considered prior to undertaking any external borrowing:
- Affordability;
 - Maturity profile of existing debt;
 - Interest rate and refinancing risk;

- Borrowing source.

5. Sources of Borrowing and Portfolio Implications

5.1 In conjunction with advice from its treasury advisor, Arlingclose Ltd, the Authority will keep under review the following borrowing sources:

- Internal
- PWLB
- Local authorities
- European Investment Bank (*NB the EIB will only lend up to 50% towards the funding of a specific project and needs to meet the EIB's specific criteria*)
- Leasing
- Structured finance
- Capital markets (stock issues, commercial paper and bills)
- Commercial banks

5.2 The cost of carry has resulted in an increased reliance upon shorter dated borrowing and consideration of variable rates for new borrowing. This type of borrowing injects volatility into the debt portfolio in terms of interest rate risk but is counterbalanced by its affordability and alignment of borrowing costs with investment returns. The Authority's exposure to shorter dated and variable rate borrowing is kept under regular review by reference to the difference or spread between variable rate and longer term borrowing costs. A significant narrowing in the spread (e.g. by 0.50%) will result in an immediate and formal review of the borrowing strategy to determine whether the exposure to shorter dated and variable rates is maintained or altered.

5.3 The Authority has £17m exposure to LOBO loans (Lender's Option Borrower's Option) of which the whole £17m can be "called" within 2013/14. A LOBO is called when the Lender exercises its right to amend the interest rate on the loan at which point the Borrower can accept the revised terms or reject them and repay the loan. LOBO loans present a potential refinancing risk to the Authority since the decision to call a LOBO is entirely at the lender's discretion.

Any LOBOs called will be discussed with the treasury advisers prior to acceptance of any revised terms. The default position will be the repayment of the LOBO without penalty i.e. the revised terms will not be accepted.

5.4 Other sources of borrowing will also be considered where it is advantageous to do so (e.g reduced rate or interest free loans in connection with project funding such as Energy Efficiency Loans Scheme for Highways LED lights).

6. Debt Rescheduling

6.1 The Authority's debt portfolio can be restructured by prematurely repaying loans and refinancing them on similar or different terms to achieve a reduction in risk and/or savings in interest costs.

6.2 The lower interest rate environment and changes in the rules regarding the premature repayment of PWLB loans has adversely affected the scope to undertake meaningful debt restructuring although occasional opportunities arise. The rationale for undertaking any debt rescheduling or repayment would be one or more of the following:

- Reduce investment balances and credit exposure via debt repayment
- Align long-term cash flow projections and debt levels

- Savings in risk adjusted interest costs
- Rebalancing the interest rate structure of the debt portfolio
- Changing the maturity profile of the debt portfolio

6.3 Borrowing and rescheduling activity will be reported to the Cabinet in the Annual Treasury Management Report and the regular treasury management reports presented to the Audit and Governance Committee.

7. Annual Investment Strategy

7.1 In accordance with Investment Guidance issued by the CLG and best practice this Authority's primary objective in relation to the investment of public funds remains the security of capital. The liquidity or accessibility of the Authority's investments is secondary, followed by the yield earned on investments which is a tertiary consideration.

7.2 The Authority and its advisors remain on a heightened state of alert for signs of credit or market distress that might adversely affect the Authority.

7.3 Investments are categorised as "Specified" or "Non-Specified" within the investment guidance issued by the CLG.

Specified investments are sterling denominated investments with a maximum maturity of one year. They also meet the "high credit quality" as determined by the Authority and are not deemed capital expenditure investments under Statute. Non specified investments are, effectively, everything else.

7.4 The types of investments that will be used by the Authority and whether they are specified or non-specified are as follows:

Table 2: Specified and Non-Specified Investments

Investment	Specified	Non-Specified
Term deposits with banks and building societies	✓	✓
Term deposits with other UK local authorities	✓	✓
Investments with Registered Providers	✓	✓
Certificates of deposit with banks and building societies	✓	✓
Gilts	✓	✓
Treasury Bills (T-Bills)	✓	×
Bonds issued by Multilateral Development Banks	✓	✓
Local Authority Bills	✓	×
Commercial Paper	✓	×
Corporate Bonds	✓	✓
AAA-Rated Money Market Funds	✓	×
Other Money Market and Collective Investment Schemes	✓	✓
Debt Management Account Deposit Facility	✓	×

Further details can be found in **Annex D & E**.

- 7.5 Registered Providers (RPs) have been included within specified and non-specified investments for 2013/14. Investments with RPs will be analysed on an individual basis and discussed with Arlingclose prior to investing.
- 7.6 The minimum credit rating for non-UK sovereigns is AA+ (or equivalent). For specified investments the minimum long term rating for counterparties is A- (or equivalent). As detailed in non-specified investments in Annex E, the Director of Finance will have discretion to make investments with counterparties that do not meet the specified criteria on advice from Arlingclose.

The other credit characteristics, in addition to credit ratings, that the Authority monitors are listed in the Prudential Indicator on Credit Risk (PI 12).

Any institution will be suspended or removed should any of the factors identified above give rise to concern. Specifically credit ratings are monitored by the Authority on a daily/weekly basis. Arlingclose advises the Authority on ratings changes and appropriate action to be taken.

The countries and institutions that currently meet the criteria for investments are included in **Annex D**.

- 7.7 **Authority's Banker** - The Authority banks with Co-operative Bank. At the current time, it does not meet the Authority's minimum credit criteria. Despite the credit rating being below the Authority's minimum criteria, Co-operative Bank will continue to be used for short term liquidity requirements (overnight and instant access investments) and business continuity arrangements.
- 7.8 The Authority may also grant loans at market rates to businesses where it is considered necessary to achieve the policy objectives of the Authority or where it is a condition for receipt of funds. A current example is the Growing Places Scheme where £13m is currently held by the Authority. Approval for any such schemes and the criteria for agreeing these loans will be obtained from the appropriate committee and will not, therefore, fall within the scope of the Treasury Management Strategy.

8. Investment Strategy

- 8.1 With short term interest rates low for some time, an investment strategy will typically result in a lengthening of investment periods, where cash flow permits, in order to lock in higher rates of acceptable risk adjusted returns. The problem in the current environment is finding an investment counterparty providing acceptable levels of counterparty risk.
- 8.2 In order to diversify a portfolio largely invested in cash, investments will be placed with approved counterparties over a range of maturity periods. Maximum investment levels with each counterparty will be set to ensure prudent diversification is achieved.
- 8.3 Money market funds (MMFs) will be utilised but good treasury management practice prevails and whilst MMFs provide good diversification the Authority will also seek to mitigate operational risk by utilising at least two MMFs. The Authority will also restrict its exposure to MMFs with lower levels of funds under management and will not exceed 0.5% of the net asset value of the MMF. In the case of the CCLA Public Sector Deposit Fund the maximum amount invested will be the higher of £1m or 0.5% of the net asset value of the fund. In the case of Government MMFs, the Council will ensure exposure to each Fund does not exceed 2% of the net asset value of the Fund.
- 8.4 Collective Investment Schemes (Pooled Funds):

The Authority has evaluated the use of Pooled Funds and determined the appropriateness of their use within the investment portfolio. Pooled funds enable the Authority to diversify the assets and the underlying risk in the investment portfolio and provide the potential for enhanced returns.

- 8.5 Investments in pooled funds will be undertaken with advice from Arlingclose Ltd. Since May 2011, the Authority currently has investments of £20m in Pooled Funds with Investec; their performance and continued suitability in meeting the Authority's investment objectives are regularly monitored. Performance in the first 12 months was not as good as expected being adversely affected by the European debt crisis. However, since then performance has improved and the fund has started producing higher returns than in house investments.

9. Policy on Use of Financial Derivatives

- 9.1 Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). The CIPFA Code requires authorities to clearly detail their policy on the use of derivatives in the annual strategy.
- 9.2 The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 9.3 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.
- 9.4 The local authority will only use derivatives after seeking expertise, a legal opinion and ensuring officers have the appropriate training for their use.

10. 2013/14 MRP Statement

- 10.1 The Council is required to set an annual policy on the way it calculates the prudent provision for the repayment of borrowing (MRP). This year's policy can be found in Annex F of this report.

11. Monitoring and Reporting on the Treasury Outturn and Prudential Indicators

- 11.1 The Director of Finance and Business Services will report to the Audit and Governance Committee on treasury management activity/performance and Performance Indicators as follows:
- Quarterly against the strategy approved for the year. The Authority will produce an outturn report on its treasury activity no later than 30th September after the financial year end.
 - The Audit and Governance Committee will be responsible for the scrutiny of treasury management activity and practices.

12. Other Items

12.1 Training

CIPFA's Code of Practice requires the *responsible officer* to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

Treasury management staff will have regular access to training opportunities to ensure they are fully up to date with developments. This will be delivered by a combination of workshops provided by Arlingclose and CIPFA technical updates.

Treasury management training for those members charged with governance was provided in 2012/13 and updates will also be arranged during the 2013/14 financial year.

12.2 Treasury Management Advisors

The Authority uses Arlingclose as Treasury Management Advisors and receives the following services:

- Credit advice
- Investment advice
- Technical advice
- Economic & interest rate forecasts
- Workshops and training events
- Etc.

The Authority maintains the quality of the service with its advisors by holding *quarterly* meetings and tendering periodically.

Annex A - Existing Investment & Debt Portfolio Position (Section 2.2)

	02/01/13 Actual Portfolio £m	02/01/13 Average Rate %
External Borrowing:		
PWLB - Fixed Rate	117	3.89%
PWLB - Variable Rate	0	-
LOBO Loans	17	4.49%
Total External Borrowing	134	3.96%
Other Long Term Liabilities:		
PFI	22	-
Finance Leases	3	-
Total Gross External Debt	159	-
Investments:		
<i>Managed in-house</i>		
Short-term investments	79	0.67%
Long-term investments	0	-
<i>Managed externally</i>		
Fund Managers	0	-
Pooled Funds (<i>please list</i>)	20	1.03%
Total Investments	99	0.74%
Net Debt	60	-

Annex B

Prudential Indicators revisions to 2012/13 and 2013/14 - 2015/16

1. Background:

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.

2. Gross Debt and the Capital Financing Requirement:

This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

If in any of these years there is a reduction in the capital financing requirement, this reduction is ignored in estimating the cumulative increase in the capital financing requirement which is used for comparison with **gross** external debt.

The Director of Finance reports that the Authority had no difficulty meeting this requirement in 2012/13, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

3. Estimates of Capital Expenditure:

3.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax.

Capital Expenditure	2012/13 Approved £m	2012/13 Revised £m	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m
Total	83.9	57.0	112.0	83.1	28.9

3.2 Capital expenditure will be financed or funded as follows:

Capital Financing	2012/13 Approved £m	2012/13 Revised £m	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m
Capital receipts	14.3	10.0	10.0	5.0	0.0
Government Grants	36.1	31.2	41.3	22.1	2.6
Other Grants/Contributions	0.2	2.0	22.7	20.7	8.4
Revenue contributions	0.6	0.5	0.1	0.0	0.0
Total Financing	51.2	43.7	74.1	47.8	11.0
Supported borrowing	1.8	1.6	0.0	0.0	0.0
Unsupported borrowing	30.9	11.7	37.9	35.3	17.9
Total Funding	32.7	13.3	37.9	35.3	17.9
Total Financing and Funding	83.9	57.0	112.0	83.1	28.9

Table 1 shows that the capital expenditure plans of the Authority cannot be funded entirely from sources other than external borrowing.

4. Ratio of Financing Costs to Net Revenue Stream:

4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.

4.2 The ratio is based on costs net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2012/13 Approved %	2012/13 Revised %	2013/14 Estimate %	2014/15 Estimate %	2015/16 Estimate %
Total	6.01	5.64	4.58	5.35	6.23

5. Capital Financing Requirement:

5.1 The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and financing.

Capital Financing Requirement	2012/13 Approved £m	2012/13 Revised £m	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m
Total CFR	233	196	227	253	260

6. Actual External Debt:

6.1 This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

Actual External Debt as at 31/03/2012	£m
Borrowing	134
Other Long-term Liabilities	25
Total	159

7. Incremental Impact of Capital Investment Decisions:

7.1 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

Incremental Impact of Capital Investment Decisions	2012/13 Approved £	2013/14 Estimate £	2014/15 Estimate £	2015/16 Estimate £
Increase in Band D Council Tax	6.02	0.00	11.92	10.77

8. Authorised Limit and Operational Boundary for External Debt:

8.1 The Authority has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will

therefore arise as a consequence of all the financial transactions of the Authority and not just those arising from capital spending reflected in the CFR.

8.2 The **Authorised Limit** sets the maximum level of external debt on a gross basis (i.e. excluding investments) for the Authority. It is measured on a daily basis against all external debt items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Authority's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

8.3 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

8.4 The Operational Boundary has been set on the estimate of the most likely, i.e. prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

8.5 The Operational Boundary links directly to the Authority's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

	2012/13 Approved £m	2012/13 Revised £m	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m
Authorised Limit for Borrowing	245	208	240	267	275
Authorised Limit for Other Long-term Liabilities	23	23	22	21	20
Authorised Limit for External Debt	268	231	262	288	295
Operational Boundary for Borrowing	235	198	230	257	265
Operational Boundary for Other Long-term Liabilities	23	23	22	21	20
Operational Boundary for External Debt	258	221	252	278	285

9. Adoption of the CIPFA Treasury Management Code:

9.1 This indicator demonstrates that the Authority has adopted the principles of best practice.

Adoption of the CIPFA Code of Practice in Treasury Management
The Council approved the adoption of the CIPFA Treasury Management Code at its Council meeting on 23 rd February 2012.

The Authority has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

10. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:

- 10.1 These indicators allow the Authority to manage the extent to which it is exposed to changes in interest rates. This Authority calculates these limits on net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments).
- 10.2 The upper limit for variable rate exposure has been set to ensure that the Authority is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments

	Existing level (or Benchmark level) at 02/01/13 %	2012/13 Approved %	2012/13 Revised %	2013/14 Estimate %	2014/15 Estimate %	2015/16 Estimate %
Upper Limit for Fixed Interest Rate Exposure	100%	100%	100%	100%	100%	100%
Upper Limit for Variable Interest Rate Exposure	0%	100%	100%	100%	100%	100%

- 10.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Authority's treasury management strategy.

11. Maturity Structure of Fixed Rate borrowing:

- 11.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.
- 11.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.
- 11.3 LOBOs are classified as maturing on the next call date i.e. the earliest date that the lender can require repayment. As all LOBOs are can be called within 12 months the upper limit for borrowing maturing within 12 months has been increased from 25% to 35% to allow for the value of LOBOs and any potential short term borrowing that could be undertaken in 2013/14.

Maturity structure of fixed rate borrowing	Existing level as at 02/01/13 %	Lower Limit for 2013/14 %	Upper Limit for 2013/14 %
under 12 months	17%	0%	35%
12 months and within 24 months	8%	0%	25%
24 months and within 5 years	15%	0%	35%
5 years and within 10 years	15%	0%	50%
10 years and within 20 years	16%	0%	100%
20 years and within 30 years	9%	0%	100%
30 years and within 40 years	9%	0%	100%
40 years and within 50 years	11%	0%	100%
50 years and above	0%	0%	100%

12. Credit Risk:

12.1 The Authority considers security, liquidity and yield, in that order, when making investment decisions.

12.2 Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Authority's assessment of counterparty credit risk.

12.3 The Authority also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP);
- Corporate developments, news, articles, markets sentiment and momentum;
- Subjective overlay.

12.4 The only indicators with prescriptive values remain to be credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

13. Upper Limit for total principal sums invested over 364 days:

13.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Authority having to seek early repayment of the sums invested.

Upper Limit for total principal sums invested over 364 days	2012/13 Approved %	2012/13 Revised %	2013/14 Estimate %	2014/15 Estimate %	2015/16 Estimate %
	40%	40%	40%	40%	40%

Annex C - Economic & Interest Rate Forecast (Sections 4.1 & 5.1)

	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
Official Bank Rate													
Upside risk			0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
3-month LIBID													
Upside risk	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75	0.75
Central case	0.40	0.40	0.40	0.45	0.45	0.50	0.50	0.50	0.55	0.55	0.55	0.60	0.60
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
1-yr LIBID													
Upside risk	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75	0.75
Central case	0.90	0.90	0.95	0.95	1.00	1.00	1.00	1.00	1.10	1.10	1.10	1.10	1.10
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
5-yr gilt													
Upside risk	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00
Central case	0.80	0.90	0.90	0.90	1.00	1.00	1.00	1.00	1.10	1.10	1.10	1.20	1.20
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
10-yr gilt													
Upside risk	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.00	1.00
Central case	1.90	1.90	2.00	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.20	2.20	2.20
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
20-yr gilt													
Upside risk	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00
Central case	2.80	2.80	2.80	2.80	2.90	2.90	2.90	2.90	3.00	3.00	3.00	3.00	3.00
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
50-yr gilt													
Upside risk	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00
Central case	3.30	3.30	3.30	3.40	3.40	3.40	3.50	3.50	3.50	3.50	3.60	3.60	3.60
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25

Underlying Assumptions:

- Consumer Price Inflation has fallen to 2.7% from a peak of 5.2%. Near term CPI is likely to be affected by volatility in commodity prices and its decrease towards the 2% target is expected to be slower than previously estimated.
- Strong Q3 growth data has provided encouragement with the larger than expected 1% rise in GDP. Consumers are yet to loosen purse strings and businesses are still reticent to make long-term investments. The momentum in growth is unlikely to be sustained whilst uncertainty over the economic outlook persists.
- In the absence of large, unexpected decline in growth, QE is likely to remain on hold at £375bn for now. The availability of cheaper bank borrowing and subsequently for corporates through the Funding for Lending Scheme (FLS) is a supporting factor.
- The US Federal Reserve's shift in its rate guidance from a date-based indication to economic thresholds (6.5% unemployment, inflation 1 - 2 years out projected to remain below 2.5%, longer term inflation expectations remain well anchored) is likely to increase market uncertainty around the highly volatile US employment data releases.
- The US 'fiscal cliff' was avoided with a last-minute compromise between Congress and the White House averting automatic tax rises and spending cuts. However, the problem remains and has merely been delayed rather than resolved.
- The Eurozone is making slow headway (the European Stability Mechanism is now operational, announcements on the OMT programme, slow progress towards banking union) which has placated markets and curtailed some of the immediate risks although peripheral countries continue to struggle. Full-fledged banking and fiscal union is still some years away.

Annex D - Current Recommended Sovereign and Counterparty List as at 17/12/2012 (Section 8)

Please complete with your own authority's limits for investments and duration:

Country/ Domicile	Counterparty	Maximum Counterparty Limit %/£m	Maximum Maturity Limit (term deposits and instruments without a secondary market) ¹	Maximum Maturity Limit (negotiable instrument) ²
UK	Co-operative Bank (for banking & liquidity purposes only)	15% up to £15m	Overnight	N/A
UK	Santander UK Plc (Banco Santander Group)	15% up to £15m	2 years	5 years
UK	Bank of Scotland (Lloyds Banking Group)	15% up to £15m	2 years	5 years
UK	Lloyds TSB (Lloyds Banking Group)	15% up to £15m	2 years	5 years
UK	Barclays Bank Plc	15% up to £15m	2 years	5 years
UK	HSBC Bank Plc	15% up to £15m	2 years	5 years
UK	Nationwide Building Society	15% up to £15m	2 years	5 years
UK	NatWest (RBS Group)	15% up to £15m	2 years	5 years
UK	Royal Bank of Scotland (RBS Group)	15% up to £15m	2 years	5 years
UK	Standard Chartered Bank	15% up to £15m	2 years	5 years
Australia	Australia and NZ Banking Group	15% up to £15m	2 years	5 years
Australia	Commonwealth Bank of Australia	15% up to £15m	2 years	5 years
Australia	National Australia Bank Ltd (National Australia Bank Group)	15% up to £15m	2 years	5 years
Australia	Westpac Banking Corp	15% up to £15m	2 years	5 years
Canada	Bank of Montreal	15% up to £15m	2 years	5 years
Canada	Bank of Nova Scotia	15% up to £15m	2 years	5 years
Canada	Canadian Imperial Bank of Commerce	15% up to £15m	2 years	5 years
Canada	Royal Bank of Canada	15% up to £15m	2 years	5 years
Canada	Toronto-Dominion Bank	15% up to £15m	2 years	5 years
Finland	Nordea Bank Finland	15% up to £15m	2 years	5 years
Finland	Pohjola	15% up to £15m	2 years	5 years
France	BNP Paribas	15% up to £15m	2 years	5 years
France	Credit Agricole CIB (Credit	15% up to £15m	2 years	5 years

¹ 2 years is the maximum approved duration for term deposits and illiquid investments (those without a secondary market), although in practice the Authority may be investing on a shorter term basis depending on operational advice of the authority's treasury management adviser.

² 5 years is the maximum approved duration for negotiable instruments such as Certificates of Deposits, Medium Term Notes and Corporate Bonds, although in practice the Authority may be investing for shorter periods depending on operational advice of the authority's treasury management adviser.

	Agricole Group)			
France	Credit Agricole SA (Credit Agricole Group)	15% up to £15m	2 years	5 years
France	Société Générale	15% up to £15m	2 years	5 years
Germany	Deutsche Bank AG	15% up to £15m	2 years	5 years
Netherlands	ING Bank NV	15% up to £15m	2 years	5 years
Netherlands	Rabobank	15% up to £15m	2 years	5 years
Netherlands	Bank Nederlandse Gemeenten	15% up to £15m	2 years	5 years
Singapore	DBS Bank Ltd	15% up to £15m	2 years	5 years
Singapore	Oversea-Chinese Banking Corporation (OCBC)	15% up to £15m	2 years	5 years
Singapore	United Overseas Bank (UOB)	15% up to £15m	2 years	5 years
Sweden	Svenska Handelsbanken	15% up to £15m	2 years	5 years
Switzerland	Credit Suisse	15% up to £15m	2 years	5 years
US	JP Morgan	15% up to £15m	2 years	5 years
UK/Ireland/ Luxembourg	AAA rated Money Market Funds (CNAV and VNAV)	25% subject to fund size (see paragraph 8.3) Limit of 50% in all funds	Instant Access	N/A

Please note this list could change if, for example, a counterparty/country is upgraded, and meets our other creditworthiness tools or a new suitable counterparty comes into the market. Alternatively, if a counterparty is downgraded, this list may be shortened.

Group Limits - For institutions within a banking group, the authority applies the limit applicable to the individual limit of a single bank within that group.

Annex E - Non-Specified Investments

Instrument	Maximum maturity	Max % of portfolio	Capital expenditure?	Example
Term deposits with banks, building societies which meet the specified investment criteria (on advice from TM Adviser)	2 years	25%	No	
Term deposits with local authorities	5 years	No limit	No	
CDs and other negotiable instruments with banks and building societies which meet the specified investment criteria (on advice from TM Adviser)	5 years	25%	No	
Investments with banks and building societies which do not meet the specified investment criteria (on advice from TM Adviser and authority from S151 Officer)	3 months	25%	No	
Deposits with registered providers	5 years	25%	No	
Gilts	10 years	100%	No	
Bonds issued by multilateral development banks	10 years	50%	No	EIB Bonds, Council of Europe Bonds etc.
Sterling denominated bonds by non-UK sovereign governments	10 years	50%	No	
Money Market Funds and Collective Investment Schemes	These funds do not have a defined maturity date	50%	No	Investec Target Return Fund;
Corporate and debt instruments issued by corporate bodies purchased from 01/04/12 onwards	10 years	25%	No	
Collective Investment Schemes (pooled funds) which do not meet the definition of collective investment schemes in SI 2004 No 534 or SI 2007 No 573 and subsequent amendments	These funds do not have a defined maturity date	50%	Yes	Way Charteris Gold Portfolio Fund; Aviva Lime Fund

Annex F - MRP Statement 2013/14

CLG's Guidance on Minimum Revenue Provision (issued in 2010) places a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003.

The four MRP options available are:

- Option 1: Regulatory Method
- Option 2: CFR Method
- Option 3: Asset Life Method
- Option 4: Depreciation Method

NB This does not preclude other prudent methods.

MRP in 2013/14: Options 1 and 2 may be used only for supported (i.e. financing costs deemed to be supported through Revenue Support Grant from Central Government) Non-HRA capital expenditure funded from borrowing. Methods of making prudent provision for unsupported Non-HRA capital expenditure include Options 3 and 4 (which may also be used for supported Non-HRA capital expenditure if the Authority chooses). There is no requirement to charge MRP in respect of HRA capital expenditure funded from borrowing.

The MRP Statement will be submitted to Council before the start of the 2013/14 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement should be put to Authority at that time.

The Authority will apply **Option 2** in respect of supported Non-HRA capital expenditure funded from borrowing and **Option 3** in respect of unsupported Non-HRA capital expenditure funded from borrowing.

And

MRP in respect of leases and Private Finance Initiative schemes brought on Balance Sheet under the International Financial Reporting Standards (IFRS) based Accounting Code of Practice will match the annual principal repayment for the associated deferred liability.

COUNCIL MEETING – 28 FEBRUARY 2013

**ITEM 10 – RECOMMENDATIONS FROM CABINET
(b) PAY POLICY STATEMENT 2013/14**

Extract from the Minutes of the Cabinet Meeting on 4 February 2013

150 PAY POLICY STATEMENT 2013/14

Consideration was given to a report on a Pay Policy Statement. Section 38 of the Localism Act 2011 required local authorities to produce a Pay Policy Statement (PPS) by 31 March on an annual basis.

A revised draft Pay Policy Statement for 2013/2014 had been prepared and had been considered by the Council's Staffing Committee at its meeting on Friday 11 January 2013 and amendments proposed.

RESOLVED

That the Staffing Committee's proposed amendments be noted and Council be recommended to approve Pay Policy Statement for 2013/2014

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CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 4 February 2013
Report of: Head of Human Resources and Organisational Development
Subject/Title: Pay Policy Statement 2013/14
Portfolio Holder: Councillor Barry Moran
Portfolio Holder for Performance

1.0 Report Summary

- 1.1 Section 38 of the Localism Act 2011 requires local authorities to produce a Pay Policy Statement (PPS) by 31 March on an annual basis. Regard is to be given to any guidance from the Secretary of State in producing this statement.
- 1.2 The draft PPS for 2013/2014 is attached at Appendix 1. This highlights in shaded text the main changes between the current PPS (2012/13) and the proposed PPS for the next financial year (2013/13), showing proposed deletions of text as 'struck through'. It also highlights in red (underlined) text the additional amendments recommended by the Council's Staffing Committee at its meeting on Friday 11 January 2013.

2.0 Recommendation for Cabinet:

- 2.1 That Cabinet consider the draft Pay Policy Statement and endorse the Staffing Committee's proposed amendments, for Staffing Committee to be able to recommend to Council.

3.0 Reasons for Recommendations

- 3.1 A PPS is required to be produced annually from 2012/2013 under Section 38 of the Localism Act. Local Authorities must have their PPS approved by full Council and published on their web site no later than the 31st March prior to the financial year to which they relate.

4.0 Wards Affected

- 4.1 Not applicable.

5.0 Local Ward Members

- 5.1 Not applicable.

6.0 Policy Implications

- 6.1 Any decisions relating to the pay and remuneration of Chief Officers must comply with the PPS in place at the time for that financial year and, whilst

the Statement can be amended in year should the need arise, changes must be subject to the approval of full Council.

7.0 Financial Implications (Authorised by the Director of Finance and Business Services).

- 7.1 There are no direct financial implications associated with approving the draft PPS 2013/14 and no budgetary adjustments are proposed specifically in relation to this report.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 The Council is required to produce and publish a PPS, agreed by Council, each year, under Section 38 of the Localism Act.
- 8.2 This report and accompanying draft PPS, once approved and adopted, ensures that the Council complies with this requirement.

9.0 Risk Management

- 9.1 Should the draft PPS not be approved and published by the 31 March 2013, the Council will fail to comply with the legal requirements stated above.

10.0 Detail

- 10.1 The Council approved the 2012/2013 Statement on 23 February 2012. Subsequent revisions to reflect amendments made to redundancy payments, payments on termination and compromise agreements were approved by Council on 19 July 2012.
- 10.2 The draft PPS for the next financial year, 2013/14, has been updated to reflect a number of changes which are detailed below and highlighted in the draft version attached at Appendix 1.
- 10.2.1 Reference to the continuation of the increment freeze to 30 November 2013 has been incorporated;
- 10.2.2 Reference has been made to changes in the Local Government Pension Scheme to reflect the requirements under the Automatic Enrolment Regulations 2012 and changes to pension bandings effective from 1 April;
- 10.2.3 Job titles, salary levels (including market supplements) and the organisational structure have been updated to reflect changes;
- 10.2.4 Information about pay multiples have been amended to reflect updated figures as well as National Minimum Wage rates effective from October 2012.

11.0 Consideration by Staffing Committee

- 11.1 The draft PPS was presented to the Staffing Committee at its meeting on the 11 January 2013. The Committee made a number of comments and recommendations.
- 11.1.1 It was recommended that the changes between the current PPS (2012/13) and the updated draft PPS be highlighted for ease of reference. This has been incorporated.
- 11.1.2 It was recommended that a further reference to the increment freeze be included as appropriate for Chief Officers – this has now been included.
- 11.1.3 It was recommended that further information about the Relocation Expenses Policy be included – this has now been included. It was acknowledged that full versions all of the relevant policies were available for information.
- 11.1.4 It was recommended that the current provision whereby any changes to existing posts or additional posts created, with a salary above £100,000 are subject to a vote by full Council be amended to include all officers on JNC Chief Officer conditions reporting directly to the Chief Executive. This change would require a corresponding change to the Council's constitution.
- 11.1.5 It was also recommended that the current provision whereby the decision and approval for any termination payment and approval for the terms of a compromise agreement (in the case of a termination on a consensual basis) for Chief Officers (Statutory, non Statutory and those earning over £100,000) which rests with the Chief Executive in agreement with the Leader of the Council and the Chairman of Staffing Committee be amended from above £100,000 to all officers on JNC Chief Officer conditions reporting directly to the Chief Executive. This change would require a corresponding change to the Council's constitution.
- 11.1.6 Currently, the Council publishes the job title and salary for all posts with a full time equivalent salary of £50,000 and above. This salary level is in line with the CIPFA Code of Practice on Local Authority Accounting. In addition, (in accordance with the requirements of the Localism Act), the Council is also required to publish the names of any individuals earning over £150,000. Staffing Committee recommended that the Council consider going further than is required. As a result, it is proposed that the Council publish the names of all individuals earning in excess of £56,000, in line with the Government's recommendations, subject to individual agreement where earnings are below £150,000.
- 11.1.7 It was recommended that the decision making process for recruitment decisions be amended to require a vote of full Council for all Officers on JNC Chief Officer conditions reporting directly to the Chief Executive, in addition to those already stated in the PPS. This change would require a corresponding change to the Council's constitution.
- 11.2 Cabinet are requested to consider the draft PPS (attached) and endorse the amendments for recommendation for approval by Council.

- 11.3 There is no formal requirement to consult the Trade Unions but the policy has been shared with them and no significant concerns have been raised.

12.0 Access to Information

- 12.1 The background papers relating to this report can be inspected by contacting the report writer:

Name: Paul Bradshaw, Head of HR & OD

Tel No: 01270 686027

Email: paul.bradshaw@cheshireeast.gov.uk

Appendix 1: Pay Policy Statement 2013/2014

The main changes between the current PPS (2012/13) and the proposed PPS for the next financial year (2013/13) are highlighted in shaded text and struck out where appropriate i.e. where it is proposed to delete text. It also highlights in red (underlined) text the additional amendments recommended by the Council's Staffing Committee at its meeting on Friday 11 January 2013.

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APPENDIX 1

DRAFT PAY POLICY STATEMENT 2013/2014

The main changes between the current Pay Policy Statement (PPS) (2012/13) and the draft PPS for the next financial year (2013/13) are highlighted in shaded text and struck out where appropriate i.e. where it is proposed to delete text. It also highlights in red (underlined) text the additional amendments recommended by the Council's Staffing Committee at its meeting on Friday 11th January 2013.

1. INTRODUCTION AND PURPOSE

Under Section 112 of the Local Government Act 1972, the Council has the "power to appoint officers on such reasonable terms and conditions as the authority thinks fit". This Pay Policy Statement (the 'statement') sets out the Council's approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011.

The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its employees (excluding teaching staff and employees working in local authority schools) by identifying:

- the methods by which salaries of all employees are determined;
- the detail and level of remuneration of its most senior employees i.e. 'Chief Officers', as defined by the relevant legislation;
- the Committee responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to the full Council.

"Remuneration" for the purposes of this statement includes three elements - basic salary, pension and all other allowances arising from employment.

Additionally, the definition of "Chief Officers", for the purposes of this statement and in line with recommendations from the Secretary of State, includes the Head of Paid Service and Statutory Officers as well as those who report directly to them (non-statutory Chief Officers) and their direct reports.

Under this definition, the Council regards the following as its "Chief Officers":

updated changes to job titles

Head of Paid Service

Chief Executive

Statutory Chief Officers

Director of Finance and Business Services (151 Officer)
Strategic Director (Children, Families and Adults)
Borough Solicitor and Monitoring Officer (also Returning Officer) (Vacant)

Non-Statutory Chief Officers

Strategic Director (Places and Organisational Capacity) (Vacant)
Head of HR and Organisational Development

Deputy Chief Officers

Deputy Director of Children's Services (Lead Early Intervention and Prevention)
Head of Service - Strategy Planning and Performance
Head of Service – Children's Social Care
Principal Manager Safeguarding & Specialist Services
Head of Care4CE
Head of Integrated Strategic Commissioning
Head of Individual Commissioning & Personalisation for Adult Social Care
Head of Business Management & Challenge
Head of Development
Head of Community Services
Head of Performance, Customer Services and Capacity
Head of Highways and Transport
Waste & Recycling Manager
Streetscape & Bereavement Services Manager
HR Strategy & Organisational Development Manager
HR Delivery Manager
ICT Manager
Finance Manager
Shared Services and Procurement Manager
Internal Audit Manager (Vacant)
Democratic & Registration Services Manager
Head of Health Improvement

The senior management structure and relevant grades for these posts (including any vacancies) is attached at Annex 2.

In addition, the Council will employ a number of Officers from the Public Health Service with effect from 1 April 2013. It is anticipated that some of these Officers will fall into the categories of Chief Officers or Deputy Chief Officers.

Once approved by the full Council, this policy statement will come into effect from 1 April 2013 and will be subject to review on a minimum of an annual basis, the policy for the next financial year being approved by 31 March each year.

Any decision under powers delegated in the Council's Constitution with regard to remuneration to be taken during 2013/14 will be bound by and must comply with this Statement.

The Head of Human Resources and Organisational Development must be consulted prior to any decision impacting on remuneration where there is any question regarding compliance with the Statement.

2. OTHER LEGISLATION RELEVANT TO PAY AND REMUNERATION

In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes legislation such as the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, Fixed Term Workers Regulations 2002 and, where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. The Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of job evaluation mechanisms, which directly establish the relative levels of posts in grades according to the requirements, demands and responsibilities of the role.

3. PAY STRUCTURE

Amended reference to increment freeze being extended to November 2013.

The Council evaluates all Chief Officer roles, including the Chief Executive, using the HAY evaluation scheme. This ensures that different jobs having the same value are paid at the same rate i.e. the rate or pay scale linked to the “job score”. Up to Grade 18 (SCP 73) there is provision for progression by annual increments until the top of the pay scale is reached and most pay scales have 5 increments. However, incremental progression has been temporarily frozen for all employees (excluding Soulbury) until November 2013. This commenced in November 2011.

The Council uses the nationally negotiated pay spine(s) i.e. a defined list of salary points, as the basis for its local pay structure up to Spinal Column Point 38. The Council then deviates from the nationally negotiated pay spine and determines salary points locally up to SCP 73 / Grade 18 in order to provide flexibility to attract and appoint the best candidates taking into account local market conditions..

This defined pay structure then determines the salaries of all employees on NJC (National Joint Council for Local Government Services) and JNC (Joint Negotiating Committee for Chief Officers) terms and conditions, including Chief Officers, up to SCP 73 / Grade 18.

The Chief Executive and Chief Officers above Grade 18 (SCP 73), are paid a fixed spot salary with no provision for incremental progression. These posts are detailed below and the salaries for each grade are detailed in Annex 1:

- Chief Executive

Director 3:

- Strategic Director Places and Organisational Capacity

Director 2:

- Strategic Director (Children, Families and Adults)

Director 1:

- Director of Finance and Business Services (151 Officer)
- Head of Human Resources and Organisational Development

For these posts, the Council will normally use external advisers such as the Hay Group and the North West Employers Organisation when determining salary. The external advisor(s) would then provide information and advice as to the appropriate level at which to pitch the salary to be successful in recruiting. This statement and future benchmarking would also inform part of the process by which these salaries are reviewed.

Employees outside of this local pay and grading structure include the following groups of employees:

Soulbury - Education Psychologists and Advisers. Their pay is determined by the National Soulbury Committee.

Added Public Health Officers

NHS - Occupational Health Nurses & Public Health Officers. Their pay is determined in accordance with NHS Agenda for Change Pay Bands

Craft - Electricians, Mechanics etc. Their pay is determined by the Joint Negotiating Committee for Local Authority Craft & Associated Employees

In addition, there will from time to time be employees that have TUPE transferred into the authority on different pay and conditions.

The Council adopts the national pay bargaining arrangements in respect of the establishment and revision of the national and local pay spine, for example through any agreed annual pay increases negotiated with joint trade unions.

All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery.

Additional reference to the increment freeze added in below.

In determining its grading structure and setting remuneration levels for any posts which fall outside its scope, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high

quality services to the community, delivered effectively and efficiently and at times at which those services are required.

In addition, progression through the incremental scale of the relevant grade for NJC and JNC employees (including Chief Officers) is subject to completing satisfactory service, which is reviewed on an annual basis. However, (as noted above), incremental progression has been temporarily frozen until November 2013. This commenced in November 2011.

Where the Council is unable to recruit Chief Officers, or there is a need for interim support to provide cover for a substantive Chief Officer post, the Council will, where necessary, consider engaging individuals under a 'contract for service', particularly where this relates to a statutory post. These will be sourced through a relevant procurement process ensuring the Council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. In assessing such it should be noted that in respect of such engagements the Council is not required to make either pension or national insurance contributions for such individuals. ~~The Council does not currently have any Chief Officers engaged under such arrangements.~~

4. RECRUITMENT OF CHIEF OFFICERS

The Council's policy and procedures with regard to recruitment of Chief Officers are set out within the ***Recruitment Policy and Procedure*** (Annex 3) and as set out in the Staff Employment Procedure Rules in Part 4.

When recruiting to all posts the Council will take full and proper account of all provisions of relevant employment law and its own ***Recruitment Policy and Procedure, Disability at Work Commitment, Mindful Employer, Redeployment Policy and Procedure*** and ***Equality in Employment Policy*** (Annex 3).

The determination of the remuneration to be offered to any newly appointed Chief Officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment and in line with this Pay Policy Statement. New appointments will normally be made at the minimum of the relevant pay scale for the grade, although this can be varied on an exceptional basis where necessary to secure the best candidate. Where the appointment salary is above the minimum point of the pay scale and is not affected by other council policies, for example promotion, redeployment or flexible retirement, this is approved in accordance with the ***Pay and Allowances Policy*** and will take into account the appointee's existing pay and their relevant experience and qualifications taking account of equal pay within the Council.

From time to time it may be necessary to take account of the external pay levels in the labour market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using data sources available from within the local government

sector and outside, as appropriate. Any such payments will be reviewed at regular intervals to ensure their ongoing suitability and appropriateness.

Any temporary supplement to the salary scale for the grade is approved in accordance with the guidance document ***Payment of Market Supplements*** as a recruitment/retention incentive (Annex 3)

~~Currently one Chief Officer, the Head of Service, Early Intervention & Prevention, receives a market factor supplement of £3,500 per annum. This will be reviewed annually in line with the Council's policy on Market Supplements. – deleted and new paragraph added below to include up to date information~~

Currently two Chief Officers receive a market supplement:

- Deputy Director of Children's Services (Lead Early Intervention and Prevention) – supplement of £11,760. To be reviewed 16 April 2013.
- Head of Service, Children's Social Care – supplement of £7,000. To be reviewed 15 October 2013.

5. CHIEF OFFICER REMUNERATION

~~With the exception of progression through the incremental scale of the relevant grade being subject to satisfactory service, which is reviewed on an annual basis, currently, the level of remuneration is not variable dependent upon the achievement of defined targets. However, the Council expects high levels of performance from its employees and intends to move to a contribution based progression scheme linked to the annual performance and development review process from November 2012 onwards. In developing this scheme and future arrangements for setting Chief Officer remuneration, the Council will consider the Hutton Review's proposal for "earn back" (ie withholding a specified proportion of existing pay if performance is unsatisfactory) alongside any performance related pay scheme as a future model.~~

~~In addition and in preparation for the move towards a contribution based progression scheme, the Council currently has in place a 12 month freeze on incremental progression, this commenced in November 2011. – wording amended as below~~

With the exception of progression through the incremental scale of the relevant grade being subject to satisfactory service, which is reviewed on an annual basis, currently, the level of remuneration is not variable dependent upon the achievement of defined targets. However, the Council expects high levels of performance from its employees and is currently exploring the possibility of linking pay to performance at some point in the future.

To meet specific operational requirements it may be necessary for an individual to temporarily take on additional duties to their identified role. The Council's

arrangements for authorising any additional remuneration relating to temporary additional duties are set out in Section 10 of the Pay and Allowances Policy (Annex 3) Where the full duties and responsibilities of a higher graded post are being undertaken, the payment will be the salary in the higher job that would apply were the employee acting-up to be promoted to that job. If the full duties and responsibilities are not being undertaken or if they are undertaken by more than one employee, the amount of payment should be calculated with reference to the salary of the higher graded post by the Head of Service in consultation with HR. It may consist of a monthly addition to salary or one or more lump sums to be paid at the end of, or during, the acting-up period.

~~Any changes to existing posts or additional posts created, with a salary above £100,000, will be subject to a vote by full Council prior to appointment / confirmation. – amended following Staffing Committee as below.~~

Any changes to existing posts or additional posts created, with a salary above £100,000 and/or where the postholder is on JNC Chief Officer conditions and reports directly to the Chief Executive, will be subject to a vote by full Council prior to appointment / confirmation.

If the need arises to provide agency or interim cover the policy is to seek to cap the cost of that appointment at no more than that of the permanent appointment taking into account additional employment costs – pension contributions, national insurance, paid leave etc. However, where necessary a higher “market rate” will be paid to secure a suitable individual and market rate will be established by reference to soft market testing, external advice and dialogue with peer authorities.

6. ADDITIONS TO SALARY OF CHIEF OFFICERS

- **Fee for acting as the Returning Officer and Deputy Returning Officer(s)**

Cheshire East Council is required to appoint a Returning Officer by virtue of section 35 of the Representation of the People Act 1983. In Cheshire East the ~~Chief Executive~~ Borough Solicitor & Monitoring Officer has been appointed as the Returning Officer. This is a personal appointment, separate from their other duties. In this capacity they are the Returning Officer for elections to the Council and to Parish Councils within this Borough. For Borough and Parish Council elections, the Returning Officer fee is calculated in accordance with an agreed Scale of Fees. The Scale of Fees is agreed between and used by the four Cheshire Authorities.

The Returning Officer fee is payable for the substantial additional duties undertaken, and leadership required of the Returning Officer in planning, delivering and undertaking the elections and recognises the personal nature and personal responsibility of the role of the Returning Officer. The agreed scale of fees is used to determine the fees of the Deputy Returning officers, who are appointed from time to time and other elections employees.

The Returning Officer for Cheshire East is very involved in the electoral process and exceeds the Performance Standard set by the Electoral Commission for “skills and knowledge of the Returning Officer”. There are no scheduled Borough or Parish elections during the 2013/14 financial year.

~~The Cheshire Scale of Fees is currently under review. – deleted as Fees now agreed.~~ For each election the scale of fees are set by the Government and the Returning Officer is directly accountable in law to the Government in regards to their electoral duties.

- **Travel Allowances and Expenses**

~~In addition to pay, National Agreements cover other terms and conditions such as annual leave and allowances for use of private vehicles on council business. The Council recently reduced these travel allowances and rates and, whilst they continue to be in accordance with these national scales (which are the same for the Chief Executive, Chief Officers and other employees) the Council no longer pays the highest band. – deleted, amended wording below.~~

The current rates (which were last increased in April 2009) for use of private vehicles on Council business for all employees are:

	Engine Size	Engine Size
REGULAR USERS	451 -999cc	1000cc+
Lump Sum	£846	£963
Per mile first 8,500	36.9p	40.9p
Per mile after 8,500	13.7p	14.4p

	Engine size	Engine Size
OCCASIONAL USERS	451 -999cc	1000cc+
Per mile first 8,500	46.9p	52.2p
Per mile after 8,500	13.7p	14.4p

The Council has a small number of employees who are assessed as regular car users and receive a lump sum payment (payable monthly) with a reduced mileage rate. Assessment criteria are used to determine eligibility for all employees (including Chief Officers). Currently no Chief Officers are in receipt of the regular user lump sum.

- **‘Green’ Salary Sacrifice Lease Car Scheme**

The Council has a ‘green’ salary sacrifice lease car scheme. This is an employee benefit, born out of the Government’s introduction of a 10% band for benefit in kind

taxation on low emission vehicles. The scheme enables employees to drive a new, fully maintained and insured car, but at a significantly reduced cost and offers savings in tax (employee only) and national insurance for both the employer and the employee. As such, it is a very attractive proposition for both.

The Green Car Scheme is underpinned by a salary sacrifice arrangement. Salary sacrifice is a contractual arrangement whereby an employee gives up the right to receive part of their cash remuneration, usually in return for their employer's agreement to provide some form of non-cash benefit, in this case a car.

Whilst the scheme operates at no cost to the employer, in fact generating a saving overall, because it is being provided as a benefit by the Council it attracts a 'Benefit in Kind' (BiK) tax for employees on the scheme.

The scheme is open to all employees of the Council, subject to meeting the criteria set out in the scheme rules.

The level of CO2 emissions on the car chosen is important as it determines the benefit in kind tax to pay on the car (the non-cash benefit). The more environmentally friendly the car is, the greater the savings will be.

- **Relocation Expenses**

Where it is necessary for a newly appointed employee to relocate to take up appointment the Council may make a contribution towards relocation expenses, in accordance with the Relocation Expenses Policy (Annex 3). Under this policy, the Chief Executive, or their nominee, has discretion to agree relocation financial assistance for any external candidate appointed, up to a maximum of £10,000. The details of any such payment must be agreed at the time of making a job offer/during initial appointment. The relocation must bring the employee nearer to their workbase and, as such, support will not normally be given to employees who already live within 30 miles of the workbase. This discretion covers all items for which assistance may be given, which must be directly related to a home relocation within two years of appointment, for example removal expenses, legal and estate agents fees.

Travel Assistance may also be agreed for expenditure arising from a move from temporary accommodation to permanent home, (as well as for the initial move to temporary accommodation), normally provided that the second move takes place within the maximum two year period. Both sets of assistance are subject to the overall limit of £10,000 and the policy is very clear that an employee must not make a net financial gain from the assistance.

Wording amended to include reference to requirement to pay back some or all of financial assistance if Officer leaves the Council within two year period as requested by Staffing Committee.

An employee who leaves the Council's employment within one year of appointment will be required to repay all of the assistance given. If they leave during the second

year, the assistance must still be repaid but the amount will be reduced by one twelfth for each completed month of employment in that year.

The same policy applies to Chief Executive, Chief Officers and other employees.

- **Professional Fees and Subscriptions**

The Council will reimburse professional fees only for those employees where it is a legal requirement of their employment (subject to the employee paying the first £50) or, where employees are undertaking a training course and the membership of a professional body it is a requirement of the course. In those circumstances it will be paid for the period of study only. The Council has one policy and does not differentiate between Chief Officers and other employees.

7. LOCAL GOVERNMENT PENSION SCHEME

updated to include information on auto-enrolment

The Local Government Pension Scheme and policy with regard to the exercise of discretions in Pension provision is an important part of the remuneration package.

All employees under the age of 75 and who have a contract of employment which is for 3 months or more are entitled to join the statutory Local Government Pension Scheme (LGPS). There are no restrictions on the minimum number of hours an employee must work to be entitled to join.

From 1 March 2013 (the staging date) Cheshire East Council will comply with the new pensions duties under the Automatic Enrolment Regulations 2012 as follows:

- All new Cheshire East employees from 1 March 2013 will be automatically entered into Scheme membership, and have to elect to opt out if they wish;
- All existing eligible employees who have previously opted out of scheme membership will be automatically re-enrolled into the scheme with effect from 1 October 2017, at the end of the allowed transitional period. They will retain the right to opt out again if they wish;
- All existing employees who fall into the non eligible category will be monitored from 1 March 2013 and will be automatically enrolled into scheme membership at the point that they meet the earnings and age threshold. They will retain the right to opt out if they wish;
- The Automatic Enrolment exercise will be repeated on a three yearly basis following the initial staging date.

Bands updated

Contribution bands are determined on full time equivalent pay on 1 April each year. The bands are shown below.

Annual Rate of Pay	Rate of Contributions
More than £85,300	7.5%
More than £45,500 and up to £85,300	7.2%
More than £34,000 and up to 45,500	6.8%
More than £20,400 and up to £34,000	6.5%
More than £15,800 and up to £20,400	5.9%
More than £13,500 and up to £15,800	5.8%
Up to £13,500	5.5%

This is the banding rate applicable at 1st April 2012. The increase applied is based on the Consumer Price Index (CPI) figure of September 2011 which stood at 5.2% and these rates will go up in line with the Consumer Price Index (CPI) each April.

Where employees have exercised their statutory right to become members of the Local Government Pension Scheme, the Council must make a contribution to the scheme representing a percentage of the pensionable remuneration due under the contract of employment of that employee. The rate of contribution is set by Actuaries advising the Cheshire Pension Fund and reviewed on a triennial basis in order to ensure the scheme is appropriately funded. ~~The current rate is set at 21.3% and this will increase to 21.8% with effect from 1 April 2012. These rates were set following the 2010 triennial valuation.~~ – **figures updated** The current rate is set at 21.8% and this will increase to 22.30% with effect from 1 April 2013. These rates were set following the 2010 triennial valuation.

For more comprehensive details of the Local Government Pension Scheme and Cheshire Pensions Fund see <http://www.cheshirepensionfund.org/>

Neither the Scheme nor the Council adopt different policies with regard to benefits for any category of employee: the same terms apply to the Chief Executive, Chief Officers and other employees alike.

The Scheme also provides for the exercise of discretions that allow for retirement benefits to be enhanced. The Council will consider each case on its merits but has determined that its usual policy is not to enhance benefits unless early release of pensions is agreed on compassionate grounds. However, the Council has agreed to adopt the provision to enable redundant employees to purchase additional service with the non statutory part of their redundancy payment (additional redundancy payment) if employees are in receipt of such a non statutory payment.

The **Pensions Discretions Policy** (Annex 3) details the Council's agreed Pensions Discretions and applies equally to the Chief Executive, Chief Officers and other employees.

The Pension Scheme also provides for flexible retirement. In applying the flexible retirement provision no distinction is made between the Chief Executive, Chief Officers and other employees. Employees aged 55 and above may apply to have their hours and/or their pay grade reduced and to seek agreement to early release to some or their entire pension.

The request can be considered if;

Either

- their substantive grade reduces by a minimum of 2 grades (e.g. Grade 6 to Grade 4)

And / Or

- their contract hours reduce by a minimum of 1/5

And

- at the same time, the employee can request early release of their accrued pension benefits in full or some of their accrued rights. Employees can now choose to take:
 - All or none of their pre April 2008 rights; and
 - All, some or none of their post March 2008 rights.

Any consequential fund strain payments to the pension fund are recoverable in three years with the discretion to extend the three years in exceptional circumstances. The Council's Staffing Committee will consider requests from the Chief Executive or a Chief Officer in respect of other employees.

8. REDUNDANCY PAYMENTS AND PAYMENTS ON TERMINATION

• Redundancy

Where an employee is made compulsorily redundant, they will receive a redundancy payment in accordance with the State formula based on the employee's actual week's pay, plus any payment in lieu of notice where applicable and, payment for any annual leave for employees leaving the Council's employment with accrued leave which, by agreement is untaken at the date of leaving.

The Council also has a voluntary redundancy scheme in place which is applicable to all employees whose applications for voluntary redundancy are accepted as being in the interests of the Council. Employees who leave on grounds of voluntary redundancy will normally be entitled to receive a redundancy payment in accordance with the statutory formula but based on the employee's actual week's pay plus an additional severance payment of 0.8 times the statutory payment, bringing the total payment to 1.80 times the statutory formula and up to a maximum of 50 weeks pay. This will be reviewed in August 2013. The Council reserves the right to change all discretionary elements.

When considering applications for voluntary redundancy the Council considers: -

- The need for the competency and skill set to meet current commitments
- The uniqueness of that competency and skill set in the organisation compared to the expected demand
- The likely need for that competency and skill set to meet future needs
- The likely timescale of future needs, comparing the cost of retention with the cost of VR and future re-recruitment
- The opportunity to cross skill or retrain remaining staff to fill the gap, and the cost and timescale to achieve this
- The cost of VR

The Council's approach to statutory and discretionary payments on termination of employment of Chief Officers, prior to reaching normal retirement age, is set out within the **Redundancy Policy and Procedure** and for those eligible for retirement, in the **Retirement and Severance Policy** (Annex 3) and are in accordance with the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006.

All payments under this section are subject to the approval process set out in the **Redundancy Policy and Procedure**.

- **Severance and Retirement on Grounds of Efficiency**

In line with the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, the Council also operates a voluntary scheme to facilitate early retirement or severance on grounds of efficiency to enable the Council to continue to achieve effective use of resources and provide value for money.

In all efficiency cases, employees may be considered for a off lump sum payment upon termination, based on the merits of each individual case but up to a maximum of the same amount that would be permitted under the Council's voluntary redundancy scheme.

Factors to be taken into account in awarding compensation would include:

- Overall reasonableness, including benefits to the Council tax payer by the employee leaving the Council's service.
- Direct financial savings to be incurred by the employee leaving the Council's service.
- Employee relations considerations.

Subject to requirements set out in the Policy, employees' aged 55 or above and in the LGPS with at least three months membership (or with transferred service) will also be entitled to access to their accrued LGPS pension on an unreduced basis.

In relation to pension enhancement, the Council's policy as set out above will apply to all employees aged over 55 only. The Council will consider each case on its merits but has determined that its usual policy is not to enhance benefits unless early release of pensions is agreed on compassionate grounds. However, the Council has agreed to adopt the provision to enable redundant employees to purchase additional service with the non statutory part of their redundancy payment (additional redundancy payment) if employees are in receipt of such a non statutory payment.

All payments under this efficiency policy are subject to Cabinet approval.

- **Compromise Agreements**

The Council uses compromise agreements as a matter of course for all voluntary redundancies/severances and this applies to all employees, including Chief Officers. The use of standard compromise agreements on this basis minimises any risk of future claims against the Council and can ensure that any threatened or pending legal proceedings and their associated legal costs can be avoided. .

A compromise agreement will take into account any outstanding contractual entitlement which the individual has to notice and will be in accordance with the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 regulations. The compromise agreement will also take into account:

- The individual circumstances of the departure
- Value for Money for the authority
- The age and proximity to retirement of the individual,
- The risk and value of a potential claim against the authority
- The need for a speedy departure / 'opportunity lost' cost
- Any other material factors that may be considered

The final decision and approval for any termination payment and approval for the terms of a compromise agreement in relation all employees up to Deputy Chief Officer level (as defined in this Pay Policy Statement) rests with the Chief Executive. For all of the following posts (below), the final decision and approval will be with the Chief Executive in Consultation agreement with the Leader of the Council and the Chairman of Staffing Committee.

All Chief Officers (Statutory, non Statutory),

All officers earning above £100,000 and

All officers on JNC Chief Officer conditions and reporting directly to the Chief Executive,

Termination payments in addition to a payment in relation to contractual notice pay (and including any outstanding holiday pay) for the Chief Executive and the terms of any associated compromise agreement will be subject to approval by the Staffing Committee and reported to the next meeting of full Council, with an indicative sum/cost, for noting.

This will only apply where a termination payment is agreed with a Chief Executive on a consensual basis. The dismissal of a Chief Executive or a Statutory Officer is the subject of a designated statutory process and decision by the full Council.

9. PUBLICATION AND ACCESS TO INFORMATION

Upon approval by full Council, this statement will be published on the Council's Website. Additionally, individual data (including names and job titles) relating to employees with a full time equivalent salary of £56,000 and above, will also be published on the Council's website. The publishing of names will be subject to individual consent for senior employees earning below £150,000.

An organisation chart of the Council's management structure, including salary bands and details of vacant posts is also published. The current chart is attached at Annex 2 for information.

Further information about the Council's commitment to transparency can be found at the attached link.

http://www.cheshireeast.gov.uk/council_and_democracy/council_information/transparency.aspx

10. PAY MULTIPLES

The figures below exclude schools based employees and teachers as the Localism Act does not apply to local authority schools. They also exclude casual employees.

Updated figures to reflect national Minimum Wage and current workforce information

~~The lowest paid persons employed under a contract of employment with the Council are employed on full time (37 hours) equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure. As at 1st April 2012, this is £12,145 per annum, Grade 1 Spinal Column Point (SPC) 4. There are 78 employees (excluding casuals) on this grade and SCP currently.~~

~~Separate to the Council's pay and grading structure, we offer one year apprenticeship placements. The Council operates this scheme in line with the National Minimum Wage and the apprenticeship rate guidelines as follows.~~

~~There are different levels of National Minimum Wage, depending on your age and whether you are an apprentice. The current rates (from 1 October 2011) are:~~

- ~~• £6.08 – the main rate for placements aged 21 and over~~

- £4.98 - the 18-20 rate (equivalent to Spinal Column Point 3 –£ 9608)
- £3.68 - the 16-17 rate for placements above school leaving age but under 18

Apprentice Specific Pay: £2.60 - the apprentice rate, for apprentices under 19 or 19 or over and in the first year of their apprenticeship.

Additionally, there are a number of employees on other pay and conditions, as noted above, such as Craft, NHS and Soulbury employees on different pay structures, but none fall below the £12,145 FTE salary at SCP04.

The relationship between the rate of pay for the lowest paid and Chief Officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement (section 3, Pay Structure).

The current pay levels within the Council define the multiple between the average / mean full time equivalent earnings (£21,798) and the highest paid Chief Officer, the Chief Executive (£173,000) as 7.94.

Additionally, the multiple between the lowest paid employee (£12,145) and average Chief officer salary (£81,573) is 6.72.

The lowest paid persons employed under a contract of employment with the Council are employed on full time (37 hours) equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure. As at 1st April 2013, this is £12,145 per annum, Grade 1 Spinal Column Point (SPC) 4. There are 102 employees / 32.79 FTE (excluding casuals) on this grade and SCP currently.

Separate to the Council's pay and grading structure, we offer one year apprenticeship placements. The Council operates this scheme in line with the National Minimum Wage and the apprenticeship rate guidelines as follows.

There are different levels of National Minimum Wage, depending on your age and whether you are an apprentice. The current rates (from 1 October 2012) are:

- £6.19 - the main rate for placements aged 21 and over
- £4.98 - the 18-20 rate (equivalent to Spinal Column Point 3 –£ 9608)
- £3.68 - the 16-17 rate for placements above school leaving age but under 18

Apprentice Specific Pay: £2.65 - the apprentice rate, for apprentices under 19 or 19 or over and in the first year of their apprenticeship.

Additionally, there are a number of employees on other pay and conditions, as noted above, such as Craft, NHS and Soulbury employees on different pay structures, but none fall below the £12,145 FTE salary at SCP04.

The relationship between the rate of pay for the lowest paid and Chief Officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement (section 3, Pay Structure).

The current pay levels within the Council define the multiple between the average / mean full time equivalent earnings (£21,525.15) and the highest paid Chief Officer, the Chief Executive (£140,000) as 6.50.

Additionally, the multiple between the lowest paid employee (£12,145) and average Chief Officer salary (£77,314.86) is 6.37.

The Council does not explicitly set the remuneration of any individual or group of posts by reference to a simple multiple of another post or group of posts. The use of multiples cannot capture the complexities of a dynamic and highly varied workforce in terms of job content and skills required.

The Council is satisfied with its current pay multiples but as part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate. In addition, upon the annual review of this statement, the Council will also monitor any changes in the relevant 'pay multiples' and may benchmark against other comparable Local Authorities.

11. ACCOUNTABILITY AND DECISION MAKING

In accordance with the Constitution of the Council, the following arrangements are in place in relation to the recruitment, pay, terms and conditions and severance arrangements for employees of the Council, including Chief Officers.

<p>Posts: Head of Paid Service</p> <p>Statutory Officers (including 151 and Monitoring Officer)</p> <p>Chief Officers with salaries over £100,000 which are currently:</p> <p>Strategic Director Places and Organisational Capacity</p> <p>Strategic Director (Children, Families and Adults)</p> <p><u>Plus any other officers on JNC Chief Officer conditions reporting directly to the Chief executive.</u></p>	<p>Staffing Committee oversee the arrangements for filling the vacancy, including the final selection process. Once a candidate has been selected and agreed, this is then communicated to Cabinet.</p> <p>Cabinet then have the opportunity to put forward any material or well founded objection to the proposed appointment of the successful candidate, prior to it being recommended to Council.</p> <p>Full Council then vote on the appointment of the successful candidate, following the recommendation made by Staffing Committee.</p>
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<p><u>Non Statutory Chief Officers and any Chief Officers / Deputy Chief Officers not included above.</u></p>	<p>Staffing Committee oversee the arrangements for filling the vacancy, including the final selection process. Once a candidate has been selected and agreed, this is then communicated to Cabinet.</p> <p>Cabinet then have the opportunity to put forward any material or well founded objection to the proposed appointment of the successful candidate, prior to it being recommended to Council.</p> <p>Subject to no material or well founded objection being put forward, the appointment is then confirmed.</p>
<p>All other posts</p>	<p>The Chief Executive has the power to appoint all other staff but this authority is usually delegated to the relevant Director / Head of Service.</p>

The Council's Constitution sets out the fuller roles and responsibilities of these groups.

12. RE-EMPLOYMENT/RE-ENGAGEMENT OF EMPLOYEES IN RECEIPT OF A LOCAL GOVERNMENT PENSION (INCLUDING CHIEF OFFICERS)

Any decision to re-employ an individual (including Chief Officers) already in receipt of a Local Government Pension (with same or another local authority) will be made on merit, taking into account the use of public money and the exigencies of the council.

13. RE-EMPLOYMENT/RE-ENGAGEMENT OF FORMER EMPLOYEES (INCLUDING CHIEF OFFICERS)

Former Cheshire East/ Legacy Authority employees who left their employment on grounds of voluntary retirement or severance will not be re-employed or re-engaged in any capacity, except in truly exceptional circumstances and subject to the agreement of the Head of Human Resources and Organisational Development in consultation with the Leader and the relevant portfolio holder. Re-engagement includes all types of contractual relationships whether they be a contract of employment, contract of service, etc and whether the individual is appointed as an employee or engaged as an interim, direct consultancy or via an agency or other supplier.

Prepared by:	HR Strategy and Policy Team
Date:	11 January 2013
Review Date:	January 2014

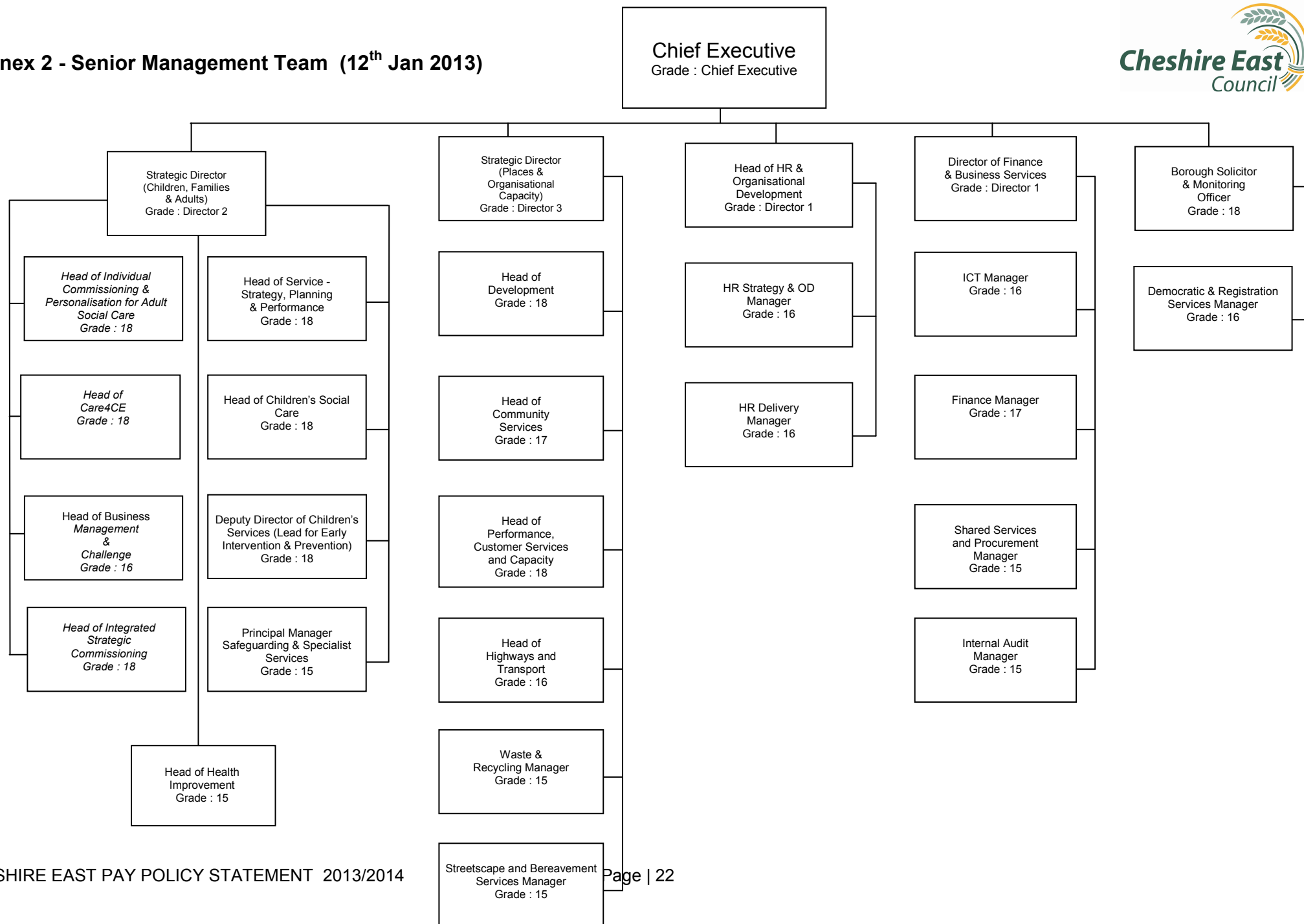
Annex 1 – Cheshire East Pay and Grading Structure (NJC and JNC)

GRADE	SCP	SALARY			
1	4	12145	11	41	36182
	5	12312		42	37263
	6	12489		43	38342
				44	39544
2	6	12489	12	45	40741
	7	12787		46	42014
	8	13189		46	42014
	9	13589		47	43294
3	9	13589		48	44771
	10	13874		49	46251
	11	14733		50	47227
	12	15039		51	48200
	13	15444			
4	13	15444	JNC Chief Officers		
	14	15725	13	49	46251
	15	16054		50	47227
	16	16440		51	48200
	17	16830		52	48598
5	17	16830	14	53	49631
	18	17161		53	49631
	19	17802		54	50888
	20	18453		55	52144
	21	19126		56	53606
6	21	19126	15	57	55067
	22	19621		57	55067
	23	20198		58	56494
	24	20858		59	57924
	25	21519		60	59508
7	25	21519	16	61	61098
	26	22221		61	61098
	27	22958		62	62695
	28	23708		63	64299
	29	24646		64	66040
8	29	24646	17	65	67782
	30	25472		65	67782
	31	26276		66	69495
	32	27052		67	71212
	33	27849		68	73118
9	34	28636	18	69	75023
	33	27849		69	75023
	34	28636		70	76962
	35	29236		71	78906
	36	30011		72	81073
10	37	30851		73	83240
	37	30851			
	38	32012			
	39	33167			
	40	34501			

	41	36182
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Director 1	90320
Director 2	120000
Director 3	122000
Chief Executive	140000

Annex 2 - Senior Management Team (12th Jan 2013)



Annex 3

All of the relevant policies and procedures as referred to in the Pay Policy Statement can be found on the Staffing Committee Share Point site.

<http://mycheshireteams.ourcheshire.cccusers.com/sites/cecstaffcomm/default.aspx>

Intranet links to the relevant policies and procedures:

[Payment of Market Supplements](#)

[Pay and Allowances Policy](#)

[Pensions Discretions Policy](#)

[Redundancy Policy *and* Procedure](#)

[Retirement and Severance Policy](#)

[Recruitment Policy *and* Procedure](#)

[Disability at Work Commitment](#)

[Mindful Employer](#)

[Redeployment Policy *and* Procedure](#)

[Equality in Employment Policy](#)

[Relocation Expenses Policy](#)

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COUNCIL MEETING – 28 FEBRUARY 2013

**ITEM 10 – RECOMMENDATIONS FROM CABINET
(c) HEALTH AND WELLBEING BOARD - TERMS OF REFERENCE**

Extract from the Minutes of the Cabinet Meeting on 4 February 2013

151 HEALTH AND WELLBEING BOARD - TERMS OF REFERENCE

Further to the meeting of the Cabinet held on 25th June 2012 consideration was given to the terms of reference for the Health and Well Being Board

The Health and Social Care Act 2012 required the Local Authority to establish a Health and Wellbeing Board for its area. Core membership included at least one local Councillor (nominated by the Council's Leader) the Directors of Adult Social Services, Children's Services and Public Health, a representative of the Local Healthwatch Organisation and a representative of each Clinical Commissioning Group and the NHS Commissioning Board. The Local Authority could also nominate such other individuals as they considered appropriate.

Once established in April 2013 the Board would be a Committee of the Local Authority but regulations under the Act would modify some of the normal requirements of the Local Government Act 1972 details of which were given in the report. The Regulations had not yet been published but it was anticipated that these would be available before 1st April 2013. The report enclosed a draft terms of reference and recommended that these be approved until such time as the Regulations were published.

RESOLVED

1. That the current Health and Wellbeing Board's Terms of Reference be approved until such time as the regulatory guidance is published; and
2. That following publication of the Regulations, Cabinet and the Constitution Committee be asked to review the Health and Wellbeing Board's Terms of Reference and make recommendations on any modifications if required.

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CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	4 February 2013
Report of:	Lorraine Butcher, Strategic Director – Children, Families and Adults Services
Subject/Title:	Report in relation to Shadow Health and Wellbeing Board's Terms of Reference
Portfolio Holder:	Cllr. Janet Clowes Portfolio Holder Health & Wellbeing and Adult Social Care

1.0 Report Summary

- 1.1 Cabinet received a full report on the Cheshire East Shadow Health and Wellbeing Board's Terms of Reference in November 2011 and June 2012. These were then presented and debated at full Council on 15 December 2011.
- 1.2 Full Council raised a number of points in respect of the proposed Terms of Reference and these were addressed in the later version presented, which were agreed at full Council on 19th July 2012.
- 1.3 These Terms of Reference will stand for the commencement of the Statutory Board from 1/4/13 until further regulatory guidance is received.
- 1.4 The Health and Wellbeing Board's focus is to develop a clear vision and sense of collective purpose that will ensure collaborative system transformation through strong, inspirational leadership. The board will:
 - Lead – through building relationships between health and local communities
 - Collaborate – through working together to better affect and increase life expectancy
 - Engage – through emphasising that one agency can not resolve the challenges we face in addressing and improving the health and wellbeing of our communities
- 1.5 The role of the Board is primarily one of influencing system change to achieve improvements in the health and wellbeing of the population of Cheshire East. The Board will not have power over the resources of the Council or of the respective Clinical Commissioning Groups [CCGs]. Organisations respective powers and duties take precedence, and this

should assure the Council and CCG Governing Bodies that decisions about its resources remain with them.

2.0 Decision Required

- 2.1 That Cabinet be asked to endorse the current Health and Wellbeing Board's Terms of Reference until such time as the regulatory guidance is published.
- 2.2 That following publication of the Regulatory Guidance the Cabinet be asked to review the Health and Wellbeing Board's Terms of Reference and make recommendations on any modifications if required.

3.0 Reasons for Recommendations

- 3.1 In the development of the terms of reference we have taken account of best practice through analysing the terms of references of other boards.
- 3.2 The further regulation is expected, and until such time that this is received the current approved terms of reference will remain in place.

4.0 Wards affected

All

5.0 Local Ward Members

All

6.0 Policy Implications

- 6.1 The health and wellbeing of the residents of Cheshire East is everyone's business, and as such implications for future policy development, service redesign and budget setting should account for the impact on the health and wellbeing of the population and indeed the future priorities of the Health and Wellbeing Board from April 2013.
- 6.2 The NHS Operating Framework for 2012/13 described the Health and Wellbeing Board's primary responsibility as to '....provide local systems leadership across health and social care and public health...'.
The collaborative decision making approach of this Board is essential to achieving whole system accountability for the improvement of the health and wellbeing of Cheshire East citizens. This requires the delivery of integrated care services and effective integrated commissioning approaches to achieve maximum benefits for people, families and communities within the collective resources of the health and social care economy.
- 6.3 Importantly local leaders and commissioners will need to establish new relationships with others such as – the Police and Crime Commissioner, and the regional representative of the NHS Commissioning Board, and

Public Health England. The importance of system wide leadership with others can also not be underestimated e.g. Housing Providers, Acute and Specialist Health providers, Voluntary Community Faith Sector, local businesses, and other patient and public voices.

7.0 Financial Implications

- 7.1 None to note in respect of the terms of reference themselves.
- 7.2 HWB carries no formal delegated authority from any of the statutory bodies in respect of resource decision making. Therefore the process for making decisions around resource allocation remains within Board members' respective individual organisation's governance, powers and duties.
- 7.3 The Board will discharge its responsibilities by means of recommendations to the relevant partner organisations, who will act in accordance with their respective powers and duties.

8.0 Legal Implications

- 8.1 The Health and Social Care Act 2012 requires the Local Authority to establish a Health and Wellbeing Board for its area. Core membership includes at least one local Councillor (nominated by the Council's Leader) the Directors of Adult Social Services, Children's Services and Public Health, a representative of the Local Healthwatch Organisation and a representative of each Clinical Commissioning Group and the NHS Commissioning Board. The Local Authority may also nominate such other individuals as they consider appropriate.
- 8.2 Once established in April 2013 the Board will be Committee of the Local Authority but regulations under the Act will modify some of the normal requirements of the Local Government Act 1972 [these have been outlined in section 3.2]. The Board has a number of duties under the Act but specifically is tasked with a duty to encourage integrated working in the provision of health and social care services.

9.0 Risk Management

- 9.1 Corporate risks have been determined in respect of Health Partnerships, and this is reported to the Corporate Risk Management Group. Failure to establish a strong collaborative Board could impact negatively on the health and wellbeing of Cheshire East citizens and indeed on the Councils own objectives set out the Sustainable Communities Plan and Business Plan for 2013-2016.
- 9.2 The Health and Wellbeing Board has established an initial Risk Register. The Board will review these quarterly.

10.0 Background and Options

- 10.1 The Health and Social Care Act 2012 has initiated a number of significant changes that will affect the local health and social care landscape. This includes the establishment of the Cheshire East Health and Wellbeing Board, the Clinical Commissioning Groups and the transfer of Public Health responsibilities from the Primary Care Trust to the Local Authority. The Authority has a greater role to play now in setting policy, providing system leadership and in connecting commissioning activity that will contribute to improved health outcomes for the population of Cheshire East.

The Joint Health and Wellbeing Strategy provides the mechanism by which the needs identified in the Joint Strategic Needs Assessment can be addressed through collective system action.

The key legislative changes outlined in the act are summarised as:

- Clinically led commissioning – the Bill puts clinicians in charge of shaping services, enabling NHS funding to be spent more effectively. Supported by the newly established **NHS Commissioning Board**, new **Clinical Commissioning Groups** which will directly commission services for their populations.
- Ensure provider regulation to support innovative services – enshrining a fair playing field in legislation for the first time, this will enable patients to be able to choose services which best meet their needs – including from a charity or independent sector provider, as long as they meet NHS costs. Providers, including NHS Trusts, will be free to innovate to deliver quality services. **Monitor** will be established as a specialist regulator to protect patient's interests.
- A greater voice for patients – the Bill establishes **Local Healthwatch**, a patient and public organisation, both locally and nationally, to drive involvement across the NHS and Local Government.
- New focus for Public Health – The Bill establishes a new body **Public Health England**, to drive improvements in the public's health.
- Greater accountability locally and nationally – the Bill sets out clear roles and responsibilities, whilst retaining the Minister's ultimate responsibility for the NHS. The Bill limits micro-management and gives Local Authorities a new leadership role to join up local services through the establishment of the **Health and Wellbeing Board** with key stakeholder representation.
- Streamlined arms-length bodies – the Bill removes unnecessary tiers of management, releasing resources to the frontline.

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

Name: Lucia Scally

Designation: Head of Service –Strategic Commissioning

Tel No: 01260-375414

Email: lucia.scally@cheshireeast.gov.uk

Appendix 1 Statutory Terms of Reference

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Cheshire East Statutory Health and Wellbeing Board

Terms of Reference:

1. Context

- 1.1 The full name shall be the Cheshire East Health and Wellbeing Board.
- 1.2 The Board assumes statutory responsibility from April 2013.
- 1.3 The Health and Social Care Act 2012 and subsequent regulations provide the statutory framework for Health and Wellbeing Board (HWB).

2. The Boards Vision

Cheshire East Health & Wellbeing Board will work together to make a positive difference to people's lives through a partnership that understands and responds to the needs of the population now and in the future. The board will do this by:

- Engaging effectively with the public.
- Enabling people to be happier, healthier, and independent for longer.
- Supporting people to take personal responsibility and make good lifestyle choices.
- Achieving evidence-based outcomes within a holistic vision of health and wellbeing.

2.1 Purpose

To provide advice assistance and support for the purpose of encouraging the making of arrangements under section 75 of the National Health Service Act 2006 in connection with the provision of such services.

The Board may encourage those involved in arranging the provision of Health-Related Services to work closely with the Board.

The Board may encourage those involved in arranging for the provision of any Health or Social Care services or Health Related services to work closely together.

2.2 Key objectives (The efforts or actions we intend to attain or accomplish that contribute to achieving our vision)

1. Provide strategic leadership across commissioning organisations enabling the transition from separate, fragmented commissioning to aligned, joint and or integrated commissioning.
2. To work differently and effectively together in order to achieve appropriately:
 - a. Aligned, Pooled, or Integrate Services and or Resources.

- b. Understand need and demand more clearly and develop from this health and social care intelligence that informs commissioning.
 - c. Specify, agree and achieve shared outcomes.
 - d. Engage the public in a true spirit of partnership.
- 3. Develop, use and share the Joint Strategic Needs Assessment to enable evidenced-based commissioning decisions to be made on.
- 4. Produce a Joint Health and Wellbeing Strategy as the overarching framework from which commissioning intentions can be aligned by health services, social care, public health and other services [where the board agrees] contributing to the achievement of collective health improvement within the Borough.

3. Roles and Responsibilities

- 3.1 To work together effectively to ensure the delivery of the Joint Strategic Needs Assessment and Joint Health and Wellbeing Strategy.
- 3.2 To work within the Board to build a collaborative partnership to key decision making that embeds health and wellbeing challenge, issue resolution and provides strategic system leadership.
- 3.3 To participate in board discussions to reflect the views of their partner organisations, being sufficiently briefed to be able to make recommendations about future policy developments and service delivery.
- 3.4 To champion the work of the Board in their wider work and networks and in all individual community engagement activities.
- 3.5 To ensure that there are communication mechanisms in place within partner organisation[s] to enable information about the Health and Wellbeing Boards priorities and recommendations to be effectively disseminated.
- 3.6 To share any, changes to strategy, policy, and the system consequences of such on budgets and service delivery within their own partner organisations with the board to consider the wider system implications.

4. Accountability

- 4.1 The Board carries no formal delegated authority from any of the individual statutory bodies.
- 4.2 Core Members of the board have responsibility and accountability to their individual duties and to their role on the Board.
- 4.3 The Board will discharge its responsibilities by means of recommendations to the relevant partner organisations, who will act in accordance with their respective powers and duties.
- 4.4 The Council's Core Members will ensure that they keep Cabinet and wider Council advised of the work of the Board.

- 4.5 The Board will report to Full Council and to both NHS Clinical Commissioning Groups (CCG's) Governing Bodies by ensuring access to meeting minutes and presenting papers as required.
- 4.6 The Board will not exercise scrutiny duties around health or adult social care services directly. This will remain the role of the Cheshire East Health and Wellbeing Overview & Scrutiny Committee. Decisions taken and work progressed by the Board will be subject to scrutiny by this committee.
- 4.7 The Board will provide information to the public through publications, local media, and wider public activities by publishing the minutes of its meetings on the Council's website. The Board is supported by an Engagement and Communications Network across Board organisation to ensure this function can operate successfully.
- 4.8 The Board has produced an initial governance structure at **Appendix 1** which highlights statutory and advisory functions to the Board and its members.

5. Membership

- 5.1 The core membership of the Board will comprise the following:

- Portfolio Holder – Health & Adult Social Care [Board Chairman],
- Portfolio Holder – Children & Families,
- Opposition Party Member
- The Director of Public Health,
- The Director of Children, Families and Adults (+1)¹
- The Chief Executive of the Council
- Accountable Officer of the South Cheshire Clinical Commissioning Group
- Chair. GP Lead of the South Cheshire Clinical Commissioning Group
- Accountable Officer of the Eastern Cheshire Clinical Commissioning Group
- Chair. GP Lead of the Eastern Cheshire Clinical Commissioning Group
- A designated representative from Local HealthWatch
- Member of the National Health Commissioning Board (NHCB)

- 5.2 The above Core Members through a majority vote have the authority to approve individuals as Associate Members of the Board. The length of their membership will be for up to one year and will be subject to re-selection at the next Annual General Meeting "AGM". Associate Members will assist the board in achieving the priorities agreed within the Joint Health and Wellbeing Strategy and may indeed be chairs of sub structure forums where they are not actual Core Members of the Board.

¹ Due to the Statutory Director holding two statutory roles for both Children's and Adults Services, they will nominate an appropriate Head of Service to attend to support this dual function.

- 5.3 Each Core Member has the power to nominate a single named substitute. Should a Substitute Member be required, advance notice of not less than 2 working days should be given to the Council. The Substitute Members shall have the same powers and responsibilities as the Core Members.

6. Frequency of Meetings

- 6.1 There will be no less than six meetings per year including an AGM. Usually once every two months as a formal Board. The Board will also hold development sessions throughout the year where all members are expected to attend and these will be private sessions.
- 6.2 Additional meetings of the Board may be convened with agreement of the Boards Chairman.

7. Agenda and Notice of Meetings

- 7.1 Any agenda items or reports to be tabled at the meeting should be submitted to the Council's Democratic Services no later than seven working days in advance of the next meeting. No business will be conducted that is not on the agenda.
- 7.2 Democratic services will circulate and publish the agenda and reports at least five working days prior to the next meeting. Exempt or Confidential Information shall only be circulated to Core Members.
- 7.3 For development or informal meetings a formal agenda will not be necessary and will therefore not be sent out by democratic services.

8. Annual General Meeting

- 8.1 The Board shall elect the Chairman and Vice Chairman at each AGM, the appointment will be by majority vote of all Core Members present at the meeting.
- 8.2 The Board will approve the representative nominations by the partner organisations as Core Members.

9. Quorum

- 9.1 Any full meeting of the Board shall be quorate if the following are represented –Eastern CCG, South CCG, Local Health Watch, a Portfolio Holder, an Officer of Cheshire East Council.
- 9.2 Failure to achieve a quorum within thirty minutes of the scheduled start of the meeting, or should the meeting become inquorate after it has started, shall render the meeting adjourned until the next scheduled meeting of the Board. This will also be the case when attending development or informal Board meetings.

10. Procedure at Meetings

- 10.1 General meetings of the Board are open to the public. Papers, agendas and minutes will be published on the Cheshire East Health and Wellbeing website.
- 10.2 The Board will also hold development/informal sessions throughout the year where all members are expected to attend and partake as the agenda suggests.
- 10.3 Core Members are entitled to speak through the Chairman. Associate Members are entitled to speak at the invitation of the Chairman.
- 10.4 With the agreement of the Board, subgroups can be set up to consider distinct areas of work. These will be identified through the governance structure at appendix 1 where possible. The subgroup will be responsible for arranging the frequency and venue of their meetings.
- 10.5 Any recommendations of the subgroup will be made to the Board who will consider them in accordance with these terms of reference and their relevance to the priorities within the Joint Health and Wellbeing Strategy and its delivery plan.

11. Expenses

- 11.1 The partnership organisations are responsible for meeting the expenses of their own representatives.
- 11.2 A modest Board Budget will be agreed annually to support Engagement and Communication and the Business of the Board.

12. Conflict of Interest

- 12.1 At the commencement of all meetings all Core Members shall declare any Conflicts of Interest.
- 12.2 Following the declaration of a Conflict of Interest the Member with the Board's Chair can decide to:-
 - Remain for all or part of the meeting,
 - Participate in the meeting,
 - Vote at the meeting,
 - Leave the meeting.

13. Conduct of Core Members at Meetings

- 13.1 Board members will agree to adhere to the seven principles outlined in the Board Code of Conduct when carrying out their duties as a Board member [appendix 2].

15. Review

15.1 The above terms of reference will be reviewed annually at the AGM.

15.2 Any amendments shall only be included by unanimous vote.

March 2013

Definition

Exempt Information

Which is information falling within any of the descriptions set out in Part I of Schedule 12A to the Local Government Act 1972 subject to the qualifications set out in Part II and the interpretation provisions set out in Part III of the said Schedule in each case read as if references therein to “the authority” were references to “Board” or any of the partner organisations.

Confidential Information

Information furnished to, partner organisations or the Board by a government department upon terms (however expressed) which forbid the disclosure of the information to the public; and information the disclosure of which to the public is prohibited by or under any enactment or by the order of a court are to be discussed.

Conflict of Interest

You have a Conflict of interest if the issue being discussed in the meeting affects you, your family or your close associates in the following ways;

- *The issue affects their well being more than most other people who live in the area.*
- *The issue affect their finances or any regulatory functions and*
- *A reasonable member of the public with knowledge of the facts would believe it likely to harm or impair your ability to judge the public interest.*

Associate Members

Associate Member status is appropriate for those who are requested to chair sub groups of the board.

Health Services

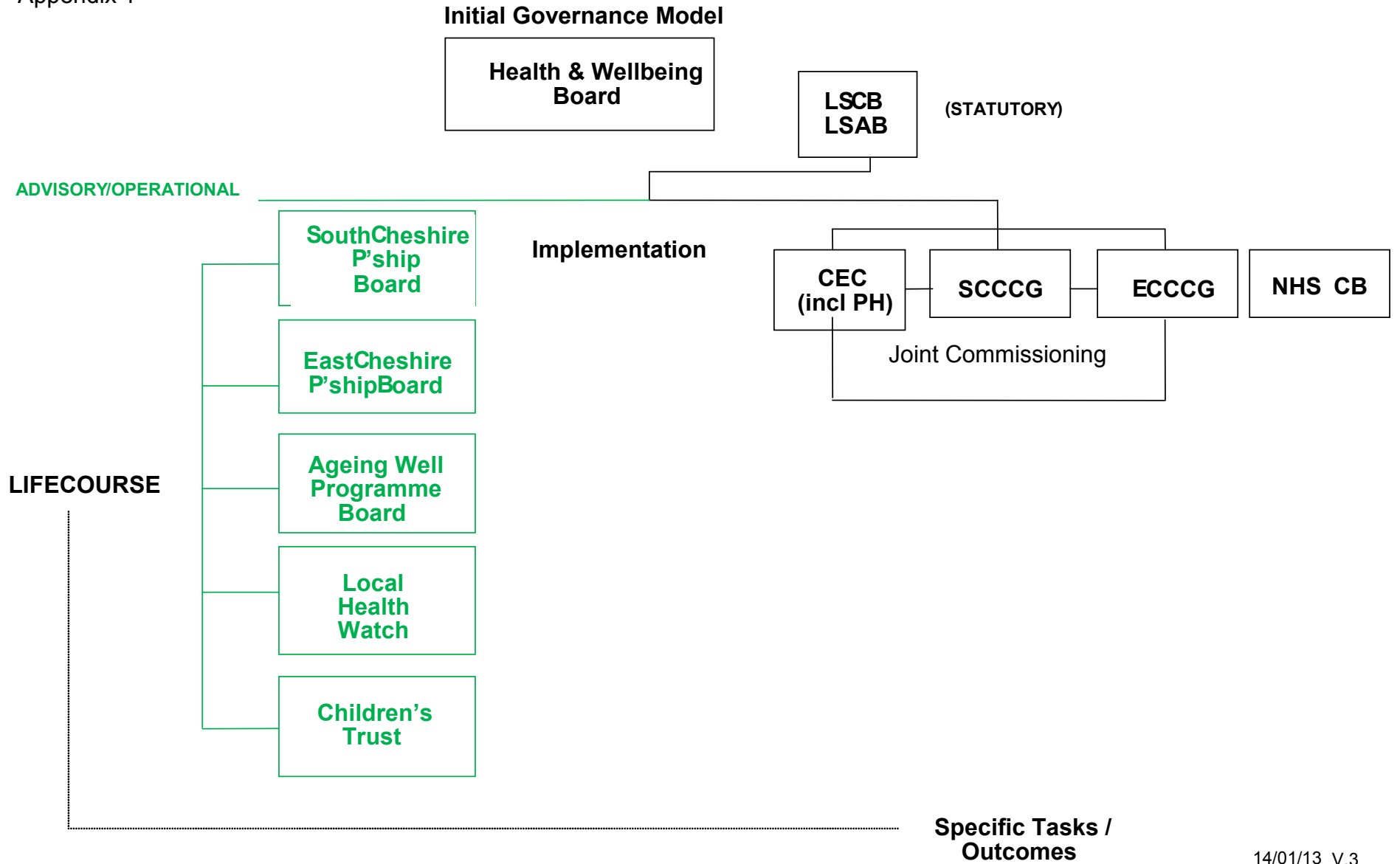
Means services that are provided as part of the health service.

Health-Related Services *means services that may have an effect on the health of individuals but are not health services or social care services.*

Social Care Services

Means services that are provided in pursuance of the social services functions of local authorities (within the meaning of the Local Authority Social Services Act 1970

Appendix 1



Abbreviations

LSCB – Local Safeguarding Children’s Board
LSAB – Local Safeguarding Adults Board
SCPb – South Cheshire Partnership Board
ECPB -East Cheshire Partnership Board
AWPB – Ageing Well Programme Board
HW – Local Health Watch
CT – Children’s Trust
CEC – Cheshire East Council
SCCCG – South Cheshire Clinical Commissioning Group
ECCCG - Eastern Cheshire Clinical Commissioning Group
NHS CB – National Health Service Commissioning Board
JCB – Joint Commissioning Board
LD – Learning disability
MH – Mental Health
PH – Public Health

Appendix 2

Cheshire East Shadow Health and Wellbeing Board Member Code of Conduct

1. Selflessness

Members of the Cheshire East Health and Wellbeing Board should act solely in terms of the interest of and benefit to the public/patients of Cheshire East. They should not do so in order to gain financial or other benefits for themselves, their family or their friends

2. Integrity

Members of the Cheshire East Health and Wellbeing Board should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their duties and responsibilities as a Board member

3. Objectivity

In carrying out their duties and responsibilities members of the Cheshire East Health and Wellbeing Board should make choices based on merit and informed by a sound evidence base

4. Accountability

Members of the Cheshire East Health and Wellbeing Board are accountable for their decisions and actions to the public/patients of Cheshire East and must submit themselves to whatever scrutiny is appropriate

5. Openness

Members of the Cheshire East Health and Wellbeing Board should be as transparent as possible about all the decisions and actions that they take as part of or on behalf of the Board. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands

6. Honesty

Members of the Cheshire East Health and Wellbeing Board have a duty to declare any private interests relating to their responsibilities and duties as Board members and to take steps to resolve any conflicts arising in a way that protects the public interest and integrity of the Cheshire East Health and Wellbeing Board

7. Leadership

Members of the Cheshire East Health and Wellbeing Board should promote and support these principles by leadership and example

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CHESHIRE EAST COUNCIL

Council

Date of Meeting:	28 February 2013
Report of:	Democratic and Registration Services Manager
Subject/Title:	Recommendations from Constitution Committee

1.0 Report Summary

- 1.1 This report contains the recommendations of the Constitution Committee, which met on 24th January 2013.

2.0 Decision Requested

- 2.1 That Council consider the recommendations set out under the following headings in the report:

(1) **Frequency of Meetings** (Paragraph 7.4 of the report)

(2) **Questions at Cabinet** (Paragraph 7.7 and 7.8 of the report)

(3) **Scheme of Delegation for Director of Public Health** (Paragraph 7.13 of the report)

- 2.2 That the Interim Borough Solicitor be authorised to make such changes to the Constitution as he considers are necessary to give effect to the wishes of Council.

3.0 Policy Implications

- 3.1 Certain recommendations of this report, if accepted, will require changes to the Constitution.

4.0 Financial Implications

- 4.1 No financial implications would appear to arise from the recommendations of the Constitution Committee, except for the those which relate to the frequency of Council meetings. In respect of those recommendations, the original report to the Constitution Committee had recommended that there should be fewer decision-making meetings. Fewer Council meetings would result in savings in a number of respects which are summarised in the main body of this report.

5.0 Legal Implications

- 5.1 Where the recommendations of this report have legal implications, these are set out in the sections of the report which deal with those recommendations.

6.0 Risk Management

- 6.1 There are no identifiable risks associated with the recommendations of this report.

7.0 Information

- 7.1 This report sets out the recommendations of the Constitution Committee which met on 24th January 2013. Each recommendation is listed in the following paragraphs, along with commentary which explains the background.

Frequency of Meetings

- 7.2 The Committee received a report which indicated that Council members attended around 220 decision-making and other meetings per year. In view of the consequent burden on Member time and expenses, the associated officer costs, the cost of arranging meetings etc, the report sought an in-principle decision that there should be fewer Council meetings. Authority was also sought to bring a report back to the following meeting of the Committee which would provide more detail.
- 7.3 Preliminary comparisons with other local authorities suggested that when all decision-making and other meetings were taken into account, Cheshire East Council appeared to hold more meetings than some other authorities.
- 7.4 The Committee declined to accept the recommendations of the report and resolved to recommend that Council should approve the draft calendar of meetings, which is appended to this report at Appendix A. The draft calendar was based on existing assumptions as to frequency of meetings and had been subject to the usual consultation with Members and officers. The Committee called for further detailed work to be carried out, and for this to be reported back in late September 2013.

Questions at Cabinet

- 7.5 At the meeting of Council on 13th December 2012, the Leader seconded a proposal by Councillor David Newton that a new provision be included in the Council Procedure Rules which would allow questions to be put by members to Cabinet members at Council meetings, without notice first having been given. Council agreed this proposal.

- 7.6 The Leader has, since then, called for a similar provision to be put in place which would allow for questions, without notice, to be put by members to Cabinet members at Cabinet meetings.
- 7.7 The report to the Constitution Committee therefore proposed that the Constitution should be amended to include a provision, which would allow 20 minutes for questions to be put to Cabinet members by members of the Council at Cabinet meetings.
- 7.8 It was recommended that the Rules previously agreed by Council, which applied to questions at Council should be adapted appropriately for the purposes of questions to Cabinet members at Cabinet meetings. The following rules were proposed:
- Questions must relate to the powers, duties or responsibilities of the Cabinet.
 - Questions put to Cabinet members must relate to their portfolio responsibilities.
 - The Leader will determine how Cabinet question time should be allocated where there are a number of members wishing to ask questions.
 - Questions will be brief, clear and focussed.
 - Questions which the Leader deems to be inappropriate, frivolous, derogatory or vexatious will not be allowed.
 - Questions will not be allowed which repeat, or which are substantially the same as questions asked at a meeting of Council or Cabinet within the preceding 3 months.
 - Where any question might be disallowed under the agreed provisions, the Leader, as chairman of Cabinet will have absolute discretion to determine whether or not to do so.
 - Questions will be asked and answered without discussion. In replying, the Cabinet member responding will use their reasonable endeavours to address the matters raised in the question. The Cabinet member responding may decline to answer any question or may: reply direct, reply by reference to a publication, or reply by written answer.
 - Following each answer, the questioner may ask a concise and focussed supplementary question which relates to the subject matter of the initial question and answer. The Leader may choose to disallow a supplementary question if, in his opinion, it is inappropriate or unduly lengthy. The Cabinet member answering the supplementary question will decide whether or not to reply.
 - Where a question relates to a matter which appears on the agenda of the Cabinet meeting in question, the Leader may allow the question to be asked at the beginning of consideration of that item.

- 7.9 It was also proposed that, whilst formal notice of questions should not be required, until such time as the operation of the arrangements could be reviewed, any Member wishing to ask a question as part of Cabinet question time should be asked to give an advance indication of their intention to do so, providing at least one working day's notice and a reasonable indication of the subject matter of their intended question.
- 7.10 The Constitution Committee resolved to recommend to Council that the provisions set out in paragraph 7.7 and 7.8 above be agreed and be added to the Constitution. However, the proposed provision set out in paragraph 7.9 was not recommended to Council for adoption.

Scheme of Delegation for Director of Public Health

- 7.11 The Committee received a report which explained that health responsibilities would transfer to local authorities in April 2013. Therefore, the Council needed to amend its scheme of delegation in order to ensure that the Director of Public Health would be empowered to undertake their role. A draft scheme of delegation for the Director of Public Health was presented to the Committee, and is appended to this report as Appendix B.
- 7.12 The report noted that the Officer Delegation Working Group was continuing to consider the officer delegation scheme and that this Group might wish to review the delegation scheme in due course.
- 7.13 The Committee resolved to recommend to Council that the scheme of delegation for the Director of Public Health be adopted pending a further review by the Scheme of Delegation Member Working Group.

8.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

Name: Brian Reed
Designation: Democratic and Registration Services Manager
Tel No: 01270 686670
Email: Brian.reed@cheshireeast.gov.uk

COMMITTEE	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY
Council (Thursday)	15		18			17		12		27		10	14
Cabinet Bodies													
Cabinet (Monday 2 pm)	28 (Tue)	24	22	19	16	14	11	9	6	3	3 31	28	
Portfolio Holders (Monday am)	Monday mornings have been identified as an option for Portfolio Holder meetings but notice will be given as and when these meetings are arranged												
Shared Services (Friday 2 pm Winsford)	31	28	26	30	27	25	29	20	24	21	21	25	
Corporate Bodies													
Constitution Committee (Thursday 2 pm)	30		4		19		21		23		20		
Audit and Governance Committee (Thursday 2 pm)		27			26		7		30		27		
Staffing Committee (Tuesday or Thursday 2 pm)			25			24			16			8	
Appeals Sub Committee (Tuesday or Thursday 2 pm)		20	23		5	3	19	19	21	18	6		1
Regulatory Bodies													
Licensing Committee (Tuesday 2 pm)	23 (Thu)		16		3		5		14		4		
Public Rights of Way Committee (Tuesday 2 pm)		18			17			10			18		
Strategic Planning Board (Wednesday 10.30 am)	22	19	17	14	11	9	6	4	8	5	5	2 30	
Southern Planning (Wednesday 1 pm)	1 29	26	24	21	18	16	13	11	15	12	12	9	7
Northern Planning (Wednesday 1 pm)	8	5	3 31	28	25	23	20	18	22	19	19	16	
Scrutiny Bodies													

COMMITTEE	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY
Corporate (Tuesday 2 pm)	7	11	9		10	8	12	3	7	11	11	1	6
Health and Wellbeing (Thursday 10 am)	9	13	11		12	10	14	5	9	13	13	3	8
Community Safety (Thursday 10.30 am)	30	20	25		19	24	21	19	23	20	20	24	-
Others													
Health and Wellbeing Board (Tuesday 2 pm)		25			24		26		28		25		
Local Authority School Governor Appointments Panel (Friday 10.30 am)	24					18				7			
Policy Development Groups													
Children and Families		3	1		2	1	4	2	13	4	6	3	
Environment and Prosperity		4	2		5	3	7	5	9	6	10	14	
Health and Adult Social Care		6	4		9	7	18	16	20	6	17	15	
Finance		6	8		12	15	14	17	16	13	13	24	
Corporate and Performance		14	19		20	18	29	13	31	28	28	25	
Communities		17	11		26	22	28	19	30	20	27	29	

Member Training Sessions (including Finance and Planning dates)		7	5 23		4 27	2	22		8, 9 29	21	26	4 23	
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DRAFT CALENDAR OF PUBLIC MEETINGS 2013-14

MAY 2013	
1	2.00 pm Southern Planning Committee
2	
3	
4	
5	
6	MAY DAY BANK HOLIDAY
7	2.00 pm Corporate Scrutiny
8	2.00 pm Northern Planning Committee
9	10.00 am Health and Wellbeing Scrutiny Committee
10	
11	
12	
13	
14	
15	11 am ANNUAL COUNCIL
16	
17	Planning Site Visits
18	
19	
20	
21	
22	10.30 am Strategic Planning Board
23	2.00 pm Licensing Committee
24	10.30 am Local Authority School Governors Appointment Panel
	Planning Site Visits
25	
26	
27	SPRING BANK HOLIDAY
28	2.00 pm Cabinet
29	1.00 pm Southern Planning
30	10.30 am Community Safety Scrutiny Committee
	2.00 pm Constitution Committee
31	Planning Site Visits
	2.00 pm Shared Services Joint Committee

Note: School Holidays 27 to 31 May 2013

JUNE 2013	
1	
2	
3	2.00 pm Children and Families Policy Development Group
4	2.00 pm Environment and Prosperity Policy Development Group
5	1.00 pm Northern Planning Committee
6	10.30 am Health and Adult Social Care Policy Development Group 2.00 pm Finance Policy Development Group
7	Member Training
8	
9	
10	
11	2.00 pm Corporate Scrutiny Committee
12	10.30 am Cheshire Fire Authority
13	10.00 am Health and Wellbeing Scrutiny Committee
14	Planning Site Visits 2.00 pm Corporate and Performance Policy Development Group
15	
16	
17	2.00 pm Communities Policy Development Group
18	2.00 pm Public Rights of Way Committee
19	10.30 am Strategic Planning Board
20	10.30 am Community Safety Scrutiny Committee 2.00 pm Appeals Sub Committee
21	Planning Site Visits
22	
23	
24	2.00 pm Cabinet
25	2.00 pm Health and Wellbeing Board
26	1.00 pm Southern Planning Committee
27	2.00 pm Audit and Governance Committee
28	Planning Site Visits 2.00 pm Shared Services Joint Committee
29	
30	

JULY 2013	
1	2.00 pm Children and Families Policy Development Group
2	2.00 pm Environment and Prosperity Development Group
3	1.00 pm Northern Planning Committee
4	10.30 am Health and Adult Social Care Policy Development Group 2.00 pm Constitution Committee
5	Member Training
6	
7	
8	2.00 pm Finance Policy Development Group
9	2.00 pm Corporate Scrutiny Committee
10	
11	10.00 am Health and Wellbeing Scrutiny Committee 2.00 pm Communities Policy Development Group
12	Planning Site Visits
13	
14	
15	
16	2.00 pm Licensing Committee
17	10.30 am Strategic Planning Board
18	4.00 pm COUNCIL
19	Planning Site Visits 2.00 pm Corporate and Performance Policy Development Group
20	
21	
22	2.00 pm Cabinet
23	2.00 pm Appeals Sub Committee Member Training
24	1.00 pm Southern Planning Committee
25	10.30 am Community Safety Scrutiny Committee 2.00 pm Staffing Committee
26	Planning Site Visits 2.00 pm Shared Services Joint Committee
27	
28	
29	
30	
31	1.00 pm Northern Planning Committee

Note: School Holidays – 25 July to 30 August 2013

AUGUST 2013	
1	
2	
3	
4	
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6	
7	
8	
9	Planning Site Visits
10	
11	
12	
13	
14	10.30 am Strategic Planning Board
15	
16	Planning Site Visits
17	
18	
19	2.00 pm Cabinet
20	
21	1.00 pm Southern Planning Committee
22	
23	Planning Site Visits
24	
25	
26	BANK HOLIDAY
27	
28	1.00 pm Northern Planning Committee
29	
30	2.00 pm Shared Services Joint Committee
31	

Note: School Holidays – 25 July to 30 August 2013

SEPTEMBER 2013	
1	
2	2.00 pm Children and Families Policy Development Group
3	2.00 pm Licensing Committee
4	Member Training
5	10.30 am Environment and Prosperity Policy Development Group 2.00 pm Appeals Sub Committee
6	Planning Site Visits
7	
8	
9	2.00 pm Health and Adult Social Care Policy Development Group
10	2.00 pm Corporate Scrutiny Committee
11	10.30 am Strategic Planning Board
12	10.00 am Health and Wellbeing Scrutiny Committee 2.00 pm Finance Policy Development Group
13	Planning Site Visits
15	
15	
16	2.00 pm Cabinet
17	2.00 pm Public Rights of Way Committee
18	10.30 am Cheshire Fire Authority 1.00 pm Southern Planning Committee
19	10.30 am Community Safety Scrutiny Committee 2.00 pm Constitution Committee
20	Planning Site Visits 2.00 pm Corporate and Performance Policy Development Group
21	
22	
23	
24	2.00 pm Health and Wellbeing Board
25	1.00 pm Northern Planning Committee
26	10.30 am Communities Policy Development Panel 2.00 pm Audit and Governance Committee
27	Member Training 2.00 pm Shared Services Joint Committee
28	
29	
30	

OCTOBER 2013	
1	2.00 pm Children and Families Policy Development Group
2	Member Training
3	10.30 am Environment and Prosperity Policy Development Group 2.00 pm Appeals Sub Committee
4	Planning Site Visits
5	
6	
7	2.00 pm Health and Adult Social Care Policy Development Group
8	2.00 pm Corporate Scrutiny Committee
9	10.30 am Strategic Planning Board
10	10.00 am Health and Wellbeing Scrutiny Committee
11	Planning Site Visits
12	
13	
14	2.00 pm Cabinet
15	2.00 pm Finance Policy Development Group
16	1.00 pm Southern Planning Committee
17	2.00 pm COUNCIL
18	10.30 am Local Authority School Governors Appointment Panel Planning Site Visits 2.00 pm Corporate and Performance Development Group
19	
20	
21	
22	2.00 pm Communities Policy Development Group
23	1.00 pm Northern Planning Committee
24	10.30 am Community Safety Scrutiny Committee 2.00 pm Staffing Committee
25	2.00 pm Shared Services Joint Committee
26	
27	
28	
29	
30	
31	

Note: School Holidays 21-25 October 2013

NOVEMBER 2013	
1	Planning Site Visits
2	
3	
4	2.00 pm Children and Families Policy Development Group
5	2.00 pm Licensing Committee
6	10.30 am Strategic Planning Board
7	10.30 am Environment and Prosperity Policy Development Group 2.00 pm Audit and Governance Committee
8	Planning Site Visits
9	
10	
11	2.00 pm Cabinet
12	2.00 pm Corporate Scrutiny Committee
13	1.00 pm Southern Planning Committee
14	10.00 am Health and Wellbeing Scrutiny Committee 2.00 pm Finance Policy Development Group
15	Planning Site Visits
16	
17	
18	2.00 pm Health and Adult Social Care Policy Development Group
19	2.00 pm Appeals Sub Committee
20	1.00 pm Northern Planning Committee
21	10.30 am Community Safety Scrutiny Committee 2.00 pm Constitution Committee
22	Member Training
23	
24	
25	
26	2.00 pm Health and Wellbeing Board
27	
28	2.00 pm Communities Policy Development Board
29	Planning Site Visits 2.00 pm Corporate and Performance Policy Development Group 2.00 pm Shared Services Joint Committee
30	

DECEMBER 2013	
1	
2	2.00 pm Children and Families Policy Development Group
3	2.00 pm Corporate Scrutiny Committee
4	10.30 am Strategic Planning Board
5	10.00 am Health and Wellbeing Scrutiny Committee 2.00 pm Environment and Prosperity Policy Development Group
6	Planning Site Visits
7	
8	
9	2.00 pm Cabinet
10	2.00 pm Public Rights of Way Committee
11	10.30 am Cheshire Fire Authority 1.00 pm Southern Planning Committee
12	2.00 pm COUNCIL
13	Planning Site Visits 2.00 pm Corporate and Performance Policy Development Group
14	
15	
16	2.00 pm Health and Adult Social Care Policy Development Group
17	2.00 pm Finance Policy Development Group.
18	1.00 pm Northern Planning
19	10.30 am Community Safety Scrutiny Committee 2.00 pm Communities Policy Development Group 2.00 pm Appeals Sub Committee
20	2.00 pm Shared Services Joint Committee
21	
22	
23	
24	
25	CHRISTMAS DAY
26	BOXING DAY
27	
28	
29	
30	
31	

Note: School Holidays 20 December 2013 to 3 January 2014

JANUARY 2014	
1	NEW YEAR'S DAY
2	
3	Planning Site Visits
4	
5	
6	2.00 pm Cabinet
7	2.00 pm Corporate Scrutiny Committee
8	10.30 am Strategic Planning Board Member Training
9	10.00 am Health and Wellbeing Scrutiny Committee 2.00 pm Environment and Prosperity Policy Development Group Member Training
10	Planning Site Visits
11	
12	
13	2.00 pm Children and Families Policy Development Group
14	2.00 pm Licensing Committee
15	1.00 pm Southern Planning Committee
16	10.30 am Finance Policy Development Group 2.00 pm Staffing Committee
17	Planning Site Visits
18	
19	
20	2.00 pm Health and Adult Social Care Policy Development Group
21	2.00 pm Appeals Sub Committee
22	1.00 pm Northern Planning Committee
23	10.30 am Community Safety Scrutiny Committee 2.00 pm Constitution Committee
24	2.00 pm Shared Services Joint Committee
25	
26	
27	
28	2.00 pm Health and Wellbeing Board
29	Member Training
30	10.30 am Communities Policy Development Group 2.00 pm Audit and Governance Committee
31	Planning Site Visits 2.00 pm Corporate and Performance Policy Development Group

FEBRUARY 2014	
1	
2	
3	2.00 pm Cabinet
4	2.00 pm Children and Families Policy Development Group
5	10.30 am Strategic Planning Board
6	10.30 am Environment and Prosperity Policy Development Group 2.00 pm Health and Adult Social Care Policy Development Group
7	10.30 am Local Authority School Governors Appointment Panel Planning Site Visits
8	
9	
10	
11	2.00 pm Corporate Scrutiny Committee
12	10.30 am Cheshire Fire Authority 1.00 pm Southern Planning Committee
13	10.00 am Health and Wellbeing Scrutiny Committee 2.00 pm Finance Policy Development Group
14	Planning Site Visits
15	
16	
17	
18	2.00 pm Appeals Sub Committee
19	1.00 pm Northern Planning Committee
20	10.30 am Community Safety Scrutiny Committee 2.00 pm Communities Policy Development Groups
21	Member Training 2.00 pm Shared Services Joint Committee
22	
23	
24	
25	
26	
27	2.00 pm COUNCIL
28	Planning Site Visits 2.00 pm Corporate and Performance Policy Development Group

Note: School Holidays 17 -21 February 2014

MARCH 2014	
1	
2	
3	2.00 pm Cabinet
4	2.00 pm Licensing Committee
5	10.30 am Strategic Planning Board
6	10.30 am Children and Families Policy Development Group 2.00 pm Appeals Sub Committee
7	Planning Site Visits
8	
9	
10	2.00 pm Environment and Prosperity Policy Development Group
11	2.00 pm Corporate Scrutiny Committee
12	1.00 pm Southern Planning Committee
13	10.00 am Health and Wellbeing Scrutiny Committee 2.00 pm Finance Policy Development Group
14	Planning Site Visits
15	
16	
17	2.00 pm Health and Adult Social Care Policy Development Group
18	2.00 pm Public Rights of Way Committee
19	1.00 pm Northern Planning Committee
20	10.30 am Community Safety Scrutiny Committee 2.00 pm Constitution Committee
21	2.00 pm Shared Services Joint Committee
22	
23	
24	
25	2.00 pm Health and Wellbeing Board
26	Member Training
27	10.30 am Communities Policy Development Group 2.00 pm Audit and Governance Committee
28	Planning Site Visits 2.00 pm Corporate and Performance Policy Development Group
29	
30	
31	2.00 pm Cabinet

APRIL 2014	
1	2.00 pm Corporate Scrutiny Committee
2	10.30 am Strategic Planning Board
3	10.00 am Health and Wellbeing Scrutiny Committee 2.00 pm Children and Families Policy Development Group
4	Member Training Planning Site Visits
5	
6	
7	
8	2.00 pm Staffing Committee
9	1.00 pm Southern Planning Committee
10	4.00 pm COUNCIL
11	Planning Site Visits
12	
13	
14	2.00 pm Environment and Prosperity Policy Development Group
15	2.00 pm Health and Adult Social Care Policy Development Group
16	1.00 pm Northern Planning Committee
17	
18	GOOD FRIDAY
19	
20	
21	EASTER MONDAY
22	
23	10.30 am Cheshire Fire Authority Member Training
24	10.30 am Community Safety Scrutiny Committee 2.00 pm Finance Policy Development Group
25	Planning Site Visits 2.00 pm Corporate and Performance Policy Development Group 2.00 pm Shared Services Joint Committee
26	
27	
28	2.00 pm Cabinet
29	2.00 pm Communities Policy Development Group
30	10.30 am Strategic Planning Board

Note: School Holidays 7 - 21 April 2014

MAY 2014	
1	2.00 pm Appeals Sub Committee
2	Planning Site Visits
3	
4	
5	MAY DAY BANK HOLIDAY
6	2.00 pm Corporate Scrutiny Committee
7	1.00 pm Southern Planning Committee
8	10.00 am Health and Wellbeing Scrutiny Committee
9	
10	
11	
12	
13	
14	11 am ANNUAL COUNCIL
15	
16	
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24	
25	
26	SPRING BANK HOLIDAY
27	
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Note: School Holidays 26-30 May 2014

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APPENDIX B

DIRECTOR OF PUBLIC HEALTH

The Director has four key roles:

- Health Improvement
- Health protection
- Health care, Commissioning and service planning
- Reduction of health inequalities

The Director is a statutory chief officers of the local authority, and therefore a holder of politically restricted posts, by section 2(6)(zb) of the Local Government and Housing Act 1989, inserted by Schedule 5 of the Health and Social Care Act 2012.

Pursuant to the Health and Social Care Act 2012 the Director is responsible for

- all of the local authority's duties to take steps to improve public health (the exercise by the authority of its functions under section 2B, 111 or 249 of, or Schedule 1 to, the 2006 Act)
- any of the Secretary of State's public health protection or health improvement functions that s/he delegates to local authorities, either by arrangement or under regulations – these include services mandated by regulations made under section 6C of the 2006 Act, inserted by section 18 of the 2012 Act
- the Secretary of State's public health functions exercised by local authorities in pursuance of arrangements under section 7A of the 2006 Act
- exercising the local authority's functions that relate to planning for, or responding to, emergencies that present a risk to public health
- the local authority duty to co-operate with the prison service with a view to improving the exercise of functions in relation to securing and maintaining the health of prisoners (the functions of the Authority under section 325 of the Criminal Justice Act 2003)
- such other public health functions as the Secretary of State may prescribe.
- the duty to write the annual report on the health of the local population:
- Subject to the publication of Regulations, the local authority's public health response as a responsible authority under the Licensing Act 2003, such as making representations about licensing applications (a function given to local authorities by sections 5(3), 13(4), 69(4)

and 172B(4) of the Licensing Act, as amended by Schedule 5 of the 2012 Act)

- if the local authority provides or commissions a maternity or child health clinic, then regulations made under section 73A(1) will also give the DPH responsibility for providing Healthy Start vitamins (a function conferred on local authorities by the Healthy Start and Welfare Food Regulations 2005 as amended)

The Director of Public Health will also:

- be the person who elected members and senior officers look to for leadership, expertise and advice on a range of issues, from outbreaks of disease and emergency preparedness through to improving local people's health and concerns around access to health services
- know how to improve the population's health by understanding the factors that determine health and ill health, how to change behaviour, and promote both health and wellbeing in ways that reduce inequalities in health
- provide the public with expert, objective advice on health matters
- be able to promote action across the life course, working together with local authority colleagues such as the Strategic Director of Children, Families and Adults services, and with NHS colleagues
- work through local resilience fora to ensure effective and tested plans are in place for the wider health sector to protect the local population from risks to public health
- work with local criminal justice partners and police and crime commissioners to promote safer communities
- work with wider civil society to engage local partners in fostering improved health and wellbeing
- be an active member of the Health and Wellbeing Board, advising on and contributing to the development of the Joint Strategic Needs Assessment and Joint Health and Wellbeing Strategy, and commission appropriate services accordingly
- take responsibility for the management of their authority's public health services, with professional responsibility and accountability for their effectiveness, availability and value for money
- play a full part in their authority's action to meet the needs of vulnerable children, for example by linking effectively with the Local Safeguarding Children's Board

- contribute to and influence the work of NHS commissioners, ensuring a whole system approach across the public sector.
- will receive information on all local health protection incidents and outbreaks and take any necessary action, working in concert with Public Health England and the NHS.

Pursuant to Section 6C(1) and (3) of the NHS Act 2006 as amended by the, 2012 Act, the Director is responsible for:

- steps to be taken to protect the health of the local population
- ensuring NHS commissioners receive the public health advice they need
- appropriate access to sexual health services
- the National Child Measurement Programme
- NHS Health Check assessments.

The DPH will also lead the non mandated public health commissioning responsibilities of the local authority, which include:

- tobacco control and smoking cessation services
- alcohol and drug misuse services
- public health services for children and young people aged 5-19 (including the Healthy Child Programme 5-19) (and in the longer term all public health services for children and young people)
- interventions to tackle obesity such as community lifestyle and weight management services
- locally-led nutrition initiatives
- increasing levels of physical activity in the local population
- public mental health services
- dental public health services
- accidental injury prevention
- population level interventions to reduce and prevent birth defects
- behavioural and lifestyle campaigns to prevent cancer and long-term conditions

- local initiatives on workplace health
- supporting, reviewing and challenging delivery of key public health funded and NHS delivered services such as immunisation and screening programmes
- local initiatives to reduce excess deaths as a result of seasonal mortality
- public health aspects of promotion of community safety, violence prevention and response
- public health aspects of local initiatives to tackle social exclusion
- local initiatives that reduce public health impacts of environmental risks.

The DPH will take day-to-day management over the ring-fenced public health grant is provided to local authority to discharge its new public health responsibilities

The DPH will carry overall responsibility for all services and issues concerning public health, and for professional advice to the Cabinet, Corporate Management Team and Council as the designated statutory Director of Public Health (including exercising the duties and functions set out in statutory guidance). The DPH may sub delegate any of these responsibilities to the Associate Directors of Public Health or to other individuals.

CHESHIRE EAST COUNCIL

Council

Date of Meeting:	28 February 2013
Report of:	Interim Chief Executive
Subject/Title:	Designation of Monitoring Officer

1.0 Purpose of Report

- 1.1 To outline the process used for the recruitment of the Interim Borough Solicitor and Monitoring Officer and request that the Council agree that the appointee be designated as Interim Monitoring Officer.

2.0 Decision Required

- 2.1 To agree that Mr Michael Rowan be designated as Monitoring Officer of Cheshire East Council.

3.0 Reasons for Recommendations

- 3.1 Council must approve the designation of the Councils Monitoring Officer.

4.0 Wards Affected

- 4.1 Not applicable

5.0 Local Ward Members

- 5.1 Not applicable

6.0 Policy Implications

- 6.1 Not applicable

7.0 Financial Implications

- 7.1 The post of Borough Solicitor and Monitoring Officer is an established post within the Councils staffing structure.

8.0 Legal Implications

- 8.1 The designation of Monitoring Officer must be approved by Council.

9.0 Risk Assessment

- 9.1 The Council must appoint a Monitoring Officer to undertake the statutory role as set out in Section 5 of the Local Government and Housing Act 1989 and subsequent legislation.

10.0 Background and Options

- 10.1 The recruitment process for the Interim Borough Solicitor and Monitoring Officer has been managed by the Staffing Committee.
- 10.2 Following his appointment as Interim Borough Solicitor, Mr Michael Rowan's designation as Monitoring Officer requires the formal agreement of Council.

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

Name: Brian Reed
Designation: Democratic and Registration Services Manager
Tel No: 01270 686670
Email: Brian.reed@cheshireeast.gov.uk

CHESHIRE EAST COUNCIL

COUNCIL

Date of Meeting:	28 February 2013
Report of:	Leader of the Council
Subject/Title:	The Council's Medium Term Financial Strategy

1 Delivering our Three Year Plan

- 1.1 In October last year, my Cabinet and I set out the framework of a new 3 Year Council Plan, which gave us all a clear strategic direction. This showed the purpose of the Council, the main outcomes we wanted (to ensure good quality of life for local people in Cheshire East), and our priorities for action to achieve these. A summary of our Three Year Plan is attached to my report.
- 1.2 We recognised that, if we were to realise our ambitions to make Cheshire East a better place to live and work, we needed a new, medium term financial strategy that would make the best use of our limited resources, and would provide tangible value for money for local people in these difficult times.
- 1.3 That is why we also set out the principles that would drive our thinking in preparing the Council's Budget, and would guide the difficult decisions that need to be made over where to find savings and to cut costs, whilst also investing in necessary improvements in our vital services.

Our principles to underpin budget decisions:

- We will be policy-led and stick to our decisions
- We will make decisions based on evidence of need and of what works, with due regard to our equality duty
- We are planning for at least 3 years
- We must be a more productive and affordable organisation
- We will stop doing some things to focus on those that matter most to local people
- We will invest in innovative new ways of providing services
- We will ensure that those who provide services, whether inhouse or externally, give real value for money
- We will promote self reliance and capacity in local communities to reduce demand on public services
- We will focus our limited resources on prevention and early intervention
- We will invest in infrastructure to promote local economic growth and access to job opportunities

- 1.4 As well as ensuring that our main priorities for improvement are properly resourced, I want to create a Council that is financially stable. So, we have also taken a prudent approach in a time of unprecedented change and uncertainty in local government, and of growing demand for some local services, such as care for those who are elderly and vulnerable.
- 1.5 This sound financial management and wise stewardship of public money is what this Council is about under my leadership. Hard pressed, hard working local people and families can be confident that we are on their side, and that they can rely on us in these uncertain times.
- 1.6 Over the past few months, the intensive and wide-ranging work I and my Cabinet have done means that we can confidently make decisions now on the best use of the Council's resources. My recommendations to Council for a balanced budget over the next 3 years will protect and enhance our essential frontline services, retain sufficient skilled staff to get the job done well, and give local people even better value for money as we cut our costs. This approach is also the best way to make our contribution to reducing the burden of public debt and to create greater prosperity for hard working local people.

2 Recommendations

That Council:

- 2.1 Note the ongoing Budget Engagement exercise undertaken by the Council, as set out in the attached Appendix 4;
- 2.2 Note the comments of the Council's Chief Finance Officer regarding the robustness of estimates and level of reserves held by the Council based on these budget proposals;
- 2.3 Approve my 2013/2016 Budget Report, which presents the financial implications of the Medium Term Financial Strategy, and the detailed changes needed to implement it, as set out in the attached Appendix;
- 2.4 Approve the 3 Year Capital Programme for 2013/2014 to 2015/2016 as set out in the attached Appendix 3;
- 2.5 Approve a Band D Council tax of £1,216.34 (no change from 2012/2013);
- 2.6 Approve the recommended Reserves Strategy;
- 2.7 Note the 2013/2014 non ring-fenced Specific Grants, and that any amendments to particular grants, in the light of further information received from government Departments or other funding bodies, will be reported to Council;
- 2.8 Agree the 2013/2014 Dedicated Schools Grant (DSG) of £182.4 million and the associated policy proposals;

- 2.9 Authorise the Children's and Family Services Portfolio Holder to agree any necessary amendment to the DSG position in the light of further information received from DfE, pupil number changes, further academy transfers and the actual balance brought forward from 2012/2013;
- 2.10 Note the receipt by the Council of the transferred and ring-fenced grant for Public Health functions, and acknowledge the positive benefits for local people from the Council acquiring these new functions and responsibilities from 1 April 2013;
- 2.11 Approve the recommended Prudential Indicators for Capital Financing to Council for approval; and
- 2.12 Note the risk assessment detailed in the Chief Finance Officer's report.

3 Good Business Planning and the Use of Reserves

- 3.1 Our Three Year Plan identifies the core purpose of the Council, reflects the changing role of local government, responds positively to the challenge of major funding reductions, and is in line with policy changes at both national and local levels. Since I introduced this last October, further conversations on the best way forward have taken place with Members, our staff, our local partners, and others with a stake in the future of Cheshire East.
- 3.2 This has resulted in an improved Plan. In particular, the major change programmes we identified as necessary in October, have been developed further through our improved business planning process. The updated list of change programmes is set out in the first appendix to my report.
- 3.3 Our ambitious change programmes have been an important focus for the rigorous budget setting process undertaken by me and my Cabinet over the past few months. They are the key to us putting all our creative energy and resources into those areas of change which will ensure maximum value for money for local people – and also build a sustainable Council for the future.
- 3.4 Our business planning process has helped us to group together all the change proposals that I intend to bring forward and put in place over the next 3 years. The appendices attached to my report set out how these proposals will deliver against our agreed priorities; show the major change programmes by Head of Service; and list the individual projects in detail (using the change programme numbering to assist the read across).
- 3.5 All the major change programmes are supported by thorough Business Cases and by Action Plans to put them in place in a planned way. These will, of course, be subject to review under our recently formed member-led Executive Monitoring Board, which is already doing excellent work and providing strong and healthy challenge to our managers and Cabinet Portfolio Holders.
- 3.6 The change programmes themselves are necessarily supported by a recommended service transformation investment budget. This is sufficient to

create the right pace to drive us forward quickly, so that we can reduce our costs further in the later years of our funding strategy. In other words, I will ensure that we invest to save – and to provide better value for money, whilst avoiding any increases in the tax burden on our local residents. By funding this essential investment from Government Council Tax freeze grants, I have avoided the need for deeper cuts in our spending.

- 3.7 The bold approach I and my Cabinet are recommending will involve some risk, given the scale and pace of changes involved. However, this will be well-managed and closely monitored, not least so that we can also take full advantage of the new opportunities the changes will present to do things better and more cheaply in future.
- 3.8 Our ambitious change programme will be supported also by my recommendation to maintain a prudent level of reserves. This will be reassessed each year, to determine the level of risk cover required. In other words, as our robust improvement plans are put in place, we should be able to reduce our reserves level, as we become more confident that our spending targets will be met, in an unparalleled period of turbulence and uncertainty over funding levels. Our reserves will also allow us to iron out any peaks or troughs in our spending over this period, to ensure that our Budget balances over the life of the Council's agreed Three Year Plan.

4 The Main Headlines

- 4.1 To make it easier for people to understand what I am recommending in this 3 Year Financial Strategy, I have listed below the main elements of the sound thinking that has come out of the work that I and my Cabinet have done. The detail behind these is set out in the appendices to my report.
- 4.2 I will not try to disguise the fact that some difficult decisions, choices and trade-offs have been unavoidable. But, we have stuck to our principles and priorities, and we have protected both the scope and quality of essential frontline services, as well as our commitment to those local people who are vulnerable or most in need. Have no doubt though that this is possible only because of the major changes we intend to make in the way we do things in the future.

Lifting the burden of taxation

- 4.3 There will be no increase in Council Tax this year. This is the third year that local tax levels have not risen and Council Tax will remain frozen next year and the year after that also. This means that by 2015, we will have saved the average local Council Tax Payer over £470.

The added benefit of this approach is that we have gained additional Government funding which we have applied to improving the way we work in ways which will reduce our costs in the future.

Giving better value for money

- 4.4 We will be cutting out millions of pounds of unnecessary costs, by being more efficient in the way we work, without affecting essential frontline services. Indeed, the bulk of our savings comes from elected Members insisting on good management of our limited resources. Cutting out waste, bureaucracy and duplication means we will give local people even better value for money in future.

Reducing management overheads and improving productivity

- 4.5 By changing the way the Council is structured, we will reduce the tiers and numbers of managers, cutting these overheads by a quarter, saving £5 million a year by 2015. This will remove unhelpful internal barriers and service silos, to make the whole organisation more effective and easier for local people and businesses to get what they need from us.
- 4.6 By changing the way our staff do things, we will do more with less in future. Over the next few years our wages and salaries bill will reduce by at least 20%, as we change to operate with a thousand fewer posts, and move a similar number of our staff into new local service delivery businesses.
- 4.7 By careful management of staff turnover as posts become vacant, we will keep the number and cost of staff redundancies to a minimum, so that we don't put local people on the dole. At the same time, we will keep the best of our experienced and committed staff, and we will update their skills to keep service standards high, as well as give them modern tools to do their jobs better.

Sweating our assets

- 4.8 We will introduce more flexible working arrangements and share more with our partners, (such as Health, the Police, and Fire and Rescue Services). This will cut the number (and cost) of the buildings, depots and facilities we operate, while offering more convenient, joined up local services to our residents.
- 4.9 We will dispose of unwanted land and property, and invest this income (our ambition is that this should be over £12 million a year) to improve our local economy and create local jobs. Where we own sites which are ripe for development, we will use these to attract investment for the building of new houses, workplaces and roads, to make our local communities more vibrant and flourishing.

Growing our economy

- 4.10 We have committed to growth and to making Cheshire East a more prosperous place. Our ambitious plan will put in place the new infrastructure to do this, creating 27,000 new homes to deal with the shortage for both existing and new residents, and at least 20,000 jobs by 2030. In the next three years the Council's Capital Programme is in excess of £220 million. By managing assets

and linking with national and regional funding, it is expected that less than half of this programme will require local financing.

- 4.11 Over the next three years, we will invest £25 million in our road network, to make major improvements in the condition of over 200kms of the Borough's worst roads. This will include filling over 50,000 potholes every year.
- 4.12 Additional investment will be made also in new infrastructure to improve key transport routes, such as the Congleton Relief Road and Poynton Relief Road. At the same time, we will continue to make progress on the Crewe Green Link Road and Crewe Rail Exchange, as well as major projects like the Manchester Airport to A6 Relief Road (with benefits for Handforth, Poynton and Disley) and the A556 motorway project.
- 4.13 We will enter into a Joint Venture with AstraZeneca, one of our many international corporations based in East Cheshire, to develop a new Science Incubator Park in Alderley alongside a world class R & D facility. This will attract leading talent from around the world to Cheshire to set up their science businesses. This is just one example of how the Council will use our assets or funding to invest to generate jobs and create the right conditions for local companies to grow.
- 4.14 We will set up a new Development Company to drive forward our programme of major infrastructure improvements efficiently, effectively, and quickly. This will also ensure that our substantial portfolio of land and property assets is used to generate substantial external investment and realise the benefits of a revitalised local economy. To assist with this, we have reshaped our extensive Capital Programme to make a bigger investment of £200 million over the next few years in supporting economic growth, and in providing income to the Council to sustain the good quality of our services.
- 4.15 At the same time, we will provide expertise and staffing support to the Local Enterprise Partnership for Cheshire and Warrington, to promote Cheshire East as a great place to do business. This will ensure that we capture the maximum benefit for our towns and villages from Government funding and private sector investment in economic growth to make Cheshire East a more prosperous place.

Getting a better deal

- 4.16 We will enter into new and better contracts for a wide range of goods and services – such as building and property services, facilities management and cleaning, waste services and car parking, as well as social care services – from good quality suppliers and providers. This will reduce our costs, improve choice for local people, and maintain good quality.
- 4.17 Where it makes sense, we will also set up our own businesses, including arms-length companies, social enterprises, and staff mutuals. These will also be commissioned by us to find innovative solutions, to make quick improvements in our services, and to reduce costs – for example, in bereavement services, and

in leisure, culture and recreational services, as well as in some social care services for both children and adults.

- 4.18 This more commercial and entrepreneurial approach will make “public profit” – money that can be invested in better services and more secure local jobs, without increasing taxes to pay for the improvements.

Retaining facilities at the heart of our communities

- 4.19 We will set up new arrangements for the running of our 14 leisure facilities, which will reduce costs by almost £1 million a year, and provide investment to enhance these valuable assets and keep them up to date. This is an important part of our move to promote healthier lifestyles and reduce future costs for us and for the NHS.
- 4.20 By investing £300,000 in developing a new model for sustainable local library services and community hubs, we will change how this important service is delivered. But, this means we can continue to provide libraries in 16 towns across Cheshire East, as we do today, while cutting out £1 million of unnecessary costs.
- 4.21 Working with important local partners, like our Town and Parish Councils, as well as directly with local communities, we will devolve more of our services and community assets to local level. This will help us harness energy and ideas, encourage volunteers to get involved directly, and tailor what we do to local tastes and preferences.
- 4.22 Through a new emphasis on our enforcement powers, we will work with local community groups and businesses to change the behaviour of those who undermine our quality of life or threaten our environment.

Protecting the vulnerable and the elderly

- 4.23 We will reshape the market locally for the provision of social care. This will reduce our reliance on costly specialist placements outside the Borough, to keep local people close to their families, friends and communities.
- 4.24 For example, we will grow our fostering and adoption options, increase supported and sheltered housing, and adapt people's homes to help them live independently as long as possible. This will reduce the cost of expensive alternatives, like residential care homes.
- 4.25 Working more closely with our partners – like Health and the Police – we will change the way that we provide reablement, respite and intermediate care for adults. This will involve, for example, investing in more or better facilities, such as the expansion and redesign of Hollins View in Macclesfield, along with building alternative and better accommodation for care support.

Showing that “prevention is better (and cheaper) than cure”

- 4.26 Whilst cutting out unnecessary costs and inefficiencies, we will invest more in improving early intervention and prevention for both children and adults in need. This will also reduce demand for more costly “acute” services at a later stage, as well as promoting greater independence and self-reliance for those involved – for example, by reducing the number of local children needing to be taken into care.
- 4.27 We will target our services to where they are needed most, reducing them where levels of deprivation and social need are low, and we will look for the best value, high quality, reliable local providers, as well as encouraging new, more effective approaches.

Protecting the rights and entitlements of learners

- 4.28 We will continue to reshape the Council’s relationship with increasingly autonomous local schools. This will involve offering them good, value for money support services, to be paid for from their own locally managed resources.
- 4.29 We will act as “guardian” of the interests of pupils, students and parents – protecting those who are vulnerable or who have special needs, and ensuring that school standards are closely monitored.
- 4.30 We will be proactive in pursuing opportunities to develop the skills for work of our young people – this will include pursuing the development of a new University Technical College with key business partners in Crewe, focussed on the growth of engineering opportunities in the town and the surrounding area.
- 4.31 Additionally, we will take steps to secure investment in better special school provision with Free School Partners – we expect to see the proposed new special school in Alsager for children with autism come to fruition, subject to the release of capital funds by the Government for this important development for local children and young people.

5 Wider Engagement in Setting the Budget

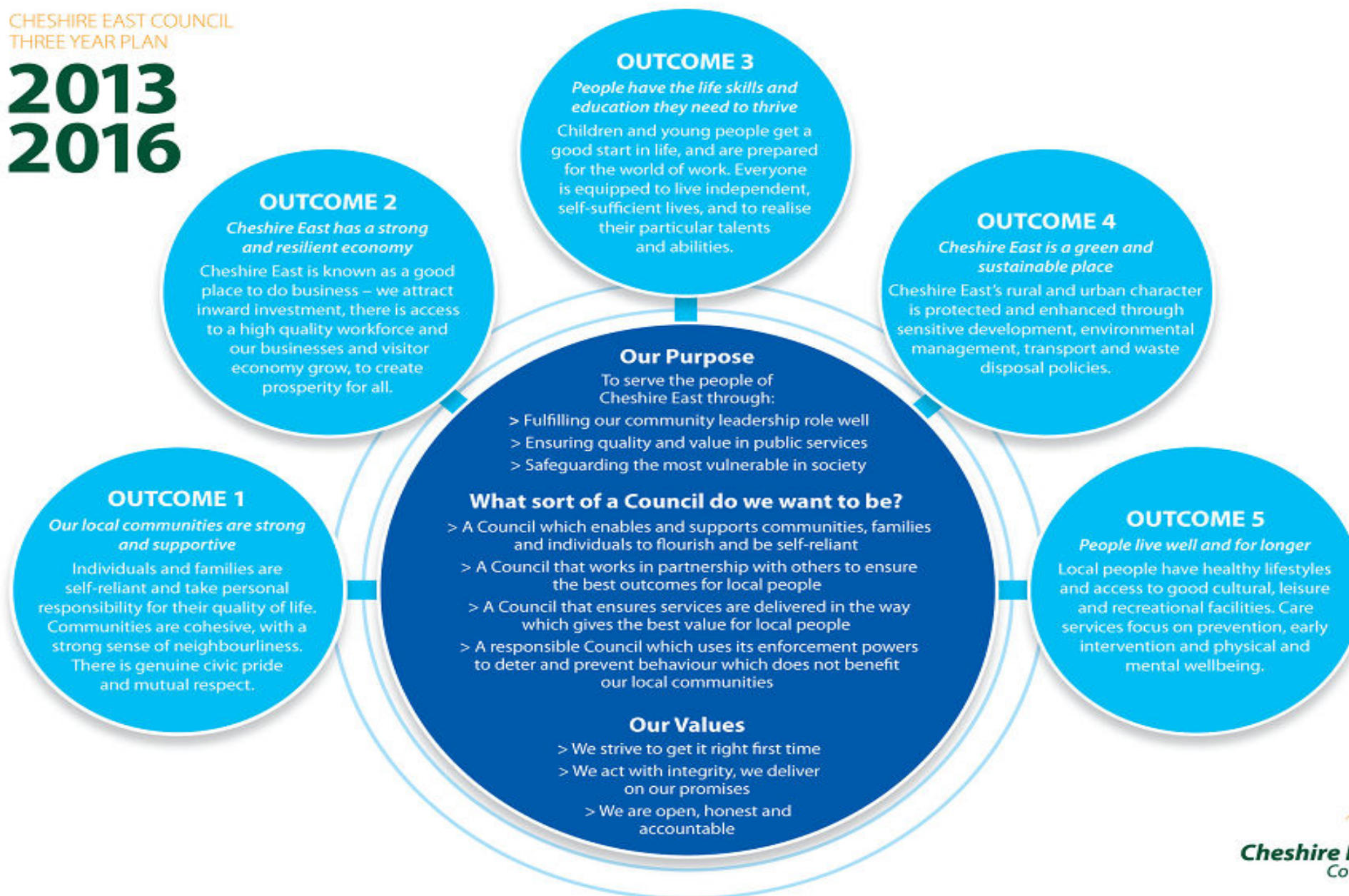
- 5.1 Our Business Planning process provides the best way for us to fulfil our statutory duty to consult on our Budget proposals, for example with certain local stakeholder groups, local schools and local businesses. Of course, we also choose to consult more widely with others, including our local partner public services, like Health and Fire and Rescue, as well as Town and Parish Councils, for example.
- 5.2 This process has been under way for some time, as our thinking has advanced, and will continue in its later stages up to (and beyond, where necessary) the final decision making at Council later this month. The major uncertainties over funding levels being faced by local councils currently have made it challenging to produce the Budget proposals recommended here, and so full engagement with the public on them is being undertaken at a later stage than normal. That is why, in some cases, they remain subject to feedback from further targeted

consultation activity, before they will be finalised and implemented (with revised financial projections where necessary).

- 5.3 Details of our Business Planning engagement process are attached to my report.

6 Summary

- 6.1 In difficult times, when the going gets tough, the tough get going! The financial strategy set out here by me and my Cabinet is based on taking some tough decisions. But, with skill and careful choices, we have created new opportunities to invest in the future of Cheshire East, whilst protecting the quality of our essential frontline services.
- 6.2 This is the ideal combination of sound financial management and bold creative thinking that people are coming to expect from my administration.

2013
2016

2013 2016

Our principles to underpin budget decisions

- We will be policy-led and stick to our decisions
- We will make decisions based on evidence of need and of what works, with due regard to our equality duty
- We are planning for at least three years
- We must be a more productive and affordable organisation
- We will stop doing some things to focus on those that matter most to local people
- We will invest in innovative new ways of providing services
- We will ensure that those who provide services, whether in-house or externally, give real value-for-money
- We will promote self-reliance and capacity in local communities to reduce demand on public services
- We will focus our limited resources on prevention and early intervention
- We will invest in infrastructure to promote local economic growth and access to job opportunities

Priorities

1. Local economic development	1.1 Investment in existing and new road infrastructure 1.2 Investment in high speed broadband network for Cheshire East 1.3 Investment to support business growth and delivery of Macclesfield and Crewe regeneration, and the Sustainable Towns programme
2. Developing affordable and sustainable local models of care for vulnerable children and adults	2.1 Improve the sufficiency of care locally for vulnerable children and adults 2.2 Next phase of development of Care4CE service 2.3 Secure new integrated health and care pathways for learning disabilities 2.4 Securing efficiencies through strategic commissioning of children and adult services
3. Focusing services on early intervention and prevention	3.1 Focus Childrens Services on early help for families 3.2 Review adult assessment and case management services
4. Responding to the changing education and learning environment	4.1 Develop our relationship with self-sustaining schools 4.2 Continue review of Home to School transport 4.3 Improve the range of special school provision 4.4 Pursue the development of a new University Technical College
5. Securing housing that is locally-led, community-based and that meets local needs	5.1 Develop a new delivery model for the housing service and ensure housing services support independent living and health improvement 5.2 Develop accommodation strategy for vulnerable adults and those with learning disabilities
6. Redefining the Council's role in core place-based services	6.1 Develop new delivery model for leisure provision 6.2 Develop new delivery model for streetscape and bereavement 6.3 Develop a new model for sustainable library services and community hubs 6.4 Determine future delivery model for waste management services 6.5 Develop Total Transport Programme
7. Re-shaping the organisation	7.1 Restructure the organisation 7.2 Develop a more affordable model of corporate and support services with key subject expertise, to enable better strategic commissioning and delivery of frontline services 7.3 Continue targeted business improvement reviews to find efficiency savings from all services 7.4 Implement a modern business architecture, including ICT systems, which supports innovative and affordable frontline delivery 7.5 Maximise the benefits from the Corporate Landlord model to best utilise our asset base to support delivery of the Council's wider objectives 7.6 Develop resilient communities
8. Workforce planning	8.1 Further develop employment and working practices to enable flexible and agile working 8.2 Identify changing skills requirements over medium term and equipping the organisation with these skills 8.3 Manage workforce turnover so that vacant posts are used to provide efficiency savings, whilst retaining staff with essential skills

Summary of Major Change Programmes - Budget Report 2013/2016 - Council 28/02/2013					Total 2013/2014 £000s	Cost of Investment 2013/2014 £000s	Activity and consequence	FTE Change 2013/2014
Service	Change Project	Description	Responsible Officer	Capital Link				
Children & Families								
Safeguarding/Early Intervention	Children's placements	Children's placements	Nigel Moorhouse		3,600		This is a base correction as a result of high cost complex care.	
	Children's staffing	Children's staffing	Nigel Moorhouse		800		Base correction as a result of high cost agency staff.	
	2.0 - Affordable models of care	Rationalise residential provision	Nigel Moorhouse		0		Continue to implement the residential care review across Cheshire East, with additional beds in the Macclesfield and Congleton areas.	
	2.0 - Affordable models of care	Joint funding/continuing healthcare assessments - children	Nigel Moorhouse		-250		Some children have healthcare needs that should be recharged and funded from health.	
	2.0 - Affordable models of care	Review contracting - Establish market sufficiency and sustainability	Nigel Moorhouse		-50		External contracts will be reviewed and costs will be reduced.	
	2.0 - Affordable models of care	Full year effect of placement savings achieved in 2011/2012	Nigel Moorhouse		-900		Placements during the last 2 quarters of 2012/2013 have been reduced.	
	2.0 - Affordable models of care	Placements	Nigel Moorhouse		-500		Placements will be reduced in 2013/2014 utilising foster carers as an acceptable alternative and following preventative activity for later year reductions.	
	2.0 - Affordable models of care	Reduction of agency staff, appointing permanent staff to achieve saving	Nigel Moorhouse		-500		The number of agency staff will be reduced, to be replaced by social workers with child protection expertise.	
	3.0 - Focus on prevention and intervention	Investment in preventative contracts to achieve savings	Tony Crane		1,100		Increase investment in preventative contracts, seeking to reduce the need for care placements in the future.	

Summary of Major Change Programmes - Budget Report 2013/2016 - Council 28/02/2013					Total 2013/2014 £000s	Cost of Investment 2013/2014 £000s	Activity and consequence	FTE Change 2013/2014
Service	Change Project	Description	Responsible Officer	Capital Link				
Education	3.0 - Focus on prevention and intervention	Troubled Families Grant	Tony Crane		685		2013/2014 grant allocation for Troubled Families investment, the remaining balance of the grant is subject to performance and will be claimed by the service pending results.	
	3.0 - Focus on prevention and intervention	Early intervention	Tony Crane		-2,100		Following the change in Connexions and the Youth Service, there will be a reduction in universal service funding and a more effective focus on targeted services.	
	3.0 - Focus on prevention and intervention	Review Children Centres	Tony Crane		-200		Review and consult on the closure/reduction of hours of Children Centres, without loss of key services. Member decision required.	-5
	Transport	Transport	Fintan Bradley		1,100		Base correction following the delayed implementation of transport policy changes.	
	4.0 - Changing education environment	Transport	Fintan Bradley		-800		Impact of delivering post 16 and denominational budget reductions and the full year effect of actions taken during 2012/2013.	
	4.0 - Changing education environment	Rationalisation of home to school transport	Fintan Bradley		-625	75	Continued rationalisation of transport activity, including reviews of routes, special educational needs transport and fully absorbing inflationary pressures for later years.	
	4.0 - Changing education environment	Home to school transport - post 16	Fintan Bradley		-250		Remove the subsidy provided to schools and colleges for the post 16 transport.	
	4.0 - Changing education environment	Home to school transport - safer routes	Fintan Bradley		-100		Review safer route home to school transport provision.	
	4.0 - Changing education environment	Restructure for schools support	Fintan Bradley		-600	150	Review and reduce support to schools, following Academy conversions.	-15
	7.3 - Business reviews	Realign DSG and base budget	Fintan Bradley		-400		Seek to recharge Schools/DSG for services.	
	4.0 - Changing education environment	Education support	Fintan Bradley		-250	75	Review and reduce support to schools, following Academy conversions.	-6

Summary of Major Change Programmes - Budget Report 2013/2016 - Council 28/02/2013					Total 2013/2014 £000s	Cost of Investment 2013/2014 £000s	Activity and consequence	FTE Change 2013/2014
Service	Change Project	Description	Responsible Officer	Capital Link				
Business Challenge and Performance	7.4 - Implement a modern business architecture, including ICT systems, which supports innovative and affordable frontline delivery	Support the frontline, Business Systems and Processes	Dominic Oakeshott	Supporting the Front Line ICT Programme	-170	60	Review support across Children and Families, both team support and business support.	-6
	7.3 - Business reviews	Business efficiency and effectiveness	Dominic Oakeshott	Supporting the Front Line ICT Programme	-50	20		-2
	7.1 - Restructure the organisation	One year funding allocation to assist delivery of major change programme	Dominic Oakeshott		370			
TOTAL: CHILDREN & FAMILIES		Sub-Totals			-90	380		-34
Adults								
Care4CE	2.0 - Affordable models of care	Close a Community Support Centre	Dave Watson		-325	50	Review and consult on the closure of Mountview, mothballing initially, while opportunities for the future use of the site by Adults Social Care are considered within the Council and with other partners. Member decision required.	
	2.0 - Affordable models of care	Redevelop Hollins View	Dave Watson	Hollins View 2014/15		100	Capital investment to renew Hollins View, Member decision required.	
	2.0 - Affordable models of care	Reshaping of services delivered by Care4CE	Dave Watson		-775	400	Review of all Care4CE services to generate further efficiencies / generate further reductions in operating costs.	-10
	7.3 - Business reviews	Business review for catering - delivering efficiency through strong procurement	Dave Watson		-100		More effective procurement of food/supplies to support Care4CE meals provision.	

Summary of Major Change Programmes - Budget Report 2013/2016 - Council 28/02/2013					Total 2013/2014 £000s	Cost of Investment 2013/2014 £000s	Activity and consequence	FTE Change 2013/2014
Service	Change Project	Description	Responsible Officer	Capital Link				
Strategic Commissioning	2.0 - Affordable models of care	Strategic commissioning networks/pooled contracts	Brenda Smith / Lucia Scally		2,100		Base Budget Adjustment linked to Pooled Budget contracts.	
	Adults valuing people grant adjustment (Base Pressure)	Adults Valuing People Now transfer from health - grant adjustment	Lucia Scally		6,128		Valuing People Now, transfer of responsibilities from health for Learning Disability.	
	2.0 - Affordable models of care	Unachieved Social Care redesign reductions	Lucia Scally		800		Redesign from 2010/2011 with the full year effect to be achieved in 2013/2014.	
	2.0 - Affordable models of care	Establish market sufficiency and sustainability	Lucia Scally		-50	100	Better procurement of care provision.	
	2.0 - Affordable models of care	Establish market sufficiency and sustainability - Supported Employment	Lucia Scally		-20		Review supported employment, increase income.	
	3.0 - Focus on prevention and intervention	Section 256 - Funding transfer from NHS to social care	Lucia Scally		1,436		Department of Health investment in Social Care, transferred via a Section 256 agreement.	
	3.0 - Focus on prevention and intervention	Safeguarding new provision - transfer from Health	Kate Rose		33		New responsibility transferred from Health in 2013/2014.	
	3.0 - Focus on prevention and intervention	Transfer of Healthwatch responsibilities from health via grant funding	Lucia Scally		100		New responsibility transferred from Health in 2013/2014.	
	3.0 - Focus on prevention and intervention	Transfer of Mental Health Advocacy responsibilities from health via Local Reform and Community grant funding	Lucia Scally		121		New responsibility transferred from Health in 2013/2014.	
	3.0 - Focus on prevention and intervention	Reduce third sector contracts	Lucia Scally		-100		Review and reduce number/costs of third sector contracts (achieved).	
	3.0 - Focus on prevention and intervention	Rationalise Commissioned Preventative Services - SP	Lucia Scally		-500		Review and reduce number/costs of Supporting People contracts	
	3.0 - Focus on prevention and intervention	Rationalise Commissioned Preventative Services - VCFS	Lucia Scally		-350		Review and reduce Voluntary, Community and Faith Sector contracts.	
		Review of housing accommodation with support			0	150	Working with Registered Social Landlords/ providers to review the provision of housing accommodation with support.	

Summary of Major Change Programmes - Budget Report 2013/2016 - Council 28/02/2013					Total 2013/2014 £000s	Cost of Investment 2013/2014 £000s	Activity and consequence	FTE Change 2013/2014
Service	Change Project	Description	Responsible Officer	Capital Link				
Individual commissioning	7.1 - Restructure the organisation	Review staffing structures	Lucia Scally		-500	320	Review staffing structures to improve productivity.	-12
	Care costs (Base Pressure)	Care costs	Brenda Smith		7,600		Additional complexity of care impacting as base pressure.	
	2.0 - Affordable models of care	Increasing Demand	Brenda Smith		0		Early indications of growth: £4m of care; £1.9m of inflation, in years 2 and 3.	
	2.0 - Affordable models of care	Increasing Demand	Brenda Smith		1,000	100	In 2013/2014 all inflation and £3m of care growth will be held within current budget. Cost of investment to support high volume review work.	
	2.0 - Affordable models of care	Hold growth	Brenda Smith		-3,000		Continued holding of earlier years growth pressures.	
	2.0 - Affordable models of care	Hold inflation			-400		Continued holding of earlier years inflation costs.	
	3.0 - Focus on prevention and intervention	Placements	Brenda Smith		-600	100	Review of placements commenced by Skylakes.	
	3.0 - Focus on prevention and intervention	Review all direct payments to ensure packages reflect assessed care needs and remove any unused / surplus funds.	Brenda Smith		-1,000		Review all Direct Payment/Empower clients. Potential Member decision required.	
	2.0 - Affordable models of care	Reduce external commissioned provider contracts	Lucia Scally		-400		Working with providers to reduce the contract costs.	
	2.0 - Affordable models of care	Joint funding/continuing healthcare assessments - adults	Brenda Smith		-250		Ensure the Clinical Commissioning Groups are recharged appropriately for Continuing Health Care	
	2.0 - Affordable models of care	Health related funding - Continuing Health Care; Rehabilitation; Learning Disabilities	Brenda Smith		-950		Ensure the Clinical Commissioning Groups are recharged appropriately for Continuing Health Care.	
	2.0 - Affordable models of care	Transport	Brenda Smith		-500		Completion of the Transport Review and removal of the remaining redundancy funding.	

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Service	Change Project	Description	Responsible Officer	Capital Link				
Business Challenge and Performance	7.3 - Business reviews	Business review for adults social work team (based on no further increase in staffing in Individual Commissioning over the next 18 months)	Brenda Smith		-250	60	Staff reductions across Individual Commissioning.	-6
	3.0 - Focus on prevention and intervention	Investment in Health Improvement	Guy Kilminster		100		Funding for new Health Improvement activity.	
	3.0 - Focus on prevention and intervention	Transfer of Independent Living Fund Responsibilities from Department of Work and Pensions to Local Authorities (2015/2016)	Lucia Scally		0		Funding and activity of commissioning Independent Living Fund contracts will transfer from the Department of Work and Pensions to Local Authorities in 2015/2016 (i.e. this growth will be funded).	
	7.4 - Implement a modern business architecture, including ICT systems, which supports innovative and affordable frontline delivery	Business Systems and Processes to support the front line	Brenda Smith / Lucia Scally / Dave Watson / Dominic Oakeshott	Supporting the Front Line ICT Programme	-80	20	Review and reduce support across Children, Families and Adults, delivering as part of the Smarter Support Review, which seeks to reduce the levels of secretarial support, client finance, business and team support.	-2
	7.4 - Implement a modern business architecture, including ICT systems, which supports innovative and affordable frontline delivery	Business management and challenge	Dominic Oakeshott	Supporting the Front Line ICT Programme	-100	20	Review support across Children and Families, both team support and business support.	-2
	7.3 - Business reviews	Business efficiency and effectiveness - workforce	Dominic Oakeshott		-50	10	Review and combine workforce development teams across Children, Families & Adults.	-1
	7.3 - Business reviews	Business management and challenge earlier reductions	Dominic Oakeshott		200		Review support across Children and Families, both team support and business support.	
	7.3 - Business reviews	Service support review	Dominic Oakeshott		-200	80	Review support across Children and Families, both team support and business support.	-8

Summary of Major Change Programmes - Budget Report 2013/2016 - Council 28/02/2013					Total 2013/2014 £000s	Cost of Investment 2013/2014 £000s	Activity and consequence	FTE Change 2013/2014
Service	Change Project	Description	Responsible Officer	Capital Link				
	7.1 - Restructure the organisation	One year funding allocation to assist delivery of major change programme	Dominic Oakeshott		580			
TOTAL: ADULTS		Sub-Totals			9,698	1,510		-41
Public Health								
Public Health	3.0 - Focusing services on early intervention and prevention	Transfer of Public Health Budget from NHS	Heather Grimbaldston		12,725		<p>Public Health is a new Local Authority responsibility transferred from Health in 2013/2014.</p> <p>The Council is given a ring fenced Health Grant from Public Health England/DoH to protect and improve the health of residents of Cheshire East in a number of mandated areas.</p> <p>These include sexual health services, children's weight, health checks, support to NHS commissioners and public health emergencies.</p> <p>Other services covering drug and alcohol and smoking services also have to be commissioned using the budget. The Council will be reviewing the budget in light of its own priorities and current related service areas.</p>	

Summary of Major Change Programmes - Budget Report 2013/2016 - Council 28/02/2013					Total 2013/2014 £000s	Cost of Investment 2013/2014 £000s	Activity and consequence	FTE Change 2013/2014
Service	Change Project	Description	Responsible Officer	Capital Link				
	3.0 - Focusing services on early intervention and prevention	Ring Fenced Specific Grant Funding	Heather Grimaldeston		-12,725		Note: This is an indicative budget based on the PCT baseline allocation (25/04/2012). The Public Health budget allocations to Local Authorities were published on 10th January 2013 and work is now underway to work through the budget requirements.	
TOTAL: PUBLIC HEALTH		Sub-Totals			0	0		0
Places & Organisational Capacity								
Waste	6.4 - Determine future delivery model for waste management services	Waste & Recycling - New delivery model for waste management services	Ray Skipp		0	400	Alternative model for collection operation and integrated solution for recycling and disposal; budget estimates are based on outsourcing and use of the "restricted" procurement route could facilitate delivery by mid-2014/2015, subject to availability of an operational transfer station in the North.	
Waste	6.4 - Determine future delivery model for waste management services	Waste & Recycling - Diversion from landfill for one-year, pending new delivery model	Ray Skipp		-113		Diversion from landfill in 2013/2014 through collaboration within existing contract provisions and procurement of haulage arrangements [This is subject to a collaborative arrangement being agreed prior to 31/03/2013]; from 2014/2015 further landfill diversion will be considered via the new delivery model for waste.	
Waste	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Waste & Recycling - Adjustments to base budgets for landfill and recycling contracts	Ray Skipp		576		Adjustments to contract costs, to reflect underlying base budget shortfalls relating to disposal (HWRCs) and recycling (bulking/green waste haulage); increases in Landfill Tax and contractual inflation, partly offset by reduced residual waste tonnages.	

Summary of Major Change Programmes - Budget Report 2013/2016 - Council 28/02/2013					Total 2013/2014 £000s	Cost of Investment 2013/2014 £000s	Activity and consequence	FTE Change 2013/2014
Service	Change Project	Description	Responsible Officer	Capital Link				
Waste	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Waste & Recycling - Adjustments to base budgets for collection costs and income levels, including Bank Holiday/ Christmas service provision, fuel and supplies inflation	Ray Skipp		749		Adjustments to core staff, vehicles and bulky/ Schedule 2 property income budgets to reflect underlying base budget shortfalls, additional resources for Bank Holiday waste transfers and Christmas catch-up period; fuel and tyres cost inflation.	
Waste	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Waste & Recycling - Waste Service structure review	Ray Skipp		-185		Review/Removal of vacant posts in Waste Service.	-3
Waste	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Waste & Recycling - One-off reductions in 2013/2014 in the waste minimisation budget and recycling credits	Ray Skipp		-153		One-off savings to assist in 2013/2014, via reduced waste minimisation expenditure (reduces waste awareness and educational activity for 1 year) and saving in recycling credits (through not paying 3rd party credits re collection of materials already collected at kerbside).	
TOTAL WASTE					874	400		-3
Highways and Transport	1.1 - Investment in existing and road infrastructure	Highways - Charging of staff time to major highways capital investment project, during 2013/2014 and 2014/2015	Kevin Melling	Investment in highway infrastructure	-200		Charging of costs to Capital project, rather than Revenue, in relation to major two-year programme of highways improvement works.	
Highways & Transport	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Highways & Transport - Adjustment to base budgets for concessionary fares passes, flexible transport, transport and fleet client recharges and countryside	Kevin Melling		435		Adjustment of income and operating cost budgets, to correct for underlying base budget shortfalls.	
Highways & Transport	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Transport - Expenditure, fully funded by Local Sustainable Transport Fund DfT grant; £2.236m to 2014/2015	Kevin Melling		0		Fully funded spending of £2.236m revenue to 2014/2015, in conjunction with £1.273m capital investment, on improved transport services, enabling greater access to employment, links to the railway and travel awareness.	

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Service	Change Project	Description	Responsible Officer	Capital Link				
Highways & Transport	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Highways - Contract inflation, offset by efficiency savings in 2014/2015 and 2015/2016	Kevin Melling		324		Cheshire East Highways annual contract inflation, offset by 3% efficiency saving (NB. 2013/2014 efficiency saving already in base budget rolled forward).	
Highways and Transport	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Transport - Inflation in public transport support and concessionary fares subsidy	Kevin Melling		236		Inflation in public transport support and concessionary fares subsidy.	
Highways and Transport	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Highways - Savings from reviews in winter servicing and rural verge maintenance	Kevin Melling		-175		Following the review of winter operations undertaken during 2011/2012 and 2012/2013 which will be complete in early summer 2013, changes will be made to the extent of network pre-salted, enabling reductions in number of routes, generating further efficiencies. This will be combined with reduction in swathe cuts (verge maintenance) to once per year, maintaining visibility at junctions and on bends.	
Highways and Transport	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Highways & Transport - A range of operational efficiency savings across Highways and Transport services (over a 2 year period) including review of winter salt/gritters, capitalisation of staff time and maintenance (where appropriate), developing charging to become self financing and pursuing increased enforcement activity.	Kevin Melling		-480	125	Change in specification of salt used for gritting; savings via hiring additional gritters through Cheshire East Highways (CEH) supply chain; increase in staff recharge to capital programme over medium term (incl. Local Sustainable Transport Fund (LSTF) - funded programme); new income target for pre-application advice fees; change in focus to capital improvements and remove reactive responses to enquiries; charge for inspectorate service and traffic survey team to become self-financing; develop income from permit scheme for utility openings; capitalise Public Rights of Way expenditure where appropriate; efficiencies in bus shelter maintenance contract.	
TOTAL HIGHWAYS & TRANSPORT					140	125		0

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Communities	6.1 - Develop delivery models for frontline place-based services	Leisure Services - Adjustments to employees and income base budgets	Peter Hartwell		742		Increase in staffing (£0.5m) and income budgets (£0.2m) to correct for underlying base budget shortfalls.	
Communities	6.1 - Develop delivery models for frontline place-based services	Leisure Services - New service delivery model to create efficiencies in operating costs; along with increasing income from fees and charges	Peter Hartwell	Crewe Cumberland Arena	-450	200	Develop a new delivery model in 2013/2014 to realise staff and non pay cost savings, along with increasing prices by an average of 3%.	
Communities	6.1 - Develop delivery models for frontline place-based services	Sports Development - Service cost efficiency savings	Peter Hartwell		-156	14	Review of service structure, operational budgets and grant payments.	-3
Communities	6.1 - Develop delivery models for frontline place-based services	Arts & Culture - Service cost efficiency savings and reductions	Peter Hartwell		-296	90	Service structure review and move to commissioning role, review of non-externally funded activities, remove subsidy from Silk Heritage Centre in 2015 following new two-year agreement.	-5
Sub-total LEISURE					-160	304		-8
Communities	6.1 - Develop delivery models for frontline place-based services	Car Parking - New delivery models for parking enforcement	Peter Hartwell		-350	49	Develop new delivery models for enforcement function (£0.25m) and back-office rationalisation (£0.1m), to realise cost efficiencies.	-3
Communities	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Car Parking - Adjustments to Pay & Display and fines income base budgets	Peter Hartwell		899		Reduction in income budgets to correct for underlying base budget shortfalls - Pay and Display (£0.5m) and Enforcement (£0.3m).	
Sub-total CAR PARKING					549	49		-3
Communities	6.1 - Develop delivery models for frontline place-based services	Streetscape - New service delivery model, via transfer of mechanical cleansing to managing agent and integration with Highways services contract, along with other efficiency savings in employees and supplies costs	Peter Hartwell / Kevin Melling		-336		Transfer of mechanical cleansing to Highways Services provider and other efficiencies in employees and operating costs.	-12

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Service	Change Project	Description	Responsible Officer	Capital Link				
Communities	6.1 - Develop delivery models for frontline place-based services	Streetscape - Closure of public conveniences	Gareth Edwards		-104	112	Transfer of facilities to Town/Parish Councils or closure and decommissioning of public conveniences from April 2013, full year saving assumed.	-2
Communities	6.1 - Develop delivery models for frontline place-based services	Streetscape - Closure of Automatic Public Conveniences, via buy-out of long-term leasing contract	Gareth Edwards		0	213	Closure of automated facilities via buy-out of leasing arrangement. 2013/2014 temporary budget to finance lease repayments (£0.08m) and Cost of Investment to give notice on 2 sites 01/04/2013 and 3 sites 01/04/2014 (£0.1m) to realise annual saving of £125,000 (phasing closures between 2013/2014 and 2015/2016).	
Communities	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Streetscape - Adjustments to income base budgets relating to grounds maintenance, parks management and markets	Gareth Edwards		247		Adjustment of income budgets to correct for underlying base budget shortfalls.	
Sub-total STREETSCAPE					-193	325		-14
Communities	6.1 - Develop delivery models for frontline place-based services	Regulatory Services - Reduction of pest control service and increase of fees	Peter Hartwell		-65	46	Reduction of pest control service and increase of fees.	-2
Communities	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Community Services - Adjustments to staffing, operating cost and income base budgets	Peter Hartwell		442		Increase in staffing and operating costs and reduction of income budgets, to correct for underlying base budget shortfalls.	
Communities	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Community Safety - withdraw neighbourhood policing grant, following Home Office's transfer of grant payment from Council to the new Police & Crime Commissioner	Peter Hartwell		-150		Expenditure saving, reflecting that Home Office grant is now to be paid direct to Cheshire Police, rather than the Council, following the election of the Police & Crime Commissioner.	

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Service	Change Project	Description	Responsible Officer	Capital Link				
Communities	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Community Services - Reduction in supplies and services budgets	Peter Hartwell		-52		10% reduction across a range of supplies and services budgets.	
Communities	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Community Safety - Staffing and maintenance cost efficiency savings in CCTV services	Peter Hartwell		-250	104	Reduction in CCTV staff (by 3fte) and maintenance budgets, including rationalisation of BT fibre costs.	-3
Communities	8.3 - Manage workforce turnover so that vacant posts are used to provide efficiency savings whilst retaining staff with essential skills	Community Services - Recruitment Freeze and continued vacancy management.	Peter Hartwell		-181		Recruitment Freeze and in year vacancy management based on the 2012/2013 vacancy savings.	-6
Sub-total Other COMMUNITIES					-256	150		-11
TOTAL COMMUNITIES					-60	828		-36
Development	7.5 - Maximise the benefits from the Corporate Landlord model to best utilise our asset base to support delivery of the Council's wider objectives	Assets Service - Adjustments to base budgets for underlying budget shortfalls in operating and maintenance costs, income budgets, holding costs of surplus properties, street lighting energy and planned inspections	Caroline Simpson		2,886	100	Adjustments relating to underlying base spend and income budget shortfalls on operational and non-operational investment properties, holding costs of surplus and interim-managed properties, street lighting energy and planned programme of inspections.	

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Service	Change Project	Description	Responsible Officer	Capital Link				
Development	7.5 - Maximise the benefits from the Corporate Landlord model to best utilise our asset base to support delivery of the Council's wider objectives	Assets - Carbon Reduction Commitment payments, inflation in energy, water and rates costs and energy efficiency investment loan repayments	Caroline Simpson		515		Carbon Reduction Commitment (CRC) payments, inflation in energy, water and rates costs and energy efficiency investment loan repayments. [Re Carbon Reduction Payments, the assumption here is that the first CRC payments will be made in 2014/2015 and forecast at £334k however there is a risk that the liability could fall in 2013/2014].	
Development	7.5 - Maximise the benefits from the Corporate Landlord model to best utilise our asset base to support delivery of the Council's wider objectives	Assets - Continuation of benefits realisation from introduction of Corporate Landlord model, via rationalisation of operational property portfolio	Caroline Simpson		-750	350	The saving will come from a significant reduction in office space and rationalisation in buildings occupied by staff as well as a reduction in assets for front line delivery. An estimate of the cost of investment has been made to reflect buy outs and to facilitate exit. There is a risk that the saving in the first year will need to come from temporary measures and in-year savings as rationalisation is progressed for 2014/2015.	
Development	7.5 - Maximise the benefits from the Corporate Landlord model to best utilise our asset base to support delivery of the Council's wider objectives	Assets - Accelerated disposals/ demolitions of surplus properties	Caroline Simpson	Assets Accelerated Disposals/ Demolition	-300		Savings in running and/or holding costs, following disposal or demolition of surplus properties. £500k one-off Capital expenditure is required to deliver these additional revenue savings and is included in the draft capital programme for 2013/2014.	
Development	7.5 - Maximise the benefits from the Corporate Landlord model to best utilise our asset base to support delivery of the Council's wider objectives	Assets: Managed reduction in both planned and responsive maintenance, for 2013/2014 only	Caroline Simpson		-400		Managed reduction in maintenance spending, for one-year only, focussing on essential repairs and minimising adverse effects on condition of premises.	

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Service	Change Project	Description	Responsible Officer	Capital Link				
Development	7.5 - Maximise the benefits from the Corporate Landlord model to best utilise our asset base to support delivery of the Council's wider objectives	Assets - Operational efficiency savings from reviews of caretaking and cleaning services, postage services, ceasing internal electricians services and reviewing service-related income and debt position	Caroline Simpson		-255	50	Reducing running costs for caretaking and cleaning and postage services, review of the internal electricians service and introducing alternative ways of managing income.	-4
Development	7.5 - Maximise the benefits from the Corporate Landlord model to best utilise our asset base to support delivery of the Council's wider objectives	Assets - Reduce energy consumption from street lighting and illuminated signs	Caroline Simpson		-141		Following deferred capital investment in 2012/2013, energy cost savings have been re-profiled over 5 years; a reduction in the number of illuminated traffic signs will also save on energy and maintenance costs.	
Sub-total ASSETS					1,555	500		-4
Development	1.3 - Investment to support business growth and delivery of Macclesfield and Crewe regeneration and the Sustainable Towns programme	Economic Development & Regeneration - Increase in resources to deliver the economic growth agenda	Caroline Simpson	Property Development Programme	200		Increase in (revenue) budget for economic growth initiatives. [In addition a new capital scheme will facilitate a dedicated team approach to physical asset development (£300k)].	3
Development	5.2 - Better integrate housing across all Council services	Housing & Adults Services - New delivery model for Housing, via integration with Adults Services	Caroline Simpson		-50	100	Realisation of efficiency savings through integration of Service structures.	-4
Development	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Economic Development, Visitor Economy and Tatton Park - Review of Visitor Economy and Economic Development services; implement Tatton Vision projects to reduce subsidy	Caroline Simpson		-235		Visitor Economy and Economic Development Services efficiency savings (2013/2014 £105k; 2014/2015 £30k & 2015/2016 £5k); implement Tatton Vision projects to reduce subsidy (2013/2014 £130k; 2014/2015 £273k & 2015/2016 £130k).	

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Service	Change Project	Description	Responsible Officer	Capital Link				
Development	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Development Management - Adjustments to base income budgets, including increase in prescribed fees and charges for pre-application advice, along with pay cost savings	Caroline Simpson		-304		Increase in prescribed planning application fees (£100k), charges for pre-application advice (£30k) and search fees income levels (£200k), along with pay protection cost savings (2013/2014 (£79k) & 2014/2015 (£25k)) and adjustments in Building Control income to correct for underlying shortfalls +£105k).	
Development	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Spatial Planning - Local Development Framework Public Inquiry and Local Plan site allocation project, followed by a review of integrated place and project based teams across Development and Places.	Caroline Simpson		0	400	Increase in Local Plan budget provision for 2013/2014 - 2014/2015 and Local Plan site allocation resource for 2013/2014; and review of integrated place and project based teams across Development and Places.	
Sub-total Other DEVELOPMENT					-389	500		-1
TOTAL DEVELOPMENT					1,166	1,000		-5
Performance, Customer Services & Capacity	6.3 - Develop a model for sustainable library services and community hubs	Libraries - Development of a sustainable library service	Paul Bayley	New Library Model	-100	50	Involving a town-by-town review of provision, development of a sustainable service will result in libraries appropriate for each community and will require some reduced provision.	-4
Performance, Customer Services & Capacity	7.6 - Resilient communities	Corporate and Partnerships - Removal of temporary budget for External Funding Team	Vivienne Quayle		-50		Corporate approach to re-focus of area working, to prevent demand on local services.	
Performance, Customer Services & Capacity	7.6 - Resilient communities	Grants - Removal of one-off grants to Town and Parish Councils	Vivienne Quayle		-209		Removal of one-off item for 2012/2013.	
Performance, Customer Services & Capacity	7.6 - Resilient communities	Grants - Transitional grants to Town and Parish Councils in relation to implementation of local council tax benefit support scheme	Vivienne Quayle		450		Transitional grant support to mitigate for reduction in tax base as a consequence of the change from national to local scheme for council tax benefits.	
Performance, Customer Services & Capacity	7.6 - Resilient communities	New way of working with communities and implementing localism	Vivienne Quayle					
TOTAL PERFORMANCE, CUSTOMER SERVICES & CAPACITY					91	50		-4

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Service	Change Project	Description	Responsible Officer	Capital Link				
Unallocated	7.1 - Restructure the organisation	One year funding allocation to assist delivery of major change programme	Caroline Simpson		470			
TOTAL: PLACES & ORGANISATIONAL CAPACITY		Sub-Totals			2,681	2,403		-48
Corporate Services								
HR and OD Organisational Development	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Service restructure	Julie Davies		-53	33	A small restructure in HR&OD, with the reduction of 1 post at Grade 11.	-1
Organisational Development	8.1 - Further develop employment and working practices to enable flexible and agile working	Performance related pay scheme	Julie Davies		0	230	Performance related pay is being explored. An investment of £230k will be required over the next 2 years. Options are currently being considered by the relevant Policy Development Group.	

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Organisational Development	8.1 - Further develop employment and working practices to enable flexible and agile working	Enabling flexible working practices	Julie Davies		0	50	The savings associated with this project are directly linked to the asset disposal/reduction strategy. Equally, the investment costs linked to this project are detailed in the ICT Strategy. An additional £50k is requested to invest in advice and small scale office redesign to better facilitate the 'agile worker' concept in Council buildings.	
Organisational Development	8.1 - Further develop employment and working practices to enable flexible and agile working	Creating job families, to support workforce and service development	Julie Davies		0		This project does not require up front investment and will not generate any savings (directly). It will however ensure that we have streamlined job structures which will help services to increase productivity whilst changing size and shape and enable the Council to have a flexible, multi skilled and agile workforce.	
Organisational Development	8.2 - Identify changing skills requirements over medium term and equipping the organisation with these skills	Changing skills project, to support workforce development, individual and Service performance improvement	Julie Davies / Rosie Ottewill		100	70	This project does not produce savings or cost reductions for the Council directly. It will however ensure that we have a highly skilled, flexible and high performing workforce to take the Council into the future (with significantly fewer Managers). It will also help to improve front-line Services through better leadership and management skills, improved commissioning and business skills, honed customer service skills and improved change and transformation skills. It will become embedded in Workforce Planning and assist Services in to increase productivity whilst changing size and shape.	

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Organisational Development	8.2 - Identify changing skills requirements over medium term and equipping the organisation with these skills	Health & well-being support for staff, including Employee Assistance Programme (EAP)	Julie Davies		45		An investment of £45k for an Employee Assistance Programme (EAP) will significantly mitigate against a predicted overspend of approximately £65k in Occupational Health through heavy demand on Counselling services. An EAP will also help to drive down sickness, improve morale, reduce stress levels and improve employee wellbeing.	
Finance and Business Services								
ICT	7.4 - Implement a modern business architecture, including ICT systems, which supports innovative and affordable frontline delivery	Core System Stability	Gareth Pawlett	ICT Capital Programme - £20m investment over 3 years	650		An additional £650k to support the financial implications of running the old network and new PSN networks simultaneously, along with ongoing direct revenue cost to ICT Strategy in future years. Infrastructure costs are currently billed on a 50:50 basis to CEC and CWAC. Any temporary increase in costs incurred by the ICT Shared Service will be funded from this growth bid.	
ICT	7.4 - Implement a modern business architecture, including ICT systems, which supports innovative and affordable frontline delivery	Next Generation Desktop	Gareth Pawlett	ICT Capital Programme - £20m investment over 3 years	-125		Further reduction in Microsoft Enterprise Agreement.	
ICT	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	ICT Harmonisation	Gareth Pawlett	ICT Capital Programme - £20m investment over 3 years	-50		Cancellation of application contracts.	
ICT	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Other - Strategy Structure Reductions	Gareth Pawlett		-65	30	Reduction in one service management post.	-1

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Service	Change Project	Description	Responsible Officer	Capital Link				
ICT	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Additional ICT Staff Capitalisation	Gareth Pawlett	ICT Capital Programme - £20m investment over 3 years	-125		Further capitalisation of ICT Strategy staff.	
ICT	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Deepstore/Duplicate Savings target	Gareth Pawlett		210		To correct for underlying base budget shortfalls, and remove duplicated savings target.	
FBS Directorate	7.2 - Develop a more affordable model of corporate and support services with key subject expertise, to enable better strategic commissioning and delivery of frontline services	Develop SLE	Gareth Pawlett / Chris Mann		163		Original plans related to the implementation in 2012/2013 of a Separate Legal Entity for the major Shared Services, are being re-examined through a new Business Case, which is included in Major Project 7.1. On this basis the original planned savings have been removed and the revised plans will be updated in Major Project 7.1 subject to Member decision in February 2013.	
Accountancy	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Insurance re-tendering	Chris Mann		-150		Majority of savings target achieved through re-tendering of corporate insurances. Further efficiency improvements will be targeted following upgrading of insurance claims database.	
Accountancy	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Other - Accountancy - SBSA Income	Chris Mann		-13		Increase income from schools through review of charges and rigorous application of full cost recovery principle.	

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Service	Change Project	Description	Responsible Officer	Capital Link				
Accountancy	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Accountancy staffing reductions through introduction of manager self serve	Chris Mann		-75	50	Reductions as a result of enabling Managers to self-service, utilising functions e.g. Financial Reporting Centre.	-2
Finance Shared Service	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Shared Services (HR&Finance) - on-going budget pressure	Chris Mann		120	40	The HR&Finance Shared Service budget pressure will be mitigated through early retirements and compliance improvement that will enable staffing reductions and will be tackled by the end of 2013/2014. However, the pressure will be mitigated in the mean time by the one-off Benefit Subsidy surplus described below.	-2
Benefits	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Housing & Council Tax subsidy - exceed recovery target.	Chris Mann		-120		Surplus on subsidy income in 2011/2012 is anticipated to continue, but at a significantly reduced level, due to changes to council tax support.	
Benefits	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Transfer of Social Fund from central government (matched by grant funding)	Chris Mann		741		From April 2013 the funding and responsibility for a replacement to the Social Fund Scheme transfers from the Department of Work and Pensions (DWP) to the Council. A draft scheme has been developed, but is still subject to procurement for goods and services once demand is identified. It is anticipated that demand will be managed to ensure the awards are under the level of the grant and the administration costs will be reduced as part of the more flexible use of resources and move from traditional functional roles. This will be treated as a ring-fenced provision.	

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Benefits	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Absorb additional administration costs related to transfer of Social Fund within existing resources	Chris Mann		-129		The aim is to absorb the administration costs of the Social Fund over the medium term once the scheme is embedded. No additional staff will be taken on to undertake this work, existing resources will redeployed and backfill capacity provided through purchasing off-site processing.	
Revenues & Benefits	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Improved efficiency through adoption of 'Digital by Default'	Chris Mann		-75	50	Continued focus on uptake of on-line billing for Council Tax & Business Rates and self-service facility for Revenues customers. This will require some investment in new software, but will result in savings in printing and postage and staff time, which will be redirected into targeted recovery action to maintain collection rates.	
Revenues & Benefits	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Improve productivity in Revenues & Benefits	Chris Mann		-100	50	Further efficiency savings to be delivered through exploitation of on-line working, channel shift and flexible working. Opportunities for collaboration will also be explored.	-1
Revenues & Benefits	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Efficiency improvement through consolidation of resources for fraud & investigation	Chris Mann		0		Create a combined fraud/investigation team through pooling of resources across Benefits and Internal Audit under joint management arrangement.	
Borough Solicitor Legal Services	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Legal Services staffing capacity	Michael Rowan		0		Increase capacity and reduce reliance upon expensive ad hoc locum support.	

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Legal Services	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Registration of land titles	Michael Rowan		0		The project to voluntarily register all outstanding title to land owned by the Council has been proceeding since September 2011 and is nearing completion. Registration of all the Council's titles will, once complete, considerably streamline land transactions and therefore enable spending reduction.	
Coroners	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Adjustment in base budget for Coroners Service	Brian Reed		50		Adjustment to correct for underlying base budget shortfall in the Council's contribution to the Coroners Service.	
Registrations	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Additional Registrations Service staff	Brian Reed		40		Additional resource requirement to support the increased level of marriages. In order to meet challenging income targets and increased demand, further resources are required in terms of Marriage Officers.	
Elections	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Delay recruitment to vacant Elections Office post	Brian Reed		-10		One-off saving from delaying for 6 months recruitment to a vacant Grade 3 post within the Elections Team. Elections Office is functioning on below minimum staffing levels. On this basis, the Team should have 7-8 FTE, but has only 6 FTE.	
Registrations/Business Support Unit	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Reduce number of Administrative Officers	Brian Reed		-19		Deletion of the vacant Business Support Unit post reduces administrative support to lawyers. The service will manage out the risk of this work falling back on professional staff.	-1

Summary of Major Change Programmes - Budget Report 2013/2016 - Council 28/02/2013					Total 2013/2014 £000s	Cost of Investment 2013/2014 £000s	Activity and consequence	FTE Change 2013/2014
Service	Change Project	Description	Responsible Officer	Capital Link				
Committee Team	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Reduce number of Scrutiny Officers	Brian Reed		-35		Delete the currently vacant Scrutiny Officer post and manage out the possible detrimental impact upon servicing Scrutiny committees and Policy Development Groups.	-1
Democratic Services	7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	Rationalise Democratic Services management structure	Brian Reed		-64	38	Service management restructuring.	-1
All Corporate	7.2 Develop a more affordable model of corporate and support services with key subject expertise, to enable better strategic commissioning and delivery of frontline services	Developed model for Corporate Services	Vivienne Quayle		-200	20	Develop smaller, cross-service functions for performance, research, consultation, workforce development, and publicity and marketing. These functions will in total have less staff and resource, but by pooling current resource which is spread across services, they will have a greater capacity, focus and resilience. The functions will provide a corporate role but with key subject expertise. In order to achieve this new approach it is vital that the current Children, Families and Adults resource is pooled with corporate resource, and discussions have taken place between services to this effect.	-5
	7.1 - Restructure the organisation	One year funding allocation to assist delivery of major change programme			160			
TOTAL: CORPORATE SERVICES		Sub-Totals			872	661		-15

Summary of Major Change Programmes - Budget Report 2013/2016 - Council 28/02/2013					Total 2013/2014 £000s	Cost of Investment 2013/2014 £000s	Activity and consequence	FTE Change 2013/2014
Service	Change Project	Description	Responsible Officer	Capital Link				
Cross Cutting								
	8.3 - Manage workforce turnover so that vacant posts are used to provide efficiency savings, whilst retaining staff with essential skills	Provision for contractual increments currently under review			210		Budget for increments for the part-year effect from November 2013 to March 2014 and for increments in 2014/2015 pending development of a Performance Related Pay scheme.	
	7.1 - Restructure the organisation	Reducing management overheads			-2,173			-71
	8.3 - Manage workforce turnover so that vacant posts are used to provide efficiency savings, whilst retaining staff with essential skills	Managing workforce turnover so that vacant posts are used to provide efficiency savings whilst retaining staff with essential skills			-2,500		There is no investment required for this project and achievement of projected savings will be subject to at least 50% of vacancies arising from natural wastage being deleted. The saving related to 2013/2014 requires a number of vacancy reductions to be implemented between November 2012 and March 2013.	-129
	7.1 - Restructure the organisation	Cost of additional staff reductions				1,346	Costs associated with the additional savings required from management restructuring.	
TOTAL: CROSS CUTTING		Sub-Totals			-4,463	1,346		-200
TOTAL ALL DIRECTORATES					8,698	6,300		-338

CAPITAL PROGRAMME - SUMMARY**CAPITAL****Capital Programme 2013/2014 - 2015/2016**

	Total Approved Budget £000	Prior Year Spend £000	Forecast Spend 2013/2014 £000	Forecast Spend 2014/2015 £000	Forecast Spend 2015/2016 £000
Ongoing Schemes					
Children & Families	25,906	16,513	8,769	625	0
Adults	1,796	847	949	0	0
Places and Organisational Capacity	144,063	75,371	45,550	21,629	1,512
Corporate Services	68,513	5,928	30,418	27,167	5,000
Total Ongoing Schemes	240,278	98,659	85,686	49,421	6,512
New Schemes					
Children & Families	7,962	0	7,962	0	0
Adults	9,000	0	500	2,500	6,000
Places and Organisational Capacity	65,366	0	17,821	31,145	16,400
Corporate Services	0	0	0	0	0
Total New Schemes	82,328	0	26,283	33,645	22,400
Total	322,606	98,659	111,969	83,066	28,912
Funded By					
Prudential Borrowing		18,860	37,894	35,227	17,912
Grants		65,194	41,305	22,076	2,630
Capital Receipts		11,648	10,000	5,000	0
Developer / Other Contributions		2,927	22,670	20,763	8,370
Revenue Contributions		30	100	0	0
Total		98,659	111,969	83,066	28,912

CHILDREN AND FAMILIES - SUMMARY

CAPITAL

Capital Programme 2013/2014 - 2015/2016

	Total Approved Budget £000	Prior Year Spend £000	Forecast Spend 2013/2014 £000	Forecast Spend 2014/2015 £000	Forecast Spend 2015/2016 £000
Ongoing Schemes					
Safeguarding & Specialist Support	2,081	1,196	885	0	0
Early Intervention & Prevention	865	2	863	0	0
Strategy, Planning & Performance	22,960	15,315	7,021	625	0
Subtotal - Ongoing Schemes	25,906	16,513	8,769	625	0
New Schemes					
Strategy, Planning & Performance	7,962	0	7,962	0	0
Subtotal - New Schemes	7,962	0	7,962	0	0
Total	33,868	16,513	16,731	625	0
Funded By					
Prudential Borrowing		5,543	1,510		0
Grants		10,430	14,368	625	0
Capital Receipts		137			0
Developer / Other Contributions		403	853		0
Revenue Contributions					0
Total		16,513	16,731	625	0

**CHILDREN AND FAMILIES
SAFEGUARDING & SPECIALIST SUPPORT**

CAPITAL

Capital Programme 2013/2014 - 2015/2016

	Total Approved Budget	Prior Year Spend	Forecast Spend 2013/2014	Forecast Spend 2014/2015	Forecast Spend 2015/2016	Forecast Spend Funded by Borrowing %
	£000	£000	£000	£000	£000	
Ongoing Schemes						
Residential Development Programme	1,500	997	503	0	0	100
Short Break Re Provision 2011-2012	175	51	124	0	0	100
Short Breaks for Disabled Children - Development of placements	406	148	258	0	0	0
Total	2,081	1,196	885	0	0	

**CHILDREN AND FAMILIES
EARLY INTERVENTION AND PROTECTION**

CAPITAL

Capital Programme 2013/2014 - 2015/2016

	Total Approved Budget	Prior Year Spend	Forecast Spend 2013/2014	Forecast Spend 2014/2015	Forecast Spend 2015/2016	Forecast Spend Funded by Borrowing
Scheme	£000	£000	£000	£000	£000	%
Ongoing Schemes						
Hurdsfield - Replacement of the Family Centre	865	2	863	0	0	100
Total	865	2	863	0	0	

Capital Programme 2013/2014 - 2015/2016

Scheme	Total Approved Budget	Prior Year Spend	Forecast Spend 2013/2014	Forecast Spend 2014/2015	Forecast Spend 2015/2016	Forecast Spend Funded by Borrowing %
£000	£000	£000	£000	£000	£000	%
Ongoing Schemes						
Primary Schools	13,480	9,902	3,579	0	0	63
Secondary Schools	4,735	3,216	1,439	80	0	24
Specialist Schools	906	0	906			0
Minor Works / Accessibility (<£100k) - Improvements	943	922	21	0	0	15
Devolved Formula Capital Grant	2,748	1,137	1,066	545	0	0
Basic Need (<£100k) - Extensions	148	138	10	0	0	0
Subtotal - Ongoing Schemes	22,960	15,315	7,021	625	0	
New Schemes						
1. Basic Need - Block Provision	1,273	0	1,273	0	0	0
2. Wilmslow Grange Primary School - 2 Classroom Extension	887	0	887	0	0	0
3. Vine Tree - Primary School - 4 Classroom Extension	1,267	0	1,267	0	0	0
4. Suitability/Minor Works/Accessibility Block Provision	900	0	900	0	0	0
5. Condition Work - Block Provision	1,509	0	1,509	0	0	0
6. Re-organisation/Co-location of Services	100	0	100	0	0	0
7. Capital Maintenance Grant Block Provision	727	0	727	0	0	0
8. Devolved Formula Capital	902	0	902	0	0	0
9. Free Early Years Education Grant for 2 year Olds	397	0	397	0	0	0
New Schemes	7,962	0	7,962	0	0	0
Total	30,922	15,315	14,983	625	0	

Capital Programme 2013/2014 - 2015/2016

Please note that all of the 2013/2014 grant figures are based on the 2012/2013 grant allocations and will be revised once notification is received from the Department for Education

Details of New Schemes

1. Basic Need Block Provision

Basic need funding is allocated from the Department for Education according to relative need for new places, based on forecast data.

2. Wilmslow Grange Primary School

A two classroom extension over two storeys including a lift to allow DDA access to the first floor, a new staircase and group room space. Increases capacity to 315 places

3. Vine Tree Primary School

A four classroom extension, demolition of a mobile, creation of two group rooms, toilets and circulation. Increases capacity to 315 places.

4. Suitability/Minor Works/Accessibility Block Provision

Prioritised on a needs led basis the provision ensures that the establishment can function effectively and there are no Health & Safety or Safeguarding issues.

5. Condition Work - Block Provision

Prioritised on a needs led basis the provision relies on a condition survey to be completed.

6. Re-organisation/Co-location of Services

Provision to be used for the Children and Families Accommodation Strategy.

7. Capital Maintenance Grant Block Provision

To cover the project management costs of the individual projects within the Children and Families Capital Programme

8. Devolved Formula Capital

The grant is passported through the Authority and directly allocated to the schools for capital works.

9. Free Early Years Education Grant for 2 year Olds

New Government funding for disadvantaged 2 years olds to entitle them to 15 hours support each week.

ADULTS

CAPITAL

Capital Programme 2013/2014 - 2015/2016

	Total Approved Budget £000	Prior Year Spend £000	Forecast Spend 2013/2014 £000	Forecast Spend 2014/2015 £000	Forecast Spend 2015/2016 £000	Forecast Spend funded by Borrowing %
Ongoing Schemes						
Business Management & Change - Building Base Review - Adaptations and refurbishments	773	190	583	0	0	0
Business Management & Change - Combined ICT Project - Standardising processes	567	317	250	0	0	0
Care4CE - CareWorks System - Information Management System	456	340	116	0	0	0
Subtotal - Ongoing Schemes	1,796	847	949	0	0	
New Schemes						
<u>7.4 Implement a modern business architecture, including ICT Systems</u>						
1. Supporting the Front Line - Standardising of the Adults, Children & Families ICT Systems	3,000	0	500	1,500	1,000	77
<u>2. Developing affordable and sustainable local models of care</u>						
2. Hollins View	6,000	0	0	1,000	5,000	50
Subtotal - New Schemes	9,000	0	500	2,500	6,000	
Total	10,796	847	1,449	2,500	6,000	
Funded By						
Prudential Borrowing				1,800	3,500	
Grants		847	1,449	200		
Capital Receipts				500	2,500	
Developer / Other Contributions						
Revenue Contributions						
Total		847	1,449	2,500	6,000	

Details of New Schemes

1. Supporting the Front line

This projects aims to rationalise and standardise the number of systems and processes within the Adults, Children & Families service departments.

2. Hollins View

To create an Adult Care Facility in partnership with the Health Authority.

PLACES AND ORGANISATIONAL CAPACITY - SUMMARY

CAPITAL

Capital Programme 2013/2014 - 2015/2016

	Total Approved Budget £000	Prior Year Spend £000	Forecast Spend 2013/2014 £000	Forecast Spend 2014/2015 £000	Forecast Spend 2015/2016 £000
Ongoing Schemes					
Waste, Recycling and Streetscape	272	89	183	0	0
Highways and Transport	87,318	51,784	23,470	12,063	0
Community Services	2,486	1,139	1,297	50	0
Development	52,518	21,100	20,390	9,516	1,512
Performance, Customer Services and Capacity	1,469	1,259	210	0	0
Subtotal - Ongoing Schemes	144,063	75,371	45,550	21,629	1,512
New Schemes					
Highways and Transport	46,380	0	14,835	21,645	9,900
Community Services	12,700	0	400	9,000	3,300
Development	5,586	0	2,586	0	3,000
Performance, Customer Services and Capacity	700	0	0	500	200
Subtotal - New Schemes	65,366	0	17,821	31,145	16,400
Total	209,429	75,371	63,371	52,774	17,912
Funded By					
Prudential Borrowing		9,749	36,281	31,484	9,412
Grants		53,874	25,457	21,251	2,630
Capital Receipts		9,452			
Developer / Other Contributions		2,266	1,533	39	5,870
Revenue Contributions		30	100		
Total		75,371	63,371	52,774	17,912

**PLACES AND ORGANISATIONAL CAPACITY
WASTE, RECYCLING & STREETScape**

CAPITAL

Capital Programme 2013/2014 - 2015/2016

	Total Approved Budget	Prior Year Spend	Forecast Spend 2013/2014	Forecast Spend 2014/2015	Forecast Spend 2015/2016	Forecast Spend Funded by Borrowing %
	£000	£000	£000	£000	£000	
Ongoing Schemes						
Improvements to Congleton Park, Including Town Wood	104	64	40	0	0	
Waste, Recycling & Streetscape - Section106 Agreements	127	24	103	0	0	
Malkins Bank Play Area - Restoration / Improvements	41	1	40	0	0	
Total	272	89	183	0	0	

Capital Programme 2013/2014 - 2015/2016

	Total Approved Budget	Prior Year Spend	Forecast Spend 2013/2014	Forecast Spend 2014/2015	Forecast Spend 2015/2016	Forecast Spend Funded by Borrowing
	£000	£000	£000	£000	£000	%
Ongoing Schemes						
Highways & Transport Section 278 Agreements	776	556	210	9	0	0
Crewe Green Link Road (Council Funded Element)	1,300	800	500	0	0	100
Alderley Edge By-Pass Scheme Implementation	54,687	47,135	6,924	628	0	5
Badger Relocation	115	64	51	0	0	0
Alderley Edge Village enhancements	94	34	60	0	0	36
Bridge Maintenance Minor Works - Public Right of Way	114	94	20	0	0	100
Taylor Drive, Nantwich - Footway / Cycleway link	120	90	20	10	0	0
Crewe Rail Exchange - Redevelopments	5,274	1,256	4,018	0	0	0
Carbon Initiatives	2,000	1,381	619	0	0	100
Highways & Transport Section 106 Agreements	101	71	30	0	0	0
Local Sustainable Transport Fund	1,273	303	510	460	0	0
Integrated Transport Block - Local Transport Plan	5,489	0	2,281	3,208	0	0
Roads Maintenance Block - Local Transport Plan	15,975	0	8,227	7,748	0	0
Subtotal - Ongoing Schemes	87,318	51,784	23,470	12,063	0	
New Schemes						
<u>1.1 Investment in existing and new road infrastructure</u>						
1. Construction of Crewe Green Link Road South	19,000		1,200	8,800	9,000	2
2. Investment In Existing Road Infrastructure	22,280	0	11,485	10,795	0	90
3. Congleton Relief Road - Option Development	2,700	0	900	900	900	67
4. Poynton Relief Road - Option Development	1,100	0	600	500	0	50
5. Crewe Transformational Projects	1,300	0	650	650	0	100
Subtotal - New Schemes	46,380	0	14,835	21,645	9,900	
Total	133,698	51,784	38,305	33,708	9,900	

Capital Programme 2013/2014 - 2015/2016

Details of New Schemes

1. Construction of Crewe Green Link Road South

Development and construction of the Crewe Green Link Road South, opening up the Basford East Strategic employment site. The proposal was approved at Cabinet on the 4th July 2011 and 20th August 2012.

2. Investment In Existing Road Infrastructure

The project will deliver a Borough wide programme of carriageway surface treatments including resurfacing, overlays and surface dressing and, where necessary, associated drainage and footway works that will restore the targeted roads to a high standard.

3. Congleton Relief Road - Option Development

To investigate a number of transport options on the A34 and A534 West and North of Congleton Town Centre. The proposal was approved at Cabinet on 17th September 2012.

4. Poynton Relief Road - Option Development

To develop a new protected route alignment for the scheme. The proposal was approved at Cabinet on 17th September 2012.

5. Crewe Transformational Projects

A key transport infrastructure project linked to enabling the delivery of the All Change for Crewe Regeneration Scheme.

**PLACES AND ORGANISATIONAL CAPACITY
COMMUNITY SERVICES**

CAPITAL

Capital Programme 2013/2014 - 2015/2016

	Total Approved Budget	Prior Year Spend	Forecast Spend 2013/2014	Forecast Spend 2014/2015	Forecast Spend 2015/2016	Forecast Spend Funded by Borrowing %
	£000	£000	£000	£000	£000	%
Ongoing Schemes						
Nantwich Pool Enhancements	1,521	512	1,009	0	0	100
Residents Parking Schemes	245	170	75	0	0	43
Leisure Centre ICT Member Systems	200	100	100	0	0	100
Lifestyle Centre Refurb at Macclesfield Leisure Centre	115	105	10	0	0	100
Lifestyle Centre Refurb at Wilmslow Leisure Centre	75	65	10	0	0	100
Other Car Parking Improvements	180	152	28	0	0	100
CCTV - Infrastructure Rationalisation	150	35	65	50	0	100
Subtotal - Ongoing Schemes	2,486	1,139	1,297	50	0	
New Schemes						
<u>6.1 Develop new delivery model for leisure provision</u>						
1. Development of a Lifestyle Centre at Crewe Cumberland Arena	12,700	0	400	9,000	3,300	100
Subtotal - New Schemes	12,700	0	400	9,000	3,300	
Total	15,186	1,139	1,697	9,050	3,300	

Details of New Schemes

1. Development of a Lifestyle Centre at Crewe Cumberland Arena

The construction of a new all-inclusive leisure facility, modern family and adult social care provision and community facilities all in one location. This proposal was approved at Cabinet on 10th December 2012 and permission was given to progress the delivery of the Crewe Lifestyle Centre Scheme as set out in the business case by procuring a design and build contractor.

Capital Programme 2013/2014 - 2015/2016

	Total Approved Budget	Prior Year Spend	Forecast Spend 2013/2014	Forecast Spend 2014/2015	Forecast Spend 2015/2016	Forecast Spend Funded by Borrowing
	£000	£000	£000	£000	£000	%
Ongoing Schemes						
Town Centre Regeneration & Development Programme	2,848	2,704	144	0	0	30
Earl Road Handforth Feasibility	130	30	100	0	0	0
Parkgate - Regeneration	359	294	65	0	0	0
Choice Based Lettings	222	202	20	0	0	18
Affordable Housing Initiatives - Section 106 Holly Lodge	870	559	311	0	0	4
Housing Grants - Ex Macclesfield Borough Council - Section106	1,045	880	165	0	0	0
Social Housing Grants	601	557	44	0	0	2
Assisted Purchase Scheme - First Time Buyers	591	522	69	0	0	1
Tatton Park Programme	2,064	279	1,785	0	0	59
Rolling Programme						
Private Sector Assistance - Home repairs	1,336	776	300	260	0	0
Disabled Facilities Grants - Adaptations	1,814	1,200	614	0	0	54
Asset Management Programme	14,138	4,820	4,818	4,500	0	87
Farms Strategy - Restructure	3,380	356	756	756	1,512	
Office Accommodation Strategy	8,376	7,876	500	0	0	23
Regeneration & Development Programme	1,944	0	944	1,000	0	100
Tatton Park Investment	6,260	0	6,260	0	0	100
Housing Development	6,540	45	3,495	3,000	0	100
Subtotal - Ongoing Schemes	52,518	21,100	20,390	9,516	1,512	

Capital Programme 2013/2014 - 2015/2016

	Total Approved Budget	Prior Year Spend	Forecast Spend 2013/2014	Forecast Spend 2014/2015	Forecast Spend 2015/2016	Forecast Spend Funded by Borrowing
	£000	£000	£000	£000	£000	%
New Schemes						
<u>7.5 Maximise the benefits from the Corporate Landlord model</u>						
1. Assets Accelerated Disposals & Demolitions	500	0	500	0	0	100
<u>1.3 Investment to support business growth and regeneration</u>						
2. Economic Development & Regeneration - Physical Asset Development	300	0	300	0	0	100
3. Alderley Park Bio-Incubation Centre	1,000	0	1,000	0	0	100
Rolling Programme						
4. Asset Management Programme	3,000	0	0	0	3,000	100
5. Disabled Facilities Grant	786	0	786	0	0	12
Subtotal - New Schemes	5,586	0	2,586	0	3,000	
Total	58,104	21,100	22,976	9,516	4,512	

Capital Programme 2013/2014 - 2015/2016

Details of New Schemes

1. Assets Accelerated Disposals & Demolitions

Required for a disposal and demolition programme to improve potential sites for re-sale.

2. Economic Development & Regeneration - Physical Asset Development

Increase in resources to deliver the economic growth agenda.

3. Alderley Park Bio-Incubation Centre

A Joint Venture to establish and operate a BioScience Incubator centre for new and existing small businesses in the bioscience sector.
The proposal to support a £1m repayable loan was approved at Cabinet on 7th January 2013.

4. Asset Management Programme

Part of the rolling capital programme for capital works on the Authority's asset portfolio.

5. Disabled Facilities Grant

Grants that are awarded to individual applicants to allow them to adapt their homes for independent living and/or to reduce their need for social care.

**PLACES AND ORGANISATIONAL CAPACITY
PERFORMANCE, CUSTOMER SERVICES & CAPACITY**

CAPITAL

Capital Programme 2013/2014 - 2015/2016

	Total Approved Budget	Prior Year Spend	Forecast Spend 2013/2014	Forecast Spend 2014/2015	Forecast Spend 2015/2016	Forecast Spend Funded by Borrowing
	£000	£000	£000	£000	£000	%
Ongoing Schemes						
Customer Access - Improvements	403	273	130	0	0	94
Radio Frequency ID (RFID) - Library self service machines	1,066	986	80	0	0	100
Subtotal - Ongoing Schemes	1,469	1,259	210	0	0	
New Schemes						
<u>6.3 Develop a new model for sustainable library services and community hubs</u>						
1. Development of a new Library Model	700	0	0	500	200	100
Subtotal - New Schemes	700	0	0	500	200	
Total	2,169	1,259	210	500	200	

Details of New Schemes

1. Development of a new Library Model

The project will design a range of target operating models for libraries that better enables the Council to deliver a library service, reflecting the scale of demand within different communities

**CORPORATE SERVICES
FINANCE & BUSINESS SERVICES**

CAPITAL

Capital Programme 2013/2014 - 2015/2016

	Total Approved Budget £000	Prior Year Spend £000	Forecast Spend 2013/2014 £000	Forecast Spend 2014/2015 £000	Forecast Spend 2015/2016 £000	Forecast Spend Funded by Borrowing %
Ongoing Schemes						
Integrated Legal ICT System	60	55	5	0	0	100
Oracle Optimisation - Development of financial systems	3,960	2,809	824	327	0	48
Location Independent Workforce - Developing ICT facilities	8,571	700	3,400	3,131	1,340	100
Enable Citizens and Businesses - Technology improvements	1,197	100	287	450	360	100
Core System Stability - Maintenance of ICT	13,079	1,900	5,403	2,876	2,900	100
Superfast Broadband	41,646	364	20,499	20,383	400	1
Subtotal - Ongoing Schemes	68,513	5,928	30,418	27,167	5,000	
Total	68,513	5,928	30,418	27,167	5,000	
Funded By						
Prudential Borrowing		3,568	103	1,943	5,000	
Grants		43	31		0	
Capital Receipts		2,059	10,000	5,000	0	
Developer / Other Contributions		258	20,284	20,224	0	
Revenue Contributions		0	0	0	0	
Total		5,928	30,418	27,167	5,000	

Appendix 4

BUSINESS PLANNING PROCESS - ENGAGEMENT

Introduction

1. Cheshire East Council is conducting an engagement process on the Medium Term Financial Plans through a number of stages from October 2012 to Council in February 2013 and beyond that as proposals are implemented.
2. The major changes and uncertainties experienced by the Council have made the development of a suitable set of proposals challenging and therefore engagement on these proposals is being undertaken at a later stage than normal. Some of the major proposals remain “subject to consultation”, that is further targeted consultation activity will be undertaken in advance of those specific proposals being implemented.
3. The Council acknowledges that such consultation activity may alter the outcome of the final proposal and mean the expected financial impact included within the budget is not deliverable. The Council deals with this by factoring into its minimum level of reserves an allowance for changes to proposals arising from consultation or delayed implementation.

Background

4. Local authorities have a statutory duty to consult on their Budget with certain stakeholder groups including the Schools Forum and businesses. In addition, the Council chooses to consult with wider stakeholder groups.

Business Planning Process

5. On 23rd July 2012, the Cheshire East Cabinet agreed a comprehensive Business Planning Process. This was followed by reports on the revised financial position and the Three Year Council Plan being taken to Cabinet on 15th October. These included details of a series of major change programmes to deliver the Council’s priorities through investment and to deliver savings.
6. A communications plan has been developed in relation to the Council’s priorities and Budget. This sets out a phased approach to engagement:

Round 1 – from October to 25th January
Round 2 – from 25th January to 28th February
Round 3 – from 28th February

Round 1 – October 2012 to January 2013

7. Round 1 of the engagement exercise used existing meetings and events to provide a briefing on the Council 3 Year plan, including the outcomes we are

seeking to achieve and the priorities for action. The briefing also included the change to local government funding, the revised financial position and the implications for the Council. The key dates are set out below:

- 3rd October Business Planning Briefing to all Members
- 15th October Cabinet Report on the Medium Term Financial Strategy (MTFS) and the Three Year Council Plan
- 7th November Town and Parish Council Conference (to discuss a new deal between Cheshire East Council and local councils)
- 12th November Cabinet Report on the Mid-Year Review of Performance
- 10th December Cabinet Report on the updated MTFS following the Mid-Year Review of Performance
- 12th December Corporate Trades Unions Meeting
- 9th January Corporate Trades Unions Meeting

8. The Council's Senior Management Team was also briefed regularly throughout this period. A series of staff roadshows took place from November to January to enable the Chief Executive to brief staff on the funding position and a new deal for staff.

Round 2 – February 2013

9. Round 2 is on-going and based on the Budget Report issued for consideration at Cabinet on 4th February and recommended to Council on 28th February. It includes the following events:

- 29th January Business Planning Briefing to all Members
- 4th February Cabinet consider the Three-Quarter Year Review of Performance, the MTFS and Budget Report
- 6th February Corporate Trades Unions Meeting
- 12th February Schools Forum Meeting
- 20th February Business Event with Macclesfield Chamber of Commerce
- 25th February Business Event with South Cheshire Chamber of Commerce
- 26th February Business Event with East Cheshire Chamber of Commerce

Engagement Material

10. The key purpose of the second round is to engage on the Council's Budget Report that has been submitted to Cabinet. The document aims to present the Medium Term Financial Strategy, key service developments and impact of the

budget in a user friendly and readable format. A link to the Budget Report was circulated electronically to those who attended the meetings, and hard copy made available on request. Staff were also notified that it was available.

11. The Budget Report was placed on the Cheshire East Council website at <http://www.cheshireeast.gov.uk/budget> on 8th February 2013. The document and website included details of how to comment on the issues.

Format of the January 2013 Meetings

12. The events took a similar format with presentations followed by a question and answer session. The presentation related to:
 - The 2012/2013 expenditure position.
 - The funding position for 2013/2014 to 2015/2016.
 - The Three Year Council Plan.
 - The Business Planning Process.
 - The impact of revenue and capital policy proposals.
13. The Cheshire East Council Cabinet and Corporate Management Team were represented, with the Finance Portfolio Holder, Chief Executive and Head of Finance or representative attending the events as required.

Feedback

14. A summary of issues raised at the events is attached at **Annex 1**.
15. At the time of issuing this report the engagement process is on-going. Therefore, any further issues or comments raised, in particular those relating to Directorate proposals and budgets, will be reported to the Council meeting on 28th February.
16. As noted earlier, the consultation on certain proposals will be undertaken prior to their implementation.

Conclusion

17. Cabinet Members will review the feedback from the events and, where possible, factor these into their final budget deliberations prior to the Council meeting.
18. Feedback on the process or proposals can be sent to:
shapingourservices@cheshireeast.gov.uk

Business Planning Proposals – Engagement

Summary of Key Engagement Issues

Financial Stability

Provisional Settlement

This had been announced at a relatively late stage in the process and formed the basis for the Budget Report. The Final Settlement was released on 4th February and the report has been updated. Any further changes would be reported to the Council Meeting.

Council Tax Freeze

Confirmation that in return for freezing Council Tax for 2013/2014 the Council will receive a grant for two years of up to £1.8m per annum. Cabinet has already agreed to take the freeze in December 2012 and is recommending this to Council. The grant is being used to assist the Council's transformation process.

Inflation

The Council is not providing for a general inflationary increase in 2013/2014. Any inflationary pressures have been accurately identified and offset by savings within each respective service.

Changes to Local Government Finance

There were a number of key changes for local authority funding from 1st April 2013. These included:

- The introduction of the Business Rate Retention Scheme (BRRS) to replace Formula Grant.
- The rolling up of several previously distinct specific grants into the new BRRS.
- The introduction of the local Council Tax Support Scheme to replace Council Tax Benefit with savings targets of over 10%.
- The introduction of Council Tax Technical Reforms to give Council's additional flexibility over discounts in relation to second homes and empty properties.

These meant that councils had a greater incentive to encourage economic growth to increase business rates and improve employment levels to reduce Council Tax Support costs. In addition, control over discounts would help to bring more property into use.

Business Rates Retention Scheme

It was confirmed the Council would be able to retain any Business Rate growth over and above certain target and threshold levels.

This scheme would need to 'bed in' to allow its operation to be fully understood. At this point in time the rewards from substantial growth appeared to be relatively small.

Information on deferment schemes will be published with the 2013/2014 business rate bills.

Grants

Grant funding has reduced by c. £13m (-10%) from 2012/2013 to 2013/2014.

Reserves

It was essential for the Council to keep a minimum level of reserves based on a detailed risk assessment. Any planned use had to be repaid over time to maintain levels. The minimum level was being reviewed in light of:

- The Council setting its fifth Budget
- Levels of change and uncertainty
- The forecast outturn position

Feedback from Town and Parish Councils

- There needs to be a joint approach between Cheshire East Council and local councils to energise local residents to be increasingly involved in creating strong communities. Cheshire East Council's role is to co-ordinate, not dominate.
- The potential devolution and transfer of services and assets is still a key consideration for town and parish councils, and further dialogue is required on this. In particular to address capacity concerns in local councils, and to consider devolved services at the right scale eg potential for town and parish councils to cluster and share best practice.
- There was general agreement about the need for strong communication between Cheshire East Council and town and parish councils, recognising that this is a time of significant change in local service delivery, which presents challenges but also opportunities.

Any comments received in relation to Directorate Proposals will be reported to Members in advance of the Council decision on the MTFS and Budget Report.

CHESHIRE EAST COUNCIL

COUNCIL

Date of Meeting:	28 February 2013
Report of:	Finance Manager and Deputy S151 Officer
Subject/Title:	3 Year Medium Term Financial Strategy 2013/2016 - Budget Report

1.0 Report Summary

- 1.1 The Cheshire East Council Budget Report for 2013/2016 has been produced following engagement on the Business Planning Process during January and February 2013. The Budget Report provides financial background to the Medium Term Financial Strategy Report as well as setting out further details of the approach to funding the Three Year Council Plan.
- 1.2 The Budget Report sets out, in detail, the spending plans and income targets for the financial year starting 1st April 2013, as well as financial estimates for the 2014/2015 and 2015/2016 financial years.
- 1.3 The 2013/2016 Budget Report was reported to Cabinet on 4th February 2013 and they have recommended the report to Council for approval.
- 1.4 The Budget Report to Council has been updated to reflect the final Local Government Finance Report for 2013/2014. This has been approved by Members of Parliament following a debate in the House of Commons on 13th February 2013. The impact of the final Settlement is minor and does not impact on any service proposals.
- 1.5 Any changes made as a result of the engagement process and further debate will be reported to Members at the Council meeting on 28th February 2013.
- 1.6 One key piece of information relates to funding available to the Council for services that support schools. This is known as the Education Services Grant (formerly Local Authority Central Spend Equivalent Grant or LACSEG). For 2013/2014 this funding has been removed from general funding allocations and withheld centrally by the Government. It is expected this funding will be reallocated to local authorities or academy schools on a pupil number basis. This rationale has been generally accepted.
- 1.7 At this point in time the Council does not have a confirmed figure for its Education Services Grant allocation. Therefore, the Budget Report contains a prudent estimate of £4.4m being returned to the Council. Any update to this figure will be reported to Members.

- 1.8 Any resulting impact in terms of changes to funding will be managed through General Reserves. Therefore, a balanced budget position will be maintained. Should there be any changes they will be notified to Members at the earliest opportunity.

2.0 Decision Requested

- 2.1 That Council note the comments of the Deputy Section 151 Officer, regarding the robustness of estimates and level of reserves held by the Council based on this budget (**Appendix A**, Comment from Finance Manager and Deputy Section 151 Officer).
- 2.2 That Council approve the 2013/2016 Budget Report (**Appendix A**) as part of the Medium Term Financial Strategy Report.

3.0 Reasons for Recommendations

- 3.1 In accordance with the Budget and Policy Framework Rules of Procedure, Cabinet on 4th February 2013, have recommended to Council for approval the Budget for 2013/2014, subject to any changes as a result of the delayed Education Services Grant announcement, and the draft Capital Programme.
- 3.2 A copy of the Budget Report (which includes the Budget and draft Capital Programme) is attached at **Appendix A**.
- 3.3 The Deputy Section 151 Officer reports that, in accordance with Section 25 of the Local Government Act 2003 and Sections 32 and 43 of the Local Government Finance Act 1992, as amended by the Localism Act 2011, she is satisfied with the robustness of the estimates making up the Council Tax Requirement of £166,787,205 and she is satisfied with the adequacy of the financial reserves for the Council.
- 3.4 Further to the above statement it can be reported that the Medium Term Financial Strategy Report from the Leader of the Council is based on sound financial principles and reflects sufficiently detailed plans that can maintain the financial resilience of the Council in the medium term.
- 3.5 It should be noted that the Council Tax requirement has reduced significantly on previous years as a result of the Council Tax Support being introduced to replace Council Tax benefit and treated as a discount to Council Tax bills.

4.0 Wards Affected

- 4.1 Not applicable.

5.0 Local Ward Members

5.1 Not applicable.

**6.0 Policy Implications including - Carbon reduction
- Health**

6.1 The report outlines policy proposals which will impact on service delivery.

7.0 Financial Implications (Authorised by the Deputy Section 151 Officer)

7.1 The report includes details of policy proposals which will affect service budgets from 2013/2014 onwards.

8.0 Legal Implications (Authorised by the Borough Solicitor)

8.1 The Council should have robust processes so that it can meet statutory requirements and fulfil its fiduciary duty.

9.0 Risk Management

9.1 The steps outlined in this report significantly mitigate the four main legal and financial risks to the Council's financial management:

- The Council must set a balanced Budget.
- The Council must set a legal Council Tax for 2013/2014.
- The Council should provide high quality evidence to support submissions for external assessment.
- That Council borrowing will comply with the Treasury Management Strategy which is underpinned by the Prudential Code.

9.2 A risk assessment of the significant proposals being put forward has been carried out by each directorate and included as part of the service planning process.

9.3 It is important to note that the Council faces significant financial challenges in achieving its desired outcomes. Appetite for risk will need to be developed for different courses of action, particularly in relation to seizing opportunities for introducing new, innovative models of service delivery, and a more locally focussed funding regime, as well as a different range of service providers. A revised approach to risk appetite and management will be further considered by Cabinet and Council as the 3 Year Plan and budget are developed over the coming months.

10.0 Background and Options

10.1 The Business Planning Process was agreed by Cabinet on 23rd July 2012. Following this stage, a number of national and local developments have influenced the process. These include:

- Confirmation that revised funding arrangements would be introduced from April 2013 in respect of Business Rates and Council Tax Support.
- A much greater reduction in funding levels for 2013/2014 than had originally been expected.
- Changes within the Council to Cabinet, the Committee Structure and Senior Officers.
- An enhanced quarterly performance monitoring process which has confirmed that significant base budget pressures were being experienced in the 2012/2013 financial year.

10.2 As a result there have been a series of distinct stages of the Business Planning Process with reports in relation to the Council's financial position being taken to Cabinet in October, November, December 2012 and February 2013. Members have been briefed on the 3rd October 2012 and 29th January 2013.

10.3 This report includes a single appendix which provides all the detail behind the 2013/2014 budget:

Appendix A: The Budget Report for 2013/2016 (including the Reserves Strategy for 2013/2016)

11.0 Access to Information

11.1 The background papers relating to this report can be inspected by contacting the report writer:

Name:	Chris Mann
Designation:	Finance Manager and Deputy Section 151 Officer
Tel No:	01270 686229
Email:	christine.mann@cheshireeast.gov.uk



Budget Report 2013 / 2016

Page 181

February 2013

Foreword by the Finance Portfolio Holder

The National Picture

Nationally there continues to be a commitment to growth in the economy and a reduction of the public sector funding deficit. Locally Cheshire East Council is responding to both these national needs. The Medium Term Financial Strategy Report, which accompanies this budget, shows how the Council is actively supporting local growth, and this Budget Report demonstrates how costs can be reduced over the medium term.

A local budget

The Council will have to manage with significantly less central government funding and, over time, may have to finance all local services from Council Tax and Business Rates with no other central grants.

Cheshire East Council is so far managing this process without increasing Council Tax levels, which will be frozen for the 3rd year in a row in 2013/2014, and without the introduction of a supplement to the local Business Rates.

The Council is committed to maximising Value for Money and minimising the tax burden on residents, but this approach means local government must adapt to provide essential services to a standard that can be afforded. Reductions in government funding will be managed through a combination of increasing efficiency, reducing risks and, where practical, reducing non-essential service levels.

A sustainable budget

In December 2012 the Council provided a medium term financial outlook that demonstrated how large potential funding deficits were appearing due to high demand for services, lower than expected income from service users and the need to ensure changes to services met clients' needs.

The 2013/2014 budget uses these revised costs and provides details of the change programme needed to ensure next year's budget is met.

The result is a plan that incorporates the following elements:

- Major change programmes to be completed over the full 3 years of the plan.
- The investment of temporary Council Tax freeze grants to support change and therefore ensure we are able to fund services when the grant ends.
- Reduction of Management costs to protect front line services.
- A Capital Programme which has been given a higher level of scrutiny and has been closely co-ordinated with revenue expenditure.

Over the past 6 months, Officers and Portfolio holders have reviewed Capital and Revenue costs and agreed more reliable but still demanding targets. The results of this work I am pleased to say are already visible in the Half Year and Third Quarter reports.

The Future Funding of Council Services

The drive towards greater localism means funding levels and distribution of central government funding is changing. 2013/2014 will see the introduction of Business Rates Retention and Council Tax Support, and these changes create both risk and opportunity.

In future, growth in local business will increase funding in the local area which will allow the Council to invest in essential infrastructure projects of key services that can maintain local standards of living. Increasing employment opportunities can equally lead to reductions in Council Tax Support which will again free up vital funding for front-line services. In addition, as land is developed in accordance with the Local Plan, new homes will attract further government funding.

Given our wish to provide full information about our plans the budget report is inevitably a long document but underlying all this work is a commitment to producing a realistic budget which provides value for money to our residents and financial resilience to the Council.

Cllr Peter Raynes

Finance Portfolio Holder, Cheshire East Council

Comment from the Finance Manager and Deputy S151 Officer

The path to delivering this budget has been challenging, with significant delays and uncertainty being a feature of the process. The backdrop to this uncertainty has been an underlying overspend of the 2012/2013 budget which necessitated a fundamental review of potential future spending patterns in December of last year.

My role as Finance Manager and Deputy Section 151 Officer involves supporting services to maximise value to customers whilst working to control spending within agreed limits. This is a statutory role. I have a responsibility to report on the robustness of the estimates contained within the Budget.

My focus for 2013/2014 has therefore been to ensure that the level of risk associated with delivering the budget has been minimised. The Council has managed an intense process to develop the 2013/2014 Budget from September through to January. I see the key financial risks facing the Council in 2013/2014 as:

- Outturn spending against the 2012/2013 budget.
- Increasing demand for services.
- Flexibility in General Reserve levels.
- Reducing government grants.
- Movement towards local funding for local services
- Inflationary pressures.

I am satisfied that each risk is being addressed. Quarterly reporting has improved throughout 2012 and has reflected a consistent approach to financial forecasting. Where increasing demand has been identified this is being met by growth proposals in 2013/2014 and beyond.

The updated Reserves Strategy demonstrates the intention to hold reserves at a prudent level, which is informed by risk analysis, throughout the medium term. Whilst the Council manages major change the level of general reserves may have to fluctuate year-on-year to manage any variable cashflow, but overall reserves will continue to remain adequate.

Dependency upon government grant is reducing over time and the level of local funding will be driven more and more by local decisions. Estimates within this budget are very prudent in this respect, but this only reflects the potential for changes in the process and does not reflect upon the level of ambition highlighted in the Medium Term Financial Strategy Report.

To maintain a more accurate reflection of inflationary pressures potential increases in costs are reflected within the relevant service budgets.

The Council will track delivery of the savings proposals through the established monthly performance reports reviewed by Cabinet Members and the Corporate Management Team.

The projections for the next three years demonstrate that savings contained in the 2013/2014 budget are essential and will greatly assist the Council in establishing longer-term financial stability. The Council has an established approach to balancing its Budget using five measures that demonstrate where choices are made. This is summarised in **Annex 2**. Continued application of these measures will be required to manage the on-going financial challenges facing the Council beyond 2013/2014.

Christine Mann

Finance Manager and Deputy Section 151 Officer

Contents

Foreword by the Finance Portfolio Holder	1
Comment from the Finance Manager and Deputy Section 151 Officer	2
Three Year Summary Position	4
Overview	5
Getting the most from the Budget Report	6
1. Meeting the Council's Priorities	8
2. Financial Stability	12
3. Allocating Funding to Services	35
4. Impact Assessment	42
5. Risk Management	50
Annexes	
Annex 1 – A Profile of the Authority	52
Annex 2 – The Budget Setting Process	55
Annex 3 – Grant Funding Details	61
Annex 4 – Minimum Revenue Provision	64
Annex 5 – Prudential Borrowing Indicators	66
Annex 6 – Financial Summary Tables	71
Summary	72
Children and Families	73
Adults	80
Public Health	86
Places and Organisational Capacity	88
Corporate Services	94
Cross Directorate items	98
Capital	100
Annex 7 – Reserves Strategy	117
Annex 8 – Abbreviations	139

Three Year Summary Position	Current Net Budget 2012/2013 £m	Estimated Net Budget 2013/2014 £m	Estimated Net Budget 2014/2015 £m	Estimated Net Budget 2015/2016 £m
Children & Families	59.2	57.8	55.7	54.3
Adults	99.0	101.5	102.6	108.3
Public Health (Funded by Grant)	-	0.0	0.0	0.0
Places & Organisational Capacity	77.1	76.4	73.4	72.4
Corporate Services	26.7	26.5	26.3	25.7
Directorate Adjustments				
Impact of adjustments in Previous Years (See Note 1)		0.2	-11.1	-25.9
Further Reductions in Management Costs (See Note 2)		-2.2	-0.6	0.0
Vacancy Management Reductions		-2.5	0.0	0.0
Costs of Transformation (Supported by Council Tax Freeze Grant to 2014/2015)		6.3	6.3	0.0
TOTAL: Directorates	262.0	264.0	252.6	234.8
<i>CENTRAL BUDGETS</i>				
Government Grants	-126.5	-114.0	-103.9	-89.7
Council Tax	-161.3	-166.8	-166.8	-166.8
Central Adjustments				
Capital Financing	14.8	11.9	13.5	15.0
Contribution to Reserves	7.3	-	-	-
Other (including provisions and pensions)	3.7	4.9	4.6	6.7
TOTAL: Central Budgets	-262.0	-264.0	-252.6	-234.8
Deficit / (Surplus)	0.0	0.0	0.0	0.0
General Reserves Position				
Opening Balance	11.4	13.2	13.2	13.2
Change	1.8	-	-	-
Closing Balance	13.2	13.2	13.2	13.2

Source: Cheshire East Finance

Note 1: -£8.3m of savings in 2014/2015, & -£14.1m in 2015/2016, are not detailed in this report, but will be achieved through further proposals (see Table 12 - Chapter 2)

Note 2: The Council is proposing savings from reducing Management costs of -£5.1m over the three years to 2015/2016.

Three Year Overview

This Budget Report outlines proposals to support the Council's priorities whilst acknowledging continuing financial pressures and a reduction in funding from Government.

Value for Money in local services will be enhanced through a robust and structured reduction in net expenditure.

- Structuring changes to the Council's budget around the Major Change Programmes within the Council's Three Year Plan
- Investing £12.6m** of temporary revenue funding to support service transformation.
- Reductions of £27m** (10%) in overall net revenue expenditure by 2015/2016
- Reducing expenditure on management by £5m** specifically by de-layering structures and eliminating duplication.
- Removing **450 FTE's** from current staffing levels with a strategy to potentially double this amount.
- New investment of £26.3m** in capital projects including £8m in Children & Families and £17.8 m across Highways & Transport and Development.
- Managing a **30% reduction (£36.8m) in government grants** in support of national austerity measures.

-**Maintaining reserves of £13.2m** as a prudent level that protects against risk and manages cashflow during the transformation of services.

-**Council Tax will be frozen for the third successive year** in 2013/2014 as the Council proposes to accept the Government offer of a two year freeze grant in 2013/2014 and 2014/2015.

- Maximising the Council's tax base through:
 - oThe introduction of a local Council Tax Support Scheme in 2013/2014, which rewards working families
 - oReducing discounts on second and empty properties in 2013/2014 to support the Council's Housing Strategy

-Allocating **£15.7m to support more vulnerable residents** through the first year of the local Council Tax Support Scheme.

-**Borrowing up to £38m** to support 2013/2014 planned capital expenditure, of which £13m relates to new capital schemes and £25m for on-going capital schemes.

-Decreasing net financing costs of the Capital Programme to £11.9m in 2013/2014. However, capital financing costs are forecast to increase from 4.5% of the net revenue budget to 6.4%.

Getting the most from the Budget Report

This section helps you to make effective use of the Budget Report by outlining the information contained within each section.

Main Report

Chapter	What's in this Chapter
1. Meeting the Council's Priorities	An introduction to the revised set of Council priorities and major change programmes together with an outline of the Business Planning Process followed for 2013/2016.
2. Financial Stability	A detailed analysis of the changes to local government funding and the impact on the Council together with details of the Budget being recommended to Council.
3. Allocating Funding to Services	A summary of the financial impact of the medium term strategy on each of the Council's service areas.
4. Impact Assessment	A description of the impact of the Budget on typical groups, the approach to equality assessment and how the Council will develop its workforce to adapt to the change and continue to deliver effective services.
5. Risk Management	Details of how the Council is managing risk.

Annexes

Annex	What's in this Annex
1. A Profile of the Authority	A detailed statistical profile of the Council's administrative area. This provides population and geographic information about the area.
2. The Budget Setting Process	The process and key stages to balance the budget.
3. Grants Funding Details	Supporting financial data to Chapter 2 and Annex 2. Including three-year estimates for Government grant funding to Cheshire East Council.
4. Minimum Revenue Provision	Annual Minimum Revenue Provision Policy Statement 2013/2014.
5. Prudential Borrowing Indicators	The calculations and an explanation of the Council's Prudential Borrowing rationale.
6. Financial Summary Tables	Detailed tables setting out the base Revenue Budgets and Capital Projects and the impacts of policy proposals contained within the Budget Report. This is divided up into service areas.
7. Reserves Strategy	Report setting out the strategy used for calculating the required reserve levels.
8. List of Abbreviations	Details of abbreviations used in the report.

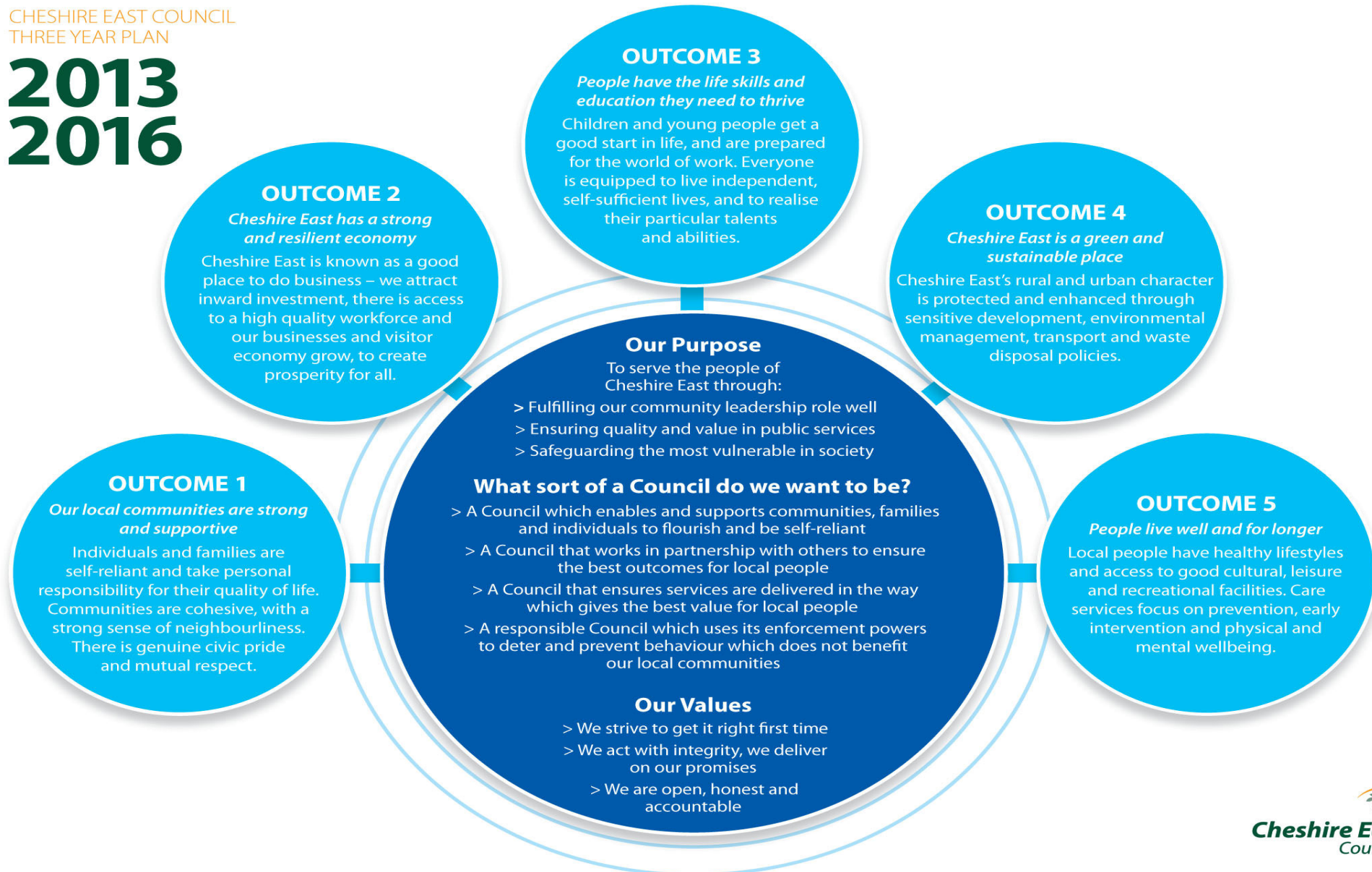
1. Meeting the Council's Priorities

1. 2012 has been a time of change for Cheshire East Council which has enabled a fresh approach to determining how resources are used. The Council has taken the opportunity to develop a new Three Year Council Plan for 2013-2016 which sets a clear strategic direction for the authority.
2. The Three Year Plan identifies the core purpose for the Council, reflecting the changing role of local government, funding reductions, and policy changes at the national and local level. It also identifies the key outcomes we are seeking to achieve to improve the quality of life of local people and, therefore, what our priorities are for action and investment over the next 3 years. A summary of the Three Year Council Plan is presented overleaf.
3. The summary of the Three Year Plan was first considered at Cabinet on 15th October 2012. Following this, further dialogue has taken place with Members, staff, partners and other stakeholders, and this has led to some refinement of the Plan. In particular, the major change programmes identified in October 2012 have been further developed through the business planning process, leading to the list of updated change programmes included in the Three Year Council Plan summary overleaf.
4. The change programmes have been an important focus of the business planning and budget setting process, ensuring that the Council focuses its energy and resources on those areas of change which will ensure maximum value for money for local people, and also build a sustainable Council for the future.
5. The final set are presented on the next two pages.

Business Planning Process

6. The Business Planning Process which is used each year to set the budget has focused on these priorities and major change programmes as they have been used by Directorates to group all the proposals being put forward for the next three years.
7. **Annex 6** sets out the financial impact of the major change programmes by Head of Service in the established summarised format. Items have been referenced using the major change programme numbering to assist the read across and greater detail of service change is provided in the Medium Term Financial Strategy Report.
8. **Table 1** sets out the key stages followed throughout the 2012/2013 financial year to set a balanced budget.
9. This has followed a number of stages and recently been completed with the issue of provisional funding figures in December and the final meetings of Cabinet Members and senior officers in January to agree the Budget Report position.
10. The major change programmes are supported by High Level Business Cases which are subject to review under the Council's recently formed Member-led governance group called the Executive Monitoring Board.
11. Changes resulting from these processes are reflected in the Council's Reserves Strategy which is re-assessed each year to determine the level of risk cover required and includes a proportion in relation to changes to proposals arising from consultation or delayed implementation.

**2013
2016**



2013 2016

Our principles to underpin budget decisions

- We will be policy-led and stick to our decisions
- We will make decisions based on evidence of need and of what works, with due regard to our equality duty
- We are planning for at least three years
- We must be a more productive and affordable organisation
- We will stop doing some things to focus on those that matter most to local people
- We will invest in innovative new ways of providing services
- We will ensure that those who provide services, whether in-house or externally, give real value-for-money
- We will promote self-reliance and capacity in local communities to reduce demand on public services
- We will focus our limited resources on prevention and early intervention
- We will invest in infrastructure to promote local economic growth and access to job opportunities

Priorities

1. Local economic development	1.1 Investment in existing and new road infrastructure 1.2 Investment in high speed broadband network for Cheshire East 1.3 Investment to support business growth and delivery of Macclesfield and Crewe regeneration, and the Sustainable Towns programme
2. Developing affordable and sustainable local models of care for vulnerable children and adults	2.1 Improve the sufficiency of care locally for vulnerable children and adults 2.2 Next phase of development of Care4CE service 2.3 Secure new integrated health and care pathways for learning disabilities 2.4 Securing efficiencies through strategic commissioning of children and adult services
3. Focusing services on early intervention and prevention	3.1 Focus Childrens Services on early help for families 3.2 Review adult assessment and case management services
4. Responding to the changing education and learning environment	4.1 Develop our relationship with self-sustaining schools 4.2 Continue review of Home to School transport 4.3 Improve the range of special school provision 4.4 Pursue the development of a new University Technical College
5. Securing housing that is locally-led, community-based and that meets local needs	5.1 Develop a new delivery model for the housing service and ensure housing services support independent living and health improvement 5.2 Develop accommodation strategy for vulnerable adults and those with learning disabilities
6. Redefining the Council's role in core place-based services	6.1 Develop new delivery model for leisure provision 6.2 Develop new delivery model for streetscape and bereavement 6.3 Develop a new model for sustainable library services and community hubs 6.4 Determine future delivery model for waste management services 6.5 Develop Total Transport Programme
7. Re-shaping the organisation	7.1 Restructure the organisation 7.2 Develop a more affordable model of corporate and support services with key subject expertise, to enable better strategic commissioning and delivery of frontline services 7.3 Continue targeted business improvement reviews to find efficiency savings from all services 7.4 Implement a modern business architecture, including ICT systems, which supports innovative and affordable frontline delivery 7.5 Maximise the benefits from the Corporate Landlord model to best utilise our asset base to support delivery of the Council's wider objectives 7.6 Develop resilient communities
8. Workforce planning	8.1 Further develop employment and working practices to enable flexible and agile working 8.2 Identify changing skills requirements over medium term and equipping the organisation with these skills 8.3 Manage workforce turnover so that vacant posts are used to provide efficiency savings, whilst retaining staff with essential skills

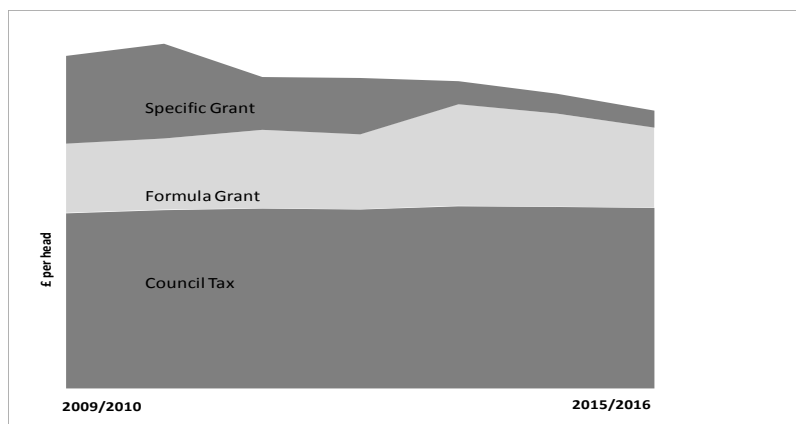
Table 1 – The stages of the Business Planning Process 2013/2016		
Phase	Date	Events
1	May to July	High level funding estimates prepared. Outline Business Planning Process 2013/2016 is agreed at Cabinet on 23 rd July 2012.
2	August to September	<p>The Government releases the second major Business Rates Retention consultation with indicative funding reductions of -12.2% against expected reductions of -0.8% for 2013/2014. Locally the Financial Scenario is revised and a new Medium Term Financial Strategy (MTFS) is developed.</p> <p>The Council develops its Three Year Plan, including outcomes, priorities and major change programmes.</p> <p>The Council undertakes a series of Capital and Revenue Challenge Sessions to deliver a sustainable Capital Programme and review current budgetary levels and the scope for savings. Business Cases are developed in relation to the Major Change Programmes.</p>
3	October to November	<p>The draft Three Year Plan and MTFS are reported to Cabinet on 25th October 2012.</p> <p>The Council briefs its stakeholders on the new priorities and Major Change Programmes.</p> <p>The Council reports its mid-year review of performance. The Major Change Programme Business cases are updated and further developed.</p>
4	December	<p>A revised MTFS incorporating the impact of the mid-year review is reported to Cabinet on the 10th December 2012</p> <p>The Provisional Funding Settlement is announced on the 19th December 2012 and the Council's position is analysed.</p>
5	January / February	<p>The Budget Report is produced and circulated to Cabinet.</p> <p>An engagement process is undertaken on the process and the Budget Report.</p>
6	February	The Budget Report is updated to reflect final funding settlement announced on 4 th February 2013 and any comments received. The report is submitted to Council on 28 th February 2013.

2. Financial Stability

Introduction

12. The structure of local authority funding is changing over the medium term. Cheshire East Council will become more reliant on local funding and less reliant on central government grant.
13. The financial stability of the Council, which determines the amount of money available for service expenditure, is therefore exposed to potentially greater risk but also greater opportunity than it has been in the past. The annual revenue budget for Cheshire East Council is funded by a combination of Council Tax, service user charges, and (relatively low) Government grants. **Chart 1** illustrates how the balance between these funding sources is expected to continue changing over time.

Chart 1: Grant funding is reducing in the Medium term



Source: Cheshire East Finance

Note: Council Tax has been adjusted for the change from Council Tax Benefit to Council Tax Support.

14. The Budget Report is based on the final Local Government Finance Settlement released on 4th February 2013. The figures remain subject to a debate in the House of Commons on 13th February 2013. Any subsequent changes will be reported to Members and managed through General Reserves.

15. **Table 2** sets out the revised funding forecast for Cheshire East Council for the period 2012/2013 and 2013/2014. This updates the information previously published in the Council's Business Plan in February 2012 and Medium Term Financial Strategy reports taken to Cabinet in October 2012 and December 2012.

Table 2 - Funding available to services has increased slightly as a result of reductions to central adjustments offsetting the reduction in funding	2012/2013 Restated as at TQR £m	2013/2014 £m	Change £m	Change %
Government Grants	-126.5	-114.0	-12.5	-9.9%
Council Tax	-161.3	-166.8	5.5	3.4%
Sub total Funding	-287.8	-280.8	-7.0	-2.4%
Central Adjustments	25.8	16.8	9.0	-34.9%
Funding Available to Services	-262.0	-264.0	2.0	0.8%

Source: Cheshire East Finance

16. The key areas being covered in this chapter include:

Source of Funding	Paragraphs
Government Grant Funding of Local Expenditure	19 to 41
Collecting Local Taxes for Local Expenditure	42 to 62
Charges to Local Service Users	63 to 66

Income and expenditure are also influenced by decisions and estimates of the Council in relation to:

Investment, Borrowing and the Capital Programme	67 to 104
Other Economic Factors	105 to 110
Managing the Reserves Position	111 to 120

17. The build-up to the final funding settlement has once again seen unprecedented change. The key issue is the outcome of the local government resource review which currently has three strands:

- The introduction of the Business Rate Retention Scheme to replace formula grant.
- The introduction of Council Tax Support to replace Council Tax Benefit.
- The introduction of Council Tax Technical Reforms to allow greater control over discounts.

18. This is combined with the on-going impact of the Comprehensive Spending Review (CSR) to reduce funding levels to councils by c.30% in the four years to 2014/2015.

Government Grant Funding of Local Expenditure

19. Local Authority finances in England are undergoing significant changes as part of the Government's overall deficit reduction programme. Overall, grant funding is still expected to reduce, but will vary depending on local levels of house building, commercial development and employment levels, which are more unpredictable at a local level. These major changes in national arrangements for resource allocation create a higher degree of uncertainty for local councils in their future resource planning.

20. There is no doubt that funding for local government will further reduce significantly over the next 5 years, and is likely to continue to reduce beyond this timeframe to 2020. This is placing strain on local service levels as proposals to deliver the Council's priorities must also reflect reductions in funding.

21. A summary of the Council's grant funding is shown in **Table 3**.

Table 3 - Grant Funding is reducing by 10% in 2013/2014	2012/2013 Restated as at TQR	2013/2014	Change	Change
	£m	£m	£m	%
Formula Grant	-67.7			
Business Rate Retention Scheme		-37.2		
Revenue Support Grant - Grants Rolled In		-34.1		
Revenue Support Grant - Base Allocation		-21.7		
Specific Grants	-41.5	-16.6		
Council Tax Benefit	-17.3			
LACSEG (estimated)		-4.4		
Funding Available to Services	-126.5	-114.0	-12.5	-9.9%

Source: Cheshire East Finance

22. The Council receives grant funding from the Government under several main headings:

- Business Rate Retention Scheme (BRRS)
- A new Revenue Support Grant
- Specific Grants (unring-fenced)
- Specific Grants (ring-fenced)

Business Rate Retention Scheme

23. This has replaced formula grant. Further details of how this scheme will operate are set out in **Annex 3**. The Council will receive £93m through the BRRS in 2013/2014.

Specific Grants

24. A number of separately identified but unring-fenced Specific Grants have been retained. The detailed list is shown in **Annex 3** and summarised in **Table 4**.

Table 4 - Separate specific grants have reduced substantially	2012/2013 Restated as at TQR £m	2013/2014 £m	Change £m	Change %
New Homes Bonus	-2.8	-3.9		
Health Funding Section 256	-3.8	-5.2		
Council Tax Freeze Grant	-4.5	-1.8		
Other Grants - mostly rolled into RSG	-30.4	-5.7		
LACSEG		-4.4		
	-41.5	-21.0	-20.5	-49.4%

Source: Cheshire East Finance

25. The list of Specific Grants has reduced to mainly funding related to the New Homes Bonus, and Health Service re-ablement monies, which together equate to half of the total received.

26. New Homes Bonus funding is provided to the Council based on the number of new properties and new affordable homes. The scheme is now coming into its third year of a six year rolling programme with unring-fenced funding of £3.9m for 2013/2014.

Education Services Grant (ESG)

27. All funding for the functions included in the Local Authority Central Spend Equivalent Grant (LACSEG) has been removed from local authorities and transferred to the Department for Education (DfE). The DfE will then administer and distribute a separate unring-fenced ESG to local authorities and to academies proportionate to the number of pupils for which they are responsible.

28. LACSEG has now been included with the ESG grant.

29. The amount deducted from each local authority's funding allocation has been calculated on the same basis as the amount paid back for all pupils in the local authority area. For Cheshire East this has been set at £6.9m. The provisional allocation for the amount to be transferred back to local authorities is expected before the end of March 2013. Local estimates have set the provisional return of funds to be £4.4m and this has been factored into the scenario.

30. Beyond 2013/2014 the position is unclear and prudent estimates of £3.5m per annum have been factored in. This reflects the receipt of some element of funding or subsequent service reductions / increased income to the wider Council.

Ring-fenced Grants

Dedicated Schools Grant (DSG)

31. The Government has announced the indicative allocations of DSG for 2013/2014 which is ring-fenced. Following extensive educational funding reforms by the Department for Education (DfE), the grant is now allocated in notional funding blocks, namely the High Needs Block, the Schools Block and the Early Years Block.

32. The value of the High Needs Block is determined by identified 2012/2013 LA budgets to which adjustments have then been made. Funding is based on a Guaranteed Unit of Funding (GUF) per pupil for the latter two blocks. The Pupil numbers used in the calculation are based on the October 2012 Pupil Level at Schools Census (PLASC) information. Final allocations of the 2013/2014 DSG will include an adjustment for pupils reflected in the January 2013 Early Years Census.

33. New responsibilities in respect of support for newly qualified teachers (£0.1m) and provision of education for eligible 2 year

olds (£2.1m) have been transferred to the local authority for 2013/2014.

34. **Table 5** shows the actual DSG received for 2012/2013, the indicative DSG for 2013/2014, the actual GUF (Amount per Pupil) received for 2012/2013 and the Block GUFs to be received for 2013/2014 (excluding the adjustment for Academy recoupment).

Table 5 - Dedicated Schools Grant will be allocated in 3 notional blocks from 2013/2014	Actual 2012/2013	Estimated 2013/2014	Change	Change
	£m	£m	£m	%
Total Dedicated Schools Grant	231.8	234.8	3.0	1.3%
Comprising				
Schools Block (notional)		186.8		
Early Years Block (notional)		13.3		
High Needs Block (notional)		32.5		
New responsibilities		2.2		
Per Pupil Funding	£/pupil	£/pupil		
	2012/2013	2013/2014		
Total Dedicated Schools Grant	4,695			
Schools Block (notional)		4,077		
Early Years Block (notional)		4,048		

Figures quoted are before the Academy recoupment.

Source : DfE

Dedicated Schools Grant (DSG) ~ Academy Funding

35. The DfE have announced that its methodology for calculating Academy budgets will be changed from 2013/2014. The DfE are clear that becoming an Academy should not bring about a financial advantage or disadvantage to a school but rather, enable Academies to have greater freedom over how they use their budgets.
36. The Individual Schools Budget (ISB) receivable for the 12 academies which opened before or during 2012/2013 has **not**

been removed from the total DSG award to be received (as reflected in **Table 5**). The funding for these academies of approx £52.4m will be recouped from the Authority's DSG as part of the academy recoupment process.

Pupil Premium Grant

37. The Government has also announced ongoing increases to the Pupil Premium Grant which is now in its third year. Grant allocations are based on October 2012 census figures for deprived pupils in years from Reception to Year 11.
38. The indicator for eligibility will be Free Schools Meals received in any of the prior six years by any pupil. The allocations for 2013/2014 have been confirmed at £900 for every deprived child in maintained schools and academies. Children who have been looked after for more than six months will also attract the £900 pupil premium, and children whose parents are in the armed forces continue to attract £250 per annum. It is estimated that Cheshire East Council will receive £5.2m in relation to the Pupil Premium for 2013/2014.

Public Health

39. Central Government are transferring the responsibility of commissioning / delivering public health services from Health to Local Authorities from April 2013.
40. Public Health responsibilities cover a wide range of services including: sexual health services; NHS Health Check programmes; Drug Misuse; Alcohol Misuse and Obesity.
41. The Public Health budgets will be ringfenced for the first 2 years until 2015/2016 and councils have been notified of the two year allocation (£12.7m in 2013/2014 and £14m in 2014/2015 for CEC) to help them with budgeting and planning as they take on these new responsibilities.

Collecting Local Taxes for Local Expenditure

Council Tax

42. The amount of Council Tax charged to occupied properties in 2013/2014 will be frozen at the 2012/2013 levels. For 2013/2014 the Band D Council Tax for Cheshire East Council will therefore remain at £1,216.34.

The calculation of the Council Tax is shown in **Table 6**.

Table 6 - The calculation of the 2013/2014 Cheshire East Council Band D Council Tax		£m	£m
2013/2014 Revenue Budget recommended to Council on 21st February 2013			259.8
Less External Support:			
Business Rates Retention Scheme	37.2		
Revenue Support Grant	55.8		93.0
Surplus / Deficit on Collection Funds			0.0
Amount to be Raised from Council Tax			166.8
No. of Band D Equivalent Properties (note 1)		137,122.19	
Band D Council Tax			£1,216.34

Source: Cheshire East Finance

Note 1: This figure is significantly different from previous years. This is explained at paragraph 48.

The impact on each Council Tax Band and the number of dwellings in each band is shown in **Table 7**.

Table 7 - Impact of Council Tax on each Band

Band	A	B	C	D
Council Tax £	810.89	946.04	1,081.19	1,216.34
No of Dwellings	29,440	34,521	32,762	24,407
Band	E	F	G	H
Council Tax £	1,486.64	1,756.94	2,027.23	2,434.68
No of Dwellings	18,848	12,888	11,834	1,756

Source: Cheshire East Finance

Council Tax Freeze Grant

43. By freezing Council Tax, the Council is entitled to a grant for 2013/2014 equal to the amount that could have been raised by a 1% increase. As a result of this decision and past decisions to freeze Council Tax the Council will receive £6.3m of freeze grant in 2013/2014 made up of:

–£4.5m in relation to 2011/2012
(year 3 – now rolled into RSG) and
–£1.8m in relation to 2013/2014
(year 1 - a specific grant).

44. The same amount will be receivable in 2014/2015 pending any further freeze grant offers and local decisions over Council Tax levels for that year.

Council Tax Base

45. The Council Tax base quantifies the number of properties from which the Council is able to collect Council Tax. The tax base is presented as an equivalent number of domestic properties in Council Tax Band D terms after adjusting for relevant discounts and exemptions. The level of Council Tax multiplied by the tax base equals the expected income from local taxation.

46. The gross tax base for 2013/2014 (before making an allowance for non-collection) is calculated as 138,507.27. After taking into account current collection rates, a non-collection rate was set at 1%. This results in a final tax base of **137,122.19** Band D equivalent domestic properties.

47. The collection rate has been retained at 1% to acknowledge current performance levels and that the Council does not expect its historically high collection rates to be materially affected by the new Council Tax Support scheme.

48. The tax base for 2013/2014 reflects an increase of 3.4% on the 2012/2013 equivalent position. The Council Tax base was approved by Council on 10th December 2012 and reflected a significant change from the previous year's headline figure. This is a result of several issues:

– **New growth in properties each year** ~ the overall tax base changes as a result of new properties, or properties brought back into use, less the impact of any discounts awarded.

– **The impact of technical reforms** ~ new legislation for 2013/2014 gives the Council additional control over discounts for certain classes of second homes and empty properties. The Council will adopt the following approach from 1st April 2013:

Class	Revised Discount
Second Homes	Nil
Uninhabitable properties undergoing substantial renovation	Nil
Property vacant for less than 6 months	Nil
Property left empty for more than 2 years	50% Premium

The impact of the Council Tax Support Scheme ~ from 1st April 2013 the current Council Tax Benefit system will be replaced by a locally designed Council Tax Support Scheme. Claimants under this scheme will receive appropriate discounts to their bills depending on their circumstances. It is important to note that pensioner claimants will not be affected by this change. Council Tax Benefit was formerly treated as a ring fenced grant and held within service budgets.

Further details on these changes can be found within the tax base report to Council on 13th December 2012 which is available at

<http://onlineservices.congleton.gov.uk/ecminutes/mgAi.aspx?ID=18034#mgDocuments>

49. The impact of Council Tax Support on the tax base has created uncertainty for town and parish councils. This has been an issue nationally throughout the budget setting process and resulted in a CLG consultation exercise. The CLG response to this arrived at a relatively late stage and left it to local negotiations.

50. The approach adopted in Cheshire East is to fully compensate local councils for any reduction in tax base as a result of Council Tax Support. This is proposed on a temporary basis pending further review in 2014/2015.

51. Cheshire East has a relatively high Council Tax base compared to its nearest neighbours. This is partly due to the much higher proportion of properties in Bands F to H in the Cheshire East area (16.1% in Cheshire East compared to the England average of 9.2% based on 2012/2013 data).

Collection Fund

52. Receipts from Council Tax payers are paid into the Collection Fund which is then distributed to all precepting organisations (Cheshire East Council, Fire & Police and Local Town & Parish Councils).

53. A predicted deficit in the Collection Fund reduces revenue funding for the following annual budget (and vice versa in the case of a surplus). This can happen if predicted changes in the tax base do not occur or if payments are delayed.

54. The estimated balance on the Collection Fund has been forecast as a net nil position for 31st March 2013. This represents no change from the position forecast at 31st March 2012.

Council Tax on Second Homes

55. During 2006 the Cheshire Local Government Association (LGA) agreed to reduce the level of discount on Second Homes across Cheshire from 50% to 25% on the basis that the additional funds would be utilised as follows:-

- 50% to be retained by local authorities.
- The balance to be paid over to Local Crime and Disorder Reduction Partnerships (CDRPs) for local activities including the appointment of Community Support Officers.

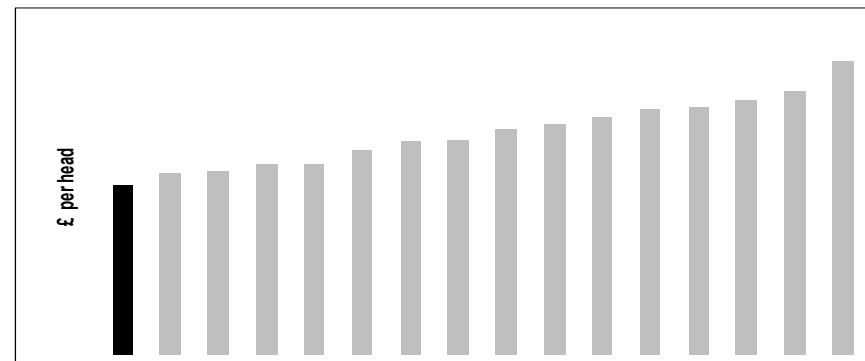
56. The final figures cannot be calculated until each authority has set its 2013/2014 Council Tax. Contributions under the Second Homes agreement to the CDRP from the Police and Crime Commissioner and Cheshire Fire and Rescue Authority will be made during 2013/2014 by adjusting the precept payments to those authorities. The provisional contribution from Cheshire East Council is £139,000.

57. Any further changes to the Second Homes discount are not part of the local agreement and therefore the additional income from any change is not included in the figure shown.

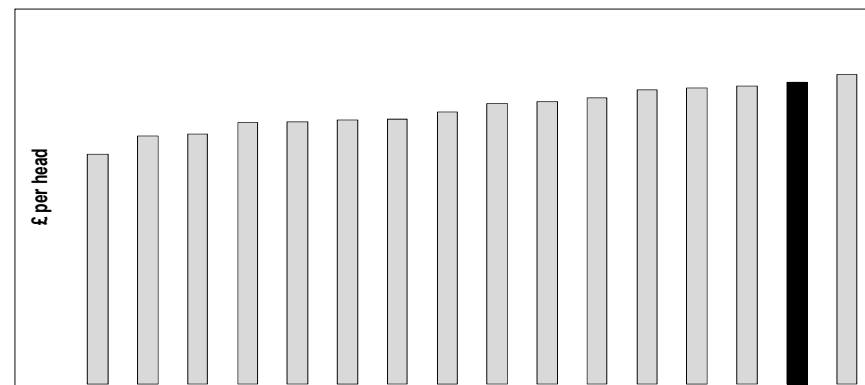
Funding Comparisons to Elsewhere

58. The Council has repeated the standard suite of comparisons based on available data. These are set out below:

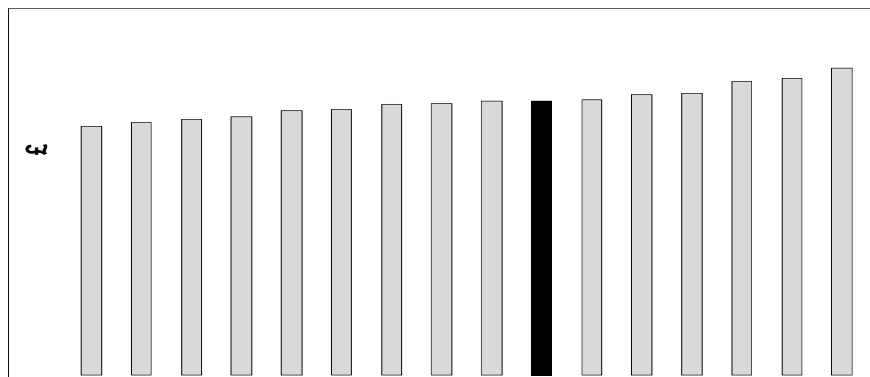
59. **Chart 2** – BRRS income (including RSG) per head is the lowest of the Council's 15 near statistical neighbours



60. **Chart 3** – The Council's Council Tax per head remains high in comparison to near statistical neighbours.



61.**Chart 4** – Absolute Band D Council Tax levels remain average in comparison to near statistical neighbours



What is the Council Doing About it?

62. There are several areas where the Council is attempting to ensure its voice is heard. These are:

i. Responding to Key Consultations

2012 has once again seen several major consultations on changes to local government finance take place. The Council has responded to most of these and a summary is set out below:

Business Rate Retention

The CLG launched a major consultation on the scheme on 17th July 2012. This was a complex document and the Council responded within the deadline of 24th September. The following key points were raised:

- The Council will be unable to retain levels of Business Rates income beyond certain limits due to tariff and levy payments and the 1:1 ratio for percentage growth. As a result the Council will receive half the level of

Business Rates it received in 2012/2013 and a quarter of what it collects.

- Low baseline funding levels continue due to a high tax base.
- The system locks in unfair existing formula allocations that do not account for an ageing population.

This was followed by a number of smaller consultations in relation to the following Council Tax issues which have helped to clarify some of the detailed implementation issues:

- Localising Support for Council Tax: Funding Arrangements.
- Localising Support for Council Tax: Council Tax base and Funding for Local Precepting Authorities.
- Technical Reforms to Council Tax: Consultation
- Technical Reforms to Council Tax: Empty Homes Premium - Calculation of Council Tax base
- Technical Reforms to Council Tax: Empty Homes Premium - Exceptions

Localisation of Council Tax Benefit

This area has seen the Council respond to a further CLG consultation and consult with local residents on its proposed scheme. A brief summary of each is set out below:

CLG Council Tax Support Consultation:

The CLG released a major consultation on 2nd August 2011 which closed on 14th October 2011.

The following key points were raised:

- The intention to mirror the focus of the Universal Credit and return people to work is entirely supported. However, there should be no attempt to duplicate effort in these proposals and claimants should not be confused about the support being offered.

Unemployment rates in Cheshire East are already below national averages and welfare payments are relatively low. The population is also generally ageing, which may place more claimants in to the protected groups. This highlights potential further difficulties in realising the required savings.

- Local power over scheme design coupled with removal of ringfencing will give authorities the incentive to reduce the number of claimants. The current proposals offer protection to pensioner claimants. This makes up c.50% of the caseload, and there are further expectations that Local Authorities will protect vulnerable groups which could be a further c.40% of claimants. This issue does not provide the Local Authority with the flexibility required to effectively deliver a localised scheme.

Cheshire East Council Tax Support Consultation/Scheme:

The Government are proposing to replace the Council Tax Benefit Scheme in 2013. Each Council must develop its own scheme and Cheshire East Council plan to continue supporting local residents through investment of an estimated £15.5m in the local scheme in 2013/2014.

Spending on the local scheme in 2013/2014 is estimated to be c.10% less than estimated spending in 2012/2013 in line with the overall need to reduce public expenditure as part of the national deficit reduction programme.

Pensioners who claim Council Tax Benefit will not be affected by these changes as their entitlements are protected and will continue under similar arrangements from April 2013.

The Council developed a local scheme which was subject to a consultation process for the 6 weeks ending 21st October 2012. The result was good support for the Council's scheme.

The main points of the scheme are as follows:

- To increase the capital limit to £6,000
- To consider an upper capital limit of £10,000 and introduce a tariff income of £10 for every £1,000, still endorsing the principle that those with assets should pay more without the disincentive of making provision for emergencies.
- Set a maximum period of 13 weeks for backdating rather than the current 26 weeks.
- To retain the current 'Local Scheme' where all war widows, war widowers and war disablement pensions and war pensions for surviving civil partners are full disregarded rather than the statutory.

Schools Funding

Several consultations on schools funding took place and were responded to during 2012 including:

- Consultation on 'Next Steps towards a Fairer System' of schools funding.
- Consultation on the 16-19 funding formula review.
- Consultation on the basis of appropriate funding for academies.

These have been supplemented by a further consultation on the Local Authorities Central Services Equivalent Grant (LACSEG). In December 2012 the DfE announced that LACSEG arrangements affecting the Dedicated Schools Grant (DSG) would be made redundant by the published funding reforms and that the arrangements affecting formula grant would be replaced by the introduction of a new Education Services Grant (ESG).

The ESG 'will be allocated on a simple, per-pupil basis to local authorities and Academies according to the number of pupils for whom they are responsible'. [Source: DfE]

In addition to the above, the local authority have consulted extensively with schools regarding the implementation of DfE educational funding reforms:

- Consultation on the formula for distributing the Schools Block element of the Dedicated Schools Grant (DSG).
- Consultation on the changes to the distribution of funding in the High Needs Block of the DSG.

Provisional Settlement

The Council has responded to the settlement through the Society of County Treasurers. This collective response raised the key issue of a late and incomplete release just before Christmas.

ii.Membership of Collective Groups.

The Council has membership of several collective groups which provide a stronger voice at a national level. They are:

- The Local Government Association
- The Society of County Treasurers
- The Sparse Rural Network
- The F40 Group

In addition the Council uses specialists in Local Government Finance for in depth analysis of key announcements and consultations.

iii.On-going briefing with Members of Parliament.

The Council provides an update on key issues to local MPs every six weeks, or when special updates are required. At certain times these focus on the Budget and funding issues.

Charges to Local Service Users

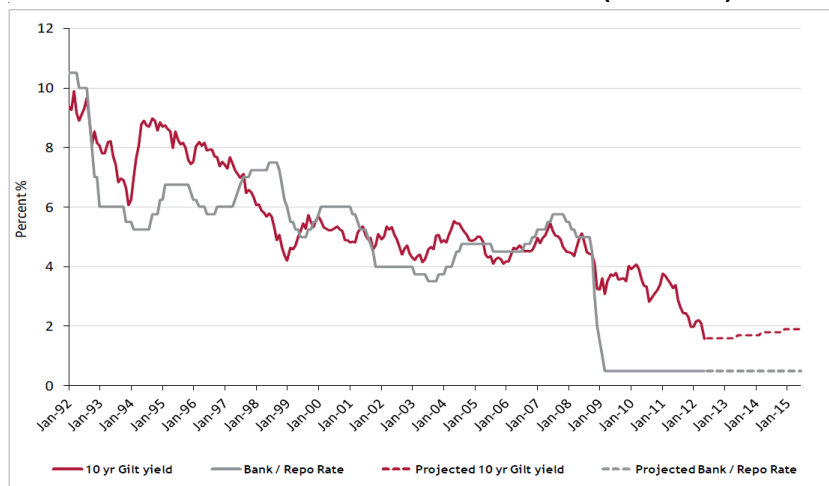
- 63.In some key service areas the Council makes a charge directly to the service user. The prices charged will sometimes be set nationally, but should always be related to recovering some or preferably all of the Council's costs in delivering discretionary services.
- 64.Approximately 12.3% of the Council's gross income is received through Fees & Charges and the prices are reviewed at least annually.
- 65.The Cheshire East Council pricing structure has over 1,800 different charges. With the overall objective to reduce subsidy in charged for services some prices may rise considerably more than inflation. In such cases users are being consulted and alternative service options are being discussed.
- 66.To assist officers and Members to recover full cost, the Council has produced a Charging and Trading Strategy to provide the relevant guidance to be applied. This document is available to Members on request.

Investment, Borrowing & the Capital Programme

- 67.Conditions in the world's money and capital markets remain volatile. Concerns are still focused on sovereign debt rather than the standing of the major financial institutions where the cost of credit risk for the major players has reduced. Quick fixes on European debt and the US budget may well need to be revisited.

68. The UK remains stuck with low growth for even longer. With a 'tight fiscal, loose monetary policy' approach, it is likely that it could be 2016 before official UK interest rates rise (see **Chart 5**). The UK's safe haven status and minimal prospect of rate rises are expected to keep gilt yields near their lows in the near term. Gilts will be vulnerable should the fiscal outlook become even more challenging than now.

Chart 5 - UK Interest Rates 1992 to 2015 (forecast)



Source: Arlingclose

Capital Financing Costs

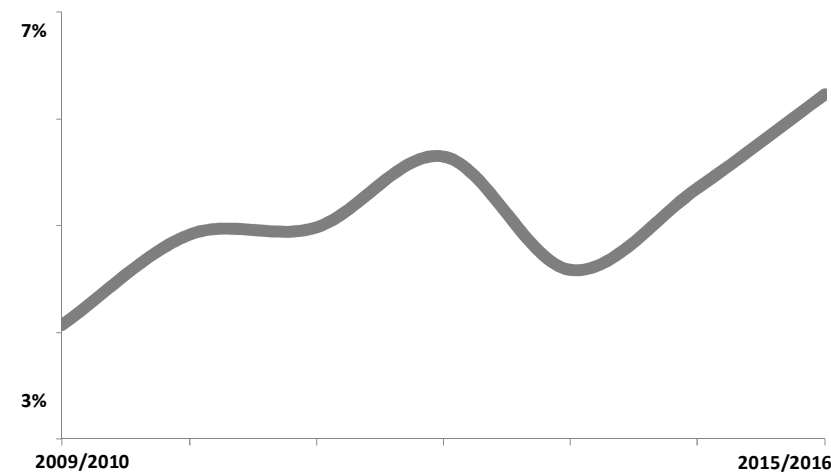
69. During 2012/2013 a balance sheet efficiency review has been undertaken with the aim to establish the most cost effective method of financing the capital programme and make adequate provision for the repayment of debt in future years. The review has considered the previous three financial years to form a view on the adequacy of the Council's reserves and working capital positions, as well as a projection of the expected position at the end of the following four financial years.

70. The methodology for applying capital receipts to finance capital expenditure has been considered as part of the review. A policy change ~ reported to Cabinet on 10th December 2012 as part of the 3 Year Medium Term Financial Strategy ~ has been agreed to apply all capital receipts held in reserve to finance capital expenditure which has taken place in previous years and has been met from borrowing.

71. The application of the capital reserve has been used to repay £15m of borrowing for assets purchased after 2008 that were to be written down over the various asset lives. The impact will be to reduce the level of revenue provision required for the repayment of debt in 2013/2014 and future years by an estimated £2.4m.

72. **Chart 6** demonstrates the upward trend of the cost of borrowing as a % of the net budget from 2009 – 2016. The application of capital receipts in 2012/2013 will reduce the cost to 2010 levels, although the impact will be short term and costs will rise steadily as the level of prudential borrowing increases in future years.

Chart 6 - Cost of Borrowing as % of Net Budget from 2009-2016



73. The capital financing budget for 2013/2014 is £11.9m as shown in **Table 8**. This includes amounts charged in respect of the repayment of outstanding debt and the amount of interest payable on the Council's portfolio of long-term loans. These budgeted costs are partly offset by the budgeted amount of interest the Council anticipates earning from the temporary investment of its cash balances during the year.

Table 8 - Capital Financing Budget	2013/14
	£m
Repayment of Outstanding Debt	6.9
Contribution re: Schools TLC Schemes	-0.9
Direct Revenue Funding	0.4
Interest on Long Term Loans	5.7
Total Debt Repayment	12.1
Less: Interest Receivable on Cash Balances	-0.2
Net Capital Financing Budget	11.9

Source: Cheshire East Finance

74. The budgeted provision for the repayment of debt in the year 2013/2014 comprises of the following elements:

- The charge in respect of borrowing incurred after April 2008 is calculated on a basis that charges the amount borrowed to the Council's income and expenditure account in equal instalments over the anticipated life of the asset. These periods vary from 5 years to 25 years depending on the type of expenditure funded from the borrowing.
- Historical borrowing prior to this is calculated as 4% of the outstanding balance at 31 March 2013.

75. The amount of interest paid on the Council's portfolio of long-term loans is mainly at fixed rate of interest (circa 3.96%). This provides a degree of certainty to the capital financing budget.

76. Currently, long-term fixed interest rates for periods longer than 10 years are around 4.1%.

77. The rate of interest to be earned on the Council's cash balances that are temporarily invested (estimated at £66m) pending them being used is budgeted to be 0.5% during 2013/2014.

78. In line with many other local authorities, Cheshire East Council has taken the decision to use internal resources to fund capital expenditure in recent years, opting to "internally borrow". This strategy is sound, particularly with the 1% margin on Public Work Loan Board rates, low-investment yields and on-going concerns regarding credit risk.

79. The decision on the timing of longer-term borrowing will be made with consideration to a number of factors. The securing of low-rate debt before an interest rate rise has to be balanced against the credit risk of our current investments.

80. Given the credit risk it is important that the Council examines how much borrowing is actually required. The Capital Financing Requirement represents the underlying need to borrow for capital purposes. However, in reality the Council is unlikely to fully externalise this borrowing requirement.

81. Analysis of cashflows during 2013/2014 will consider the level and maturity of investment balances and planned use of reserves, in addition to estimates on expenditure, the capital financing requirement and maturing debt. It will also include an analysis of working capital and schedules of planned receipts and payments.

82. The successful management of cashflow will enable the Council to reduce net treasury costs and significantly reduce counterparty risks. If liquidity becomes an issue, the Public Work Loans Board continue to provide access to funding at competitive levels at short notice.

83. From 1 November 2012 the Government reduced by 20 basis points (0.2%) the interest rates on loans from PWLB to principal local authorities who provided the required information on their plans for long term borrowing and associated capital spending. The Council applied for the certainty rate in September 2012 and this has been acknowledged by DCLG.
84. The current effect of the heightened credit risk and the benign interest-rate outlook suggest that borrowing decisions are more likely to be delayed but this situation will be kept under constant review and estimates for additional interest payments are included within the 2013/2014 capital financing budget.
- Capital Programme Planning**
85. The current 2012/2015 capital programme was approved by Council on 23rd February 2012. During 2012/2013 a number of amendments have been made, including substantial reductions following a review of all the schemes in the capital programme, funded wholly or partly from Council resources. The Challenge Sessions undertaken in September 2012 resulted in schemes totalling £42.4m either being deleted from the programme or deferred. The revised capital programme was reported to Council on 13th December 2012 for approval.
86. A further update to the current capital programme is included in the Third Quarter Review of Performance and the revised profile of spend for 2013/2014 onwards forms the base for the 2013/2016 programme, which is detailed in **Annex 6**.
87. Capital commitments have been reviewed to identify the profile of expenditure and a further £18m has been slipped to future financial years. There is recognition that there are obvious complexities around planning applications, public consultation etc, and dependencies on third parties for external funding that often means slippage occurs from one year to the next as delivery is delayed.
88. Work has been on-going throughout 2012/2013 to determine the capital vision for the Council and to develop a strategic 3 Year Capital Programme for 2013/2016 with an emphasis on investment in external and internal infrastructure, development of new Service delivery models and invest-to-save opportunities.
89. A new Project Gateway model has been developed since the summer of 2012 and is bringing about a more robust discipline to the management of major Projects and Programmes across the Council.
90. A key aspect of effectively operating the Project Gateway is the formation of a high level, Member-led Governance Group called the Executive Monitoring Board (EMB). One of the key aims of the EMB is to provide consistent and robust direction for all major Projects and Programmes in Cheshire East through the Project Gateway model. The EMB is supported by a Technical Enabler Group (TEG) comprising of key corporate enablers supporting major Projects and Programmes and a Programme Office (PMO). The TEG supports the EMB by assessing the technical feasibility and options of proposals from the perspective of all relevant professional disciplines.
91. The 2013/2016 capital programme reflects the Council's project evaluation 'gateway process' to ensure that all schemes meet Council priorities and are deliverable and affordable. Although budget allocations are set aside for all schemes in the capital programme, thereafter a rigorous approach will be taken to assess the costs and benefits of all capital schemes before they are allowed to proceed and a full business case will be required even where schemes are included in the approved programme.
92. Projects will continue to come forward during 2013/2014 as part of the longer term capital vision. As they develop and progress

through the gateway process further updates to the programme will be provided on a regular basis.

Capital Programme Funding

93. As set out in **Table 9**, the proposed Capital Programme for 2013/2014 has planned expenditure of £112.0m supported by £64.0m of external funding (grants, S106 contributions etc.) leaving a net cost to the Council of £48.0m. The net costs of the programme will be met through estimated in year capital receipts of £10m and additional prudential borrowing of £37.9m.
94. The Council has discretion over the use of internally-generated capital resources which include capital receipts from the sale of surplus assets, prudential borrowing and revenue contributions. It is important that this discretion is used to ensure that these scarce capital resources are used to support capital schemes that make a major contribution to ensuring the Council's assets are suitable for delivering the future priorities, improving service delivery and generating revenue savings.

Table 9 - Capital Programme Summary	2013/2014 £m	2014/2015 £m	2015/2016 £m
Proposed New Starts	26.3	33.7	22.4
Ongoing Schemes	85.7	49.4	6.5
Total Capital Programme	112.0	83.1	28.9
Financing			
Prudential Borrowing	37.9	35.3	17.9
Government Grants	41.3	22.1	2.6
Capital Receipts	10.0	5.0	
External Contributions	22.7	20.7	8.4
Other Revenue Contributions	0.1		
Total Sources of Funding	112.0	83.1	28.9

Source: Cheshire East Finance

Government Grants

95. Government grants are generally allocated by specific Government departments to fund projects and therefore are used by the Council to support the spending programmes for which they are approved.
96. The Council seeks to maximise such allocations of grant, developing appropriate projects and programmes which reflect Government-led initiatives and agendas but address priority needs in the community. Government funding has reduced in recent years but the Council still receives external support towards a number of projects such as school improvements and the Local Transport Plan. Over the period 2013/2016, these resources equate to £66.0m.

Capital Receipts

97. A capital receipt is an amount of money which is generated from the sale of an asset. The Asset Challenge process will continue to explore opportunities to generate capital receipts by rationalising the estate and disposing of surplus property assets. This will also have revenue benefits by reducing costs relating to those assets. Capital Receipts form an important financing source for the capital programme in each financial year.
98. Under the Council's Capital Receipts Policy, all receipts are pooled centrally in the capital reserve and are allocated in line with corporate priorities as part of the overall development of the capital programme. An asset disposal schedule is maintained which indicates the timing and estimated values of future receipts. As part of this budget setting process, capital receipts of £10m have been allocated to fund the capital programme in 2013/2014 and a further £5m in 2014/2015. The

ambition for capital receipts in 2013/2014 is £12m but due to the potential for timing issues a more prudent approach has been taken regarding the financing of the programme. This will be continually reviewed as part of the monitoring process of the capital programme.

99. The forecast capital reserves position has been updated in line with the decision to utilise available capital receipts to repay outstanding debt and receipts generated in year will be fully utilised to finance expenditure, therefore the level of capital receipts held in reserve will be minimal in 2013/2014 and future years.

Borrowing

100. The Council's capital investment falls within, and needs to comply with the "Prudential Code for Capital Finance in Local Authorities". Under the Code, local authorities have greater discretion over the funding of capital expenditure especially with the freedom to determine, within the regulatory framework of the Code, the level of borrowing they wish to undertake to deliver their capital programmes.
101. As funding sources for capital are expected to be limited during this planning period, there will be a requirement to finance schemes from Prudential Borrowing. The level of Prudential Borrowing required in 2013/2014 and in future years is detailed in **Annex 5 – Prudential Borrowing Indicators**, paragraph 6. The revenue consequences have been considered as part of the Business Planning Process to ensure they can be afforded in future years.

Revenue

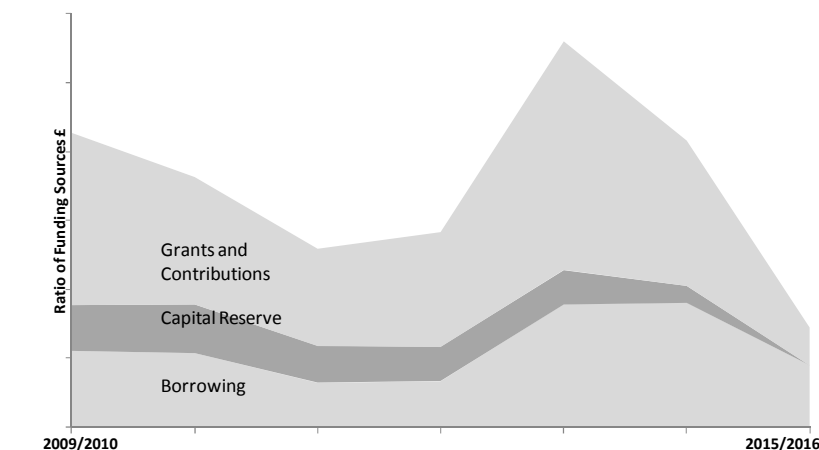
102. Capital expenditure may be funded directly from revenue. However, the general pressure on the Council's revenue budget limits the extent to which this may be used as a source of

capital funding and therefore no revenue contributions are planned for new starts.

Other Contributions

103. The Council also receives contributions from developers towards the provision of public assets or facilities, such as Section 106 contributions to mitigate the impact of their developments. These contributions are usually earmarked for specific purposes in planning agreements.
104. **Chart 7** demonstrates the balance of funding over time, the peak of grants and contributions in 2013-2015 relates to the Superfast Broadband project where external contributions amount to £40m. Overall the net cost to the Council of funding the capital programme will increase in 2013/2014 and future years.

Chart 7 - Balance of Funding Sources from 2009-2016



Source: Cheshire East Finance

Other Economic Factors

105. The Council makes an assessment of its financial position over the next three years by using a model known as the financial scenario. It is based on a series of planning assumptions (for example: estimated inflation rates). The planning assumptions were published in July 2012 and updated through the MTFS Reports to Cabinet on 15th October and 10th December. Allowance will be made in 2013/2014 budget for other economic factors, largely inflation and pension costs; totalling **£4.9m**.

Inflation

106. The Budget Report for 2013/2014 continues the theme of not including any central allowance for inflationary pressures on the basis this is generally being mitigated by service efficiency proposals or specifically bid for as a separate proposal policy.

Employer Pensions Contributions

107. Based on the latest actuarial valuation of the Cheshire Pension Fund, the employer contribution rate for Cheshire East will increase by 0.5% from 1st April 2013. This will result in additional costs of **£0.7m** per annum.

108. The forecast position in terms of the Pension Fund is that the employer's contribution rate will need to rise as a result of the next actuarial review. This will take effect on 1st April 2014. Therefore, the Council is examining options to build this additional cost into its plans for the medium term.

109. At this stage the Council has increased the provision in 2014/2015 and 2015/2016 to 1% of pensionable pay costs.

110. The reorganisation and transformation process the Council is going through has led to greater efficiency and a reduction in staff numbers. Some of this has been through early retirement. Actuarial charges totalling **£4.2m** have been allowed for in 2013/2014 relating to these costs.

Managing the Reserves Position

111. The Council Reserves Strategy 2013/2016 states that the Council will maintain reserves to protect against risk and support investment.

112. The Strategy identifies two types of reserves:

General Reserves

- Balances in this category are not identified for specific purposes, but will be used to cushion against the impact of emerging events or genuine emergencies.

Earmarked Reserves

- Balances in this category are set aside for specific projects where spending will occur outside of the usual annual spending pattern of the budget.

113. Cheshire East Council's Reserves Strategy has been updated and is included at **Annex 7** to this report. For the 2013/2014 Budget the Deputy S151 Officer is satisfied that the strategy remains consistent with previous years.

General Reserves

114. The Budget report for 2012/2013 anticipated an opening balance for 2013/2014 of £20.8m. The latest estimate is set at £13.2m,

as adjusted for the projected 2012/2013 outturn based on the three quarter year review.

115. The planned contribution for 2013/2014 was £9.6m. However this has been reduced to nil to reflect a reduced level of overall risk, and recognition of the need for substantial temporary investment in a number of major change programmes.
116. The medium term financial outlook reflects a reduction in real terms expenditure on Council services. Reducing expenditure over time will require up-front investment in change management that will sustain the financial resilience of the Council.
117. Strategically the Council must therefore utilise short term funding to support change and not to build up reserves. Current reserves levels will therefore be maintained to protect the Council against risk and should only require amendment if risk materialises or to support short term cashflow issues.
118. General Reserves will therefore now be stabilised over the medium term.
119. A summary of the updated forecast reserves position over the life of the medium term strategy is shown in **Table 10**.

Table 10 - Reserves levels will be maintained in the medium term	2012/2013	2013/2014	2014/2015	2015/2016
	£m	£m	£m	£m
Opening Balance	11.4	13.2	13.2	13.2
Change	1.8	0	0	0
Closing Balance	13.2	13.2	13.2	13.2

Source: Cheshire East Finance

Earmarked Reserves

120. It is anticipated that at 1 April 2013, balances on existing revenue earmarked reserves will be £5.1m (excluding Schools). The

majority of this balance relates to ongoing or longer term reserves for Insurances, and Extra Care Housing.

Summary of Financial Stability

121. **Table 11** summarises the position for 2013/2014 to 2015/2016.

Table 11 - Three Year Summary Position	2012/2013	2013/2014	2014/2015	2015/2016
	£m	£m	£m	£m
Children & Families	59.2	57.8	55.7	54.3
Adults	99.0	101.5	102.6	108.3
Public Health (Funded by Grant)	-	0.0	0.0	0.0
Places & Organisational Capacity	77.1	76.4	73.4	72.4
Corporate Services	26.7	26.5	26.3	25.7
Adjustments in Previous Years (See Note 1)	-	0.2	-11.1	-25.9
Further Reductions in Management Costs	-	-2.2	-0.6	0.0
Vacancy Management Reductions	-	-2.5	0.0	0.0
Costs of Transformation	-	6.3	6.3	0.0
TOTAL: Directorates	262.0	264.0	252.6	234.8
Government Grants	-126.5	-114.0	-103.9	-89.7
Council Tax	-161.3	-166.8	-166.8	-166.8
Central Adjustments	25.8	16.8	18.1	21.7
TOTAL: Central Budgets	-262.0	-264.0	-252.6	-234.8
Deficit / (Surplus)	0.0	0.0	0.0	0.0

Source: Cheshire East Finance

Note 1: -£8.3m of savings in 2014/2015, & -£14.1m in 2015/2016, are not detailed in this report, but will be achieved through further proposals (see Table 12 - Chapter 2)

122. Directorate expenditure is shown as **£264.0m**. This represents an increase of £2m on the Budget at the three quarter year review position.

123. The Funding Available to Services in 2013/2014 is estimated at **£264.0m** to give a balanced position.

124. This balance has been achieved through a substantial process to review and refine the funding figures and Directorate expenditure/income levels.

Balancing the Medium Term Budget 2014/2015 & 2015/2016

125. **Table 11** illustrates that Council funding is forecast to reduce over the medium term by as much as 10%. These estimates are prudent, but there is little doubt that Government funding is expected to decrease and that inflationary pressure on services will continue to increase. Setting a robust budget in these circumstances is therefore challenging and plans will be subject to review.

126. The MTFS reflects a balanced position with a mix of specific policy proposals in each Directorate and areas where the Council has corporately identified areas it will explore to close the shortfall.

127. The Council adopts a standard five measure approach to balancing the budget and each measure is explored below in relation to the medium term balancing of the MTFS.

Measure	Description
Measure One ~ Challenge Financial Assumptions	Estimates related to government funding and inflation in particular will be checked against up to date indices and policies.
Measure Two ~ Review Local Taxation	Flexibility in Council Tax & Business Rates is explored in relation to emerging Government policy and local ambition.
Measure Three ~ Manage Reserves	The impact of the Council's Reserves Strategy is analysed, particularly in relation to risk and investment.
Measure Four & Five ~ Manage Cost Drivers & Income	Options for future service delivery are challenged to ensure priorities will be delivered in a cost effective and efficient way.

128. The prudent approach to forecasting funding and the range of options to reduce expenditure provide the necessary degree of confidence that the Council can deliver sustainable services in the Medium Term.

Options related to each of the five measures are set out below.

Measure	Table 12 – Balancing the Medium Term Budget
Measure One Challenge Financial Assumptions	<ul style="list-style-type: none"> - There is some uncertainty around final funding levels for 2014/2015 and 2015/2016 in terms of percentage changes and the return of the national contingencies of LACSEG, New Homes Bonus (contingency element) and the safety net. Although, the latter two are likely to be small or nil. Existing forecasts remain prudent. - Growth, beyond inflation, in the amount of Business Rates paid is not assumed in the medium term. However, the new Business Rate Retention approach to funding local authorities would see a return of as much as £0.3m on just 1% of additional growth. Although the Council has ambitious development plans the impact of rating appeals and the overall national economic picture means a currently prudent approach is appropriate at this point in time. - New Homes Bonus attracts funding of £1,400 per annum for six years for every additional band D property. The estimates in the MTFS match those detailed in the Local Plan and these will be reviewed in light of in year performance, planning permission granted and sites being developed. - Employer pensions costs are assumed to rise in the medium term. The results of the actuarial review will be known in 2013 and the Council will continue to refine its pensionable pay costs to determine an accurate provision. - Pay Inflation is being assumed in the medium term and will be reviewed in light of available funding and economic circumstances.

Measure	Table 12 – Balancing the Medium Term Budget
Measure Two Review Local Taxation	<p><i>The Council retains the opportunity to review current funding assumptions:</i></p> <ul style="list-style-type: none"> - There are no assumed increases in Council Tax Band D levels, nor any assumption about receipt of further freeze grants. This position can be re-examined each year to reflect local and national ambition. - The Council may continue to maximise its tax base through any further flexibility made available by legislation. The potential for development in the area is also likely to increase the tax base, but at this stage a prudent approach is being taken and no assumptions are being made about growth. - Impacts from the introduction of the local Council Tax Support Scheme will be reviewed and scrutinised during the medium term. The scheme may be amended where appropriate, but overall the ambition is to reduce claimant numbers in relation to out of work residents through the promotion of economic growth in the area. - As the potential benefits of investment in local infrastructure are realised the Council may engage businesses and re-consider the introduction of a Business Rate Supplement for specific purposes. For example an additional rate of 1p on the rating multiplier could raise as much as £2.1m each year, this level of funding could support a 20% increase in the Council's Capital funding costs. - There is potential to work with local businesses to introduce business improvement districts for specific purposes.
Measure Three Manage Reserves	<ul style="list-style-type: none"> - The Council is adopting a rigorous approach to managing in year expenditure. Service heads will sign off their Budget allocations to endorse accountability. In-year reporting will continue to identify emerging pressures and associated mitigating actions. - The robustness of the proposals in the budget will improve budget management, significantly reducing the risks of unforeseen budget pressure. - The Reserves Strategy for 2013/2016 aims to maintain reserve levels over the medium term, reinvesting one-off funding in service change.

Measure	Table 12 – Balancing the Medium Term Budget
Measures Four & Five Manage Cost Drivers & Income	<p>The Council's Major Change Programmes can be found within the Medium Term Financial Strategy Report. Many of the financial implications relate specifically to 2013/2014. However, many of these programmes will deliver further savings in 2014 to 2016 and there are further projects which will start in 2014/2015 and 2015/2016, and these are detailed on the Council's website at: www.cheshireeast.gov.uk/budget</p> <p>To support longer term planning it is intended that savings identified in the above list should not be re-opened during the medium term without significant justification.</p> <p>In addition to these service changes the Council must make further savings in service delivery. Listed below are a number of focused activities that can realise significant further reductions in expenditure over the medium term reflecting the ambition detailed within the Medium Term Financial Strategy:</p> <ul style="list-style-type: none"> - Continuously reviewing management levels and staffing structures. Expenditure on employees accounts for c.40% of the Council's expenditure on services, and the reviews will look to ensure that the Council operates an effective commissioning model that focuses on cost benefits and efficiency. - Maintaining the focus on priorities, using a scale-able approach to service delivery that can continue to adapt to available funding and provide essential services. - Reshaping Corporate Services, which account for c.10% of the Council's net budget, to reflect a smaller organisation. - Challenging discretionary services to ensure these meet priority needs, are afforded in the most effective way or are instead ceased or transferred to alternative providers. - Review subsidy levels in services also supported by charges to service users. Users pay c.£70m each year towards direct service provisions already. The review will focus on the adequacy of this funding with a view to re-assessing or removing some existing subsidies for discretionary services. - Introducing a robust and effective Community Infrastructure Levy that can engage developers and other stakeholders in delivering appropriate funding in key areas. - Creating and developing an effective commercial approach to trading and shared services, in such services as ICT/HR/Finance/Property/Waste with like minded partners or suppliers.

- Maximising development opportunities from the increasing broadband coverage. Increasing commercial development located in Cheshire East would see returns from Business Rate Retention. For example a 1% increase in Business Rates would realise c.£300,000 of additional income per year.
- Exploring opportunities to improve health and reduce dependency through integration of the local health programme with key partners. Net expenditure on Adult Services is currently accounting for 38% of the Council's budget. This is the only Council budget expected to increase in the medium term rising to as much as 45% of the Council's budget by 2015/2016, so managing costs in this area is essential.
- Engaging with community groups and local Town & Parish Councils to explore ways of maintaining service delivery at a local level. There are c.300 such groups already financially engaged with Cheshire East Council. The third sector is a powerful economic partner, employing nearly 4,000 staff and generating an income of over £125m per annum, the vast proportion of which is invested back into our local communities and economies. Further opportunities will be explored as part of the Council's Three Year Plan.
- Utilising capacity that can be purchased from the private sector, or other potential partners, to support modern ways of working, opting where possible for no-win, no-fee arrangements, but in any case ensuring low risk returns on investment. Where the Council cannot practically retain expertise it is suitable to purchase this from appropriate suppliers.
- Delivering efficient internal processes, such as debt collection and low complexity, high volume transactions in a way that achieves high efficiency without deflecting expenditure from front line services. This may involve lowering any level of tolerance for non-compliance.
- Carrying out a further Capital Challenge to address rising capital financing costs. The Capital Programme in 2013/2014 is **£112m**, however the Council is reducing capacity overall so must prioritise delivery of this size of programme. The Capital Challenge carried out by the Portfolio Holder for Finance in 2012 focused on service priorities and maximising returns on investment. This led to an overall reduction in the borrowing requirement of **£32m**. In light of the medium term financial forecasts this exercise will be repeated and further streamlining identified.

Measure	Table 12 – Balancing the Medium Term Budget
	<ul style="list-style-type: none"> - Improving access to digital channels will significantly reduce the costs associated with telephone and face-to-face contact as customers shift their approach to accessing services. For example at present the Council's essential numbers handle c.12,000 telephone calls each week, and yet a Citizen Panel Survey in 2012 identified that c.90% of Cheshire East's residents have access to the internet either at home or at work. So in some cases the Council will reduce the availability of staff and in most cases customers will be expected to use on-line facilities as the default method of accessing services.

3. Allocating Funding to Services

129. Having analysed the Council's Funding Position in **Chapter 2**, this chapter sets out how the funding is allocated to Directorates.
130. The Medium Term Financial Strategy Report sets out further details of how the Council is approaching delivery of the Three Year Council Plan and provide key messages in relation to value for money over the next three years.

Summary of Directorate Expenditure

131. **Table 13** below sets out the Directorate budget position for 2013/2014 compared to the adjusted Budget position and forecast outturn at the three quarter review (which is also being reported to Cabinet on 4th February 2013).

Table 13 - Directorate spend position compared to adjusted Three Quarter Review position	2012/2013 Restated Budget as at TQR	2012/2013 Forecast Outturn as at TQR	2013/2014 Proposed
	£m	£m	£m
Children & Families	59.2	60.2	57.8
Adults	99.0	103.1	101.5
Places & Organisational Capacity	77.1	78.8	76.4
Corporate Services	26.7	26.7	26.5
Unallocated			0.2
Management Reductions			-2.2
Vacancy Management Provision			-2.5
Costs of Investment (supported by CT freeze)			6.3
Total Directorate Expenditure	262.0	268.8	264.0

Source: Cheshire East Finance

132. The figures for 2013/2014 have been brought together using the Business Planning Process from October 2012 to February 2013 in response to the Three Year Plan.
133. Changes to the budget are being driven by the major change programmes detailed in the Three Year Plan. The financial impact of the programmes are set out in **Annex 6** of this report. A more detailed analysis is provided Appendix 2 to the Medium Term Financial Strategy Report.
134. A full three year version of the schedule can be found at: www.cheshireeast.gov.uk/budget.
135. The tables overleaf summarises the contribution that each Directorate is making to the major change programmes for revenue and capital.

Major Change Programmes

136. The next two tables sets out the impact of the Revenue and Capital changes for 2013/2014.

Table 14 - REVENUE

Summary of Priorities and Major Change Programmes

2013/2014						
	Children & Families	Adults	Places & OC	Corporate Services	Cross Cutting	Total
	£000s	£000s	£000s	£000s	£000s	£000s
1.0 Local economic development	0	0	0	0	0	0
1.1 - Investment in existing and new road infrastructure	0	0	-200	0	0	-200
1.2 - Investment in high speed broadband network for Cheshire East	0	0	0	0	0	0
1.3 - Investment to support business growth and delivery of Macclesfield and Crewe regeneration, and the Sustainable Towns programme	0	0	200	0	0	200
	0	0	0	0	0	0
2.0 Developing affordable, and sustainable local models of care for vulnerable children and adults	2,200	10,958	0	0	0	13,158
2.1 - Improve the sufficiency of care locally for vulnerable children and adults	0	0	0	0	0	0
2.2 - Next phase of development of Care4CE service	0	0	0	0	0	0
2.3 - Secure new integrated health and care pathways for learning disabilities	0	0	0	0	0	0
2.4 - Securing efficiencies through strategic commissioning of children and adult services	0	0	0	0	0	0
	2,200	10,958	0	0	0	13,158
3.0 Focusing services on early intervention and prevention	-515	-760	0	0	0	-1,275
3.1 - Focus Childrens Services on early help for families	0	0	0	0	0	0
3.2 - Review adult assessment and case management services	0	0	0	0	0	0
	-515	-760	0	0	0	-1,275
4.0 Responding to the changing education and learning environment	-1,525	0	0	0	0	-1,525
4.1 - Develop our relationship with self-sustaining schools	0	0	0	0	0	0
4.2 - Continue review of Home to School Transport	0	0	0	0	0	0
4.3 - Improve the range of special school provision	0	0	0	0	0	0
4.4 - Pursue the development of a new University Technical College	0	0	0	0	0	0
	-1,525	0	0	0	0	-1,525

Table 14 - REVENUE

Summary of Priorities and Major Change Programmes

2013/2014

	Children & Families £000s	Adults £000s	Places & OC £000s	Corporate Services £000s	Cross Cutting £000s	Total £000s
5.0 Securing housing that is locally-led, community-based and that meets local needs	0	0	0	0	0	0
5.1 - Develop a new delivery model for the housing service and ensure housing services support independent living and health improvement	0	0	0	0	0	0
5.2 - Develop accommodation strategy for vulnerable adults and those with learning disabilities	0	0	-50	0	0	-50
	0	0	-50	0	0	-50
6.0 Redefining the Council's role in core place-based services	0	0	0	0	0	0
6.1 - Develop new delivery model for leisure provision	0	0	-1,015	0	0	-1,015
6.2 - Develop new delivery model for streetscape and bereavement	0	0	0	0	0	0
6.3 - Develop a new model for sustainable library services and community hubs	0	0	-100	0	0	-100
6.4 - Determine future delivery model for waste management services	0	0	-113	0	0	-113
6.5 - Develop Total Transport Programme	0	0	0	0	0	0
	0	0	-1,228	0	0	-1,228
7.0 Reshaping the Organisation	0	0	0	0	0	0
7.1 - Restructure the organisation	370	80	470	160	-2,173	-1,093
7.2 - Develop a more affordable model of corporate and support services with key subject expertise, to enable better strategic commissioning and delivery of frontline services	0	0	0	-37	0	-37
7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	-450	-400	1,924	79	0	1,153
7.4 - Implement a modern business architecture, including ICT systems, which supports innovative and affordable frontline delivery	-170	-180	0	525	0	175
7.5 - Maximise the benefits from the Corporate Landlord model to best utilise our asset base to support delivery of the Council's wider objectives	0	0	1,555	0	0	1,555
7.6 - Develop resilient communities	0	0	191	0	0	191
	-250	-500	4,140	727	-2,173	1,944

Table 14 - REVENUE

Summary of Priorities and Major Change Programmes

	2013/2014					
	Children & Families	Adults	Places & OC	Corporate Services	Cross Cutting	Total
	£000s	£000s	£000s	£000s	£000s	£000s
8.0 Workforce planning	0	0	0	0	0	0
8.1 - Further develop employment and working practices to enable flexible and agile working	0	0	0	0	0	0
8.2 - Identify changing skills requirements over medium term and equipping the organisation with these skills	0	0	0	145	0	145
8.3 - Manage workforce turnover so that vacant posts are used to provide efficiency savings, whilst retaining staff with essential skills	0	0	-181	0	-2,290	-2,471
	0	0	-181	145	-2,290	-2,326
	-90	9,698	2,681	872	-4,463	8,698

Table 15 - CAPITAL

Summary of Priorities and Major Change Programmes	2013/2014					
	Children & Families	Adults	Places & OC	Corporate Services	Cross Cutting	Total
	£000s	£000s	£000s	£000s	£000s	£000s
1.0 Local economic development			8,555			8,555
1.1 - Investment in existing and new road infrastructure			36,805			36,805
1.2 - Investment in high speed broadband network for Cheshire East				20,499		20,499
1.3 - Investment to support business growth and delivery of Macclesfield and Crewe regeneration, and the Sustainable Towns programme			2,613			2,613
	0	0	47,973	20,499	0	68,472
2.0 Developing affordable, and sustainable local models of care for vulnerable children and adults	1,748	949				2,697
2.1 - Improve the sufficiency of care locally for vulnerable children and adults						0
2.2 - Next phase of development of Care4CE service						0
2.3 - Secure new integrated health and care pathways for learning disabilities						0
2.4 - Securing efficiencies through strategic commissioning of children and adult services						0
	1,748	949	0	0	0	2,697
3.0 Focusing services on early intervention and prevention			1,009			1,009
3.1 - Focus Childrens Services on early help for families						0
3.2 - Review adult assessment and case management services						0
	0	0	1,009	0	0	1,009
4.0 Responding to the changing education and learning environment						0
4.1 - Develop our relationship with self-sustaining schools						0
4.2 - Continue review of Home to School Transport						0
4.3 - Improve the range of special school provision						0
4.4 - Pursue the development of a new University Technical College						0
	0	0	0	0	0	0

Table 15 - CAPITAL

Summary of Priorities and Major Change Programmes	2013/2014					
	Children & Families	Adults	Places & OC	Corporate Services	Cross Cutting	Total
	£000s	£000s	£000s	£000s	£000s	£000s
5.0 Securing housing that is locally-led, community-based and that meets local needs			4,195			4,195
5.1 - Develop a new delivery model for the housing service and ensure housing services support independent living and health improvement						0
5.2 - Develop accommodation strategy for vulnerable adults and those with learning disabilities						0
	0	0	4,195	0	0	4,195
6.0 Redefining the Council's role in core place-based services						0
6.1 - Develop new delivery model for leisure provision			400			400
6.2 - Develop new delivery model for streetscape and bereavement						0
6.3 - Develop a new model for sustainable library services and community hubs						0
6.4 - Determine future delivery model for waste management services						0
6.5 - Develop Total Transport Programme						0
	0	0	400	0	0	400
7.0 Reshaping the Organisation						0
7.1 - Restructure the organisation						0
7.2 - Develop a more affordable model of corporate and support services with key subject expertise, to enable better strategic commissioning and delivery of frontline services						0
7.3 - Continue targeted business improvement reviews to find efficiency savings from all services		500				500
7.4 - Implement a modern business architecture, including ICT systems, which supports innovative and affordable frontline delivery			100	9,914	0	10,014
7.5 - Maximise the benefits from the Corporate Landlord model to best utilise our asset base to support delivery of the Council's wider objectives			1,619			1,619
7.6 - Develop resilient communities						0
	0	500	1,719	9,914	0	12,133

Table 15 - CAPITAL

Summary of Priorities and Major Change Programmes	2013/2014					
	Children & Families	Adults	Places & OC	Corporate Services	Cross Cutting	Total
	£000s	£000s	£000s	£000s	£000s	£000s
8.0 Workforce planning						0
8.1 - Further develop employment and working practices to enable flexible and agile working						0
8.2 - Identify changing skills requirements over medium term and equipping the organisation with these skills						0
8.3 - Manage workforce turnover so that vacant posts are used to provide efficiency savings, whilst retaining staff with essential skills						0
	0	0	0	0	0	0
9.0 Other						0
Statutory Provision - Grant Funded	14,983		1,400			16,383
Funded from External Contributions			734			734
Asset Management Programme			4,818			4,818
Farms Programme			756			756
Residual Projects			367	5		372
	14,983	0	8,075	5	0	23,063
	16,731	1,449	63,371	30,418	0	111,969

4. Impact Assessment

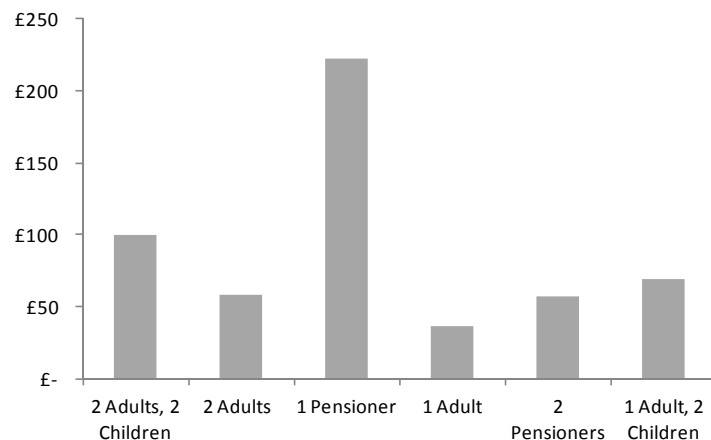
Household Calculator

137. The 2013/2014 Budget Report is the result of a major process to set a balanced budget that can meet the needs of local people in the local environment. The details of the Budget have been set out in previous chapters in terms of financial stability and allocation between major change programmes. This section considers the impact of the Budget on typical groups of service users in terms of the changes they may see and the charges they may pay.

138. A number of assumptions must be made in relation to property sizes and service usage. The Council uses existing data to inform this process.

139. **Chart 8** below illustrates the annual impact on six typical households accessing a variety of different services if a blanket increase in line with RPI (as at December 2012) were to be applied.

Chart 8 – Increase in Annual Payments following a 3.1% RPI increase

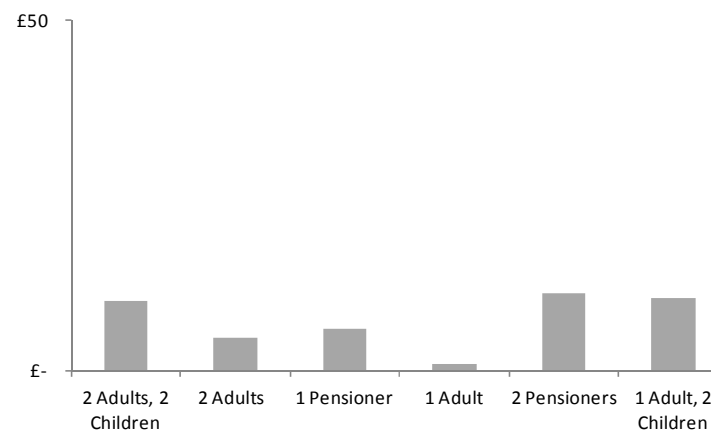


140. Every service with the authority is in the process of refining a Charging and Trading Strategy which sets out the rationale for setting / changing fees and charges within that area.

141. The Strategies calculate full cost of the service being provided and therefore set out the resulting subsidy or surplus each time a charge is made. This will then be used to inform the setting of future levels of fees and charges to ensure fairness and that the Council meets any statutory obligations.


142. **Chart 9** below illustrates the actual annual increase per household when applied to the same variety of services.


Chart 9 – Increase in Annual Payments following the proposed increase in fees and charges



143. Further details on the variances are shown in **Table 16** on the following pages. However, it is clear that the impact of the Council's increase in charges is substantially below RPI.

Table 16: Impact of the 2013/2014 Budget Proposals

Example Groups	Annual Charges £	Service Impacts £	
<p>2 Adults 2 Dependent Children</p>  <p>Typical Household Facts:</p> <p>Adults both working (full or part time) with combined net income of £43,000pa</p> <p>Children attending local schools</p> <p>Living in a Band E Property</p>	<p>Council Tax</p> <p>Fees & Charges</p> <p>Total charges in 2012/2013</p> <p>Total increase in annual payments if inflation of 3.1% for the year were added on (Retail Prices Index)</p> <p>Actual proposed increase in charges for 2013/2014</p>	<p>£1,487</p> <p>£1,736</p> <p>£3,223</p> <p>£100</p> <p>£10</p>	<p>Families will be supported, especially in difficult times or when starting out. This takes several forms:</p> <ul style="list-style-type: none"> -Council Tax ~ levels have been frozen for the third successive year resulting in a substantial saving compared to RPI over the same period. This has been agreed in conjunction with accepting an offer of a grant payment from the Government to compensate the Council. It enables families to be protected from annual increases in Council Tax. -Fees and charges ~ the Council has adopted a more scientific approach to setting fees and charges. This is based on a Charging and Trading Strategy. Under this, services should adopt an approach to setting charges that reflects the cost of the service, demand and concessions. Using this system, the aim is for full cost recovery rather than blanket increases in fees and charges. -Local initiatives ~ the Council in investing in initiatives such as: <ul style="list-style-type: none"> -Local regeneration schemes. -Affordable Housing Initiatives. -Housing Grants. -Assisted Purchase Schemes. -Council Tax Support Scheme. -Service review ~ the Council has continued to adopt the theme of protecting front-line services such as Leisure Facilities and Libraries and funding necessary savings from the back office in many cases.

<p>Pensioner Couple</p>  <p>Typical Household Facts:</p> <p>Private pension with combined net income of £23,000pa</p> <p>Living in a Band D property</p>	<p>Council Tax</p> <p>Fees & Charges</p> <p>Total charges in 2012/2013</p> <p>Total increase in annual payments if inflation of 3.1% for the year were added on (Retail Prices Index)</p> <p>Actual proposed increase in charges for 2013/2014</p>	<p>£1,216</p> <p>£631</p> <p>£1,847</p> <p>£57</p> <p>£11</p>	<p>The Council is working hard to protect older people through:</p> <ul style="list-style-type: none"> -Identifying the group as a priority area ~ as evidenced under Outcome 5 – People Live Well and For Longer. -Council Tax ~ levels have been frozen as above and pensioners protected under the Council Tax Support Scheme. -Capital Funding ~ maintaining provision for home repairs and Disabled Facilities Grants, helping people to live in their own homes. -Fees and Charges ~ providing concessions for pensioners where appropriate. -Leisure Facilities ~ maintaining parks and open spaces and other leisure facilities to ensure a range of activities is available to older people.
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Local Businesses



Typical Facts
Non Domestic Rates set by
Government
Supplementary Rates set by
Cheshire East
Liable to pay some Fees &
Charges (for example licensing)

Working with Businesses

The Council takes a pro-active role in engaging with and supporting local businesses. They are the engines of our economy, and the borough's future prosperity is driven by their capacity to thrive and grow. The Council's Economic Development & Regeneration team operates as a key broker for relationships between businesses and Council services and other public agencies. It also takes the leading role in promoting regeneration across the Borough, creating the conditions for job creation and economic growth, by working closely with other teams across the Council (e.g. planning, licensing, trading standards) and partners from the business community, voluntary and wider public sectors.

The team provides:

- A programme of business engagement events on specific issues, e.g. procurement, business support.
- Bespoke support for new and expanding companies, in terms of property finding, recruitment, etc.
- Information web pages including a business directory and property search facility.
- Support for targeted groups of businesses, such as independent retailers, by promoting local purchasing and advice on increasing sales.

The Council has a strong commitment to the development and regeneration of our town centres. This will be supplemented further over the 2013/2016 period, through further investment in its regeneration programme, alongside the strategic use of its own land and property, to lever in additional private sector investment. This will enhance the attractiveness of our towns to residents and visitors, and increase confidence in the developer and investor communities.

New multipliers for 2013/2014

- Multiplier set by Government is Index linked to September RPI (2.6%).
- Provisional 2013/2014 Multiplier at 47.1p* in the £.
- Small business multiplier provisionally 46.2p** in the £.

* Includes supplement to fund small business relief.

** All occupied properties with a rateable value below £18,000 are charged using the lower multiplier – except for those ratepayers receiving mandatory rate relief.

Deferment Scheme for 2012/2013

Ratepayers who chose to defer part of the payment of their 2012/2013 rates bill under the 2012/2013 deferment scheme will pay back 50% of the deferred amount in 2013/2014. The remaining 50% will be due in 2014/2015.

Supplementary Business Rates

There are no proposals for Cheshire East Council to charge supplementary rates in 2013/2014.

Local Retention of Business Rates

From 1st April 2013 Cheshire East Council will retain c. 25% of any local growth in the rates generated through increased occupancy of commercial premises subject to certain tolerances. This will take several years to realise but will assist funding for the Council's activities. The Medium Term Financial Strategy sets out the Council's ambition to promote economic development.

Local Discretionary Rate Relief

Cheshire East Council has the discretion to award rate relief to any ratepayer. The Council will need to fully fund any relief awarded. Applications are considered on an individual basis, relief would only be awarded where it was in the Council Tax payer's interest to do so.

Council Partners & Stakeholders



For Example:
Town & Parish Councils, Health,
Fire, Police, schools, community &
voluntary organisations,
Local Area Partnerships.

The Council will continue to work with partners to maximise value for money from all public spending in Cheshire East. We will seek to commission and deliver jointly with our partners, both across Cheshire East and at a local level. Specifically, this budget reflects the changes to financial arrangements arising from the reform of the health care sector, including the integration of public health into the local authority.

The Council will continue its work with Town and Parish Councils to develop local service delivery options including the transfer and devolution of services where appropriate.

The budget includes a one off payment to Town and Parish Councils to reflect changes in funding arising through Council Tax Support. The total amount allocated for 2013/2014 is £450,000.

The budget includes reductions to funding for community and voluntary organisations, reflecting an approach which is targeting services at need. However, the amount of funding in the Community Grants programme is remaining at the same level, £96,000, as the previous 3 years.

The Local Environment



Cheshire East Council is committed to continuing to reduce its energy consumption from its buildings and will continue to develop strategies during 2013/2014, and beyond, to reduce the environmental impact of its activities. The Council is continuing to work towards its Carbon Management Plan target of reducing our carbon emissions by 25% by March 2016. To do this, the Council is undertaking a number of schemes:

- reducing carbon emissions from its own vehicles by undertaking a whole fleet review, installing technology and educating staff to reduce fuel consumption
- reducing the impact of our staff travel through a number of measures including changes to staff travel rates and promotion of alternatives to single car occupancy
- a borough wide replacement of traffic signal lamps with LED's, which will cut energy and carbon
- completion of our £2 million capital investment in street lighting combining a number of measures to reduce energy use
- supporting schools to reduce their energy use through the Low Carbon Schools Programme & Junior Energy Monitor Programme supporting an Invest to Save approach in our own Council buildings to continue to reduce our carbon footprint.

In 2013/2014, the Council will participate effectively in the Carbon Reduction Commitment, a national mandatory scheme where carbon emissions must be accurately reported to Government.

Equality Impact

144. We have a statutory duty to understand the equality impacts of our decisions, policies, strategies and functions.
145. We want to ensure that our budget decisions do not discriminate against any group and promote equality of opportunity and good community relations. We have undertaken equality impact assessments where necessary, and will continue to do so as projects develop across the lifetime of the Three Year Plan. This process helps us to understand if our budget proposals:
- have an adverse impact on any of the protected characteristics listed in the 2010 Equality Act,
 - result in direct or indirect discrimination.
146. The process assists us to consider what actions could address or alleviate any adverse impact and help us to recognise where investment could alleviate an adverse impact from a saving.
147. The completed Equality Impact Assessments will be placed on the website at: <http://www.cheshireeast.gov.uk/budget>

Workforce Planning

Our values

148. At Cheshire East Council we aspire to help to build a strong local economy, support thriving communities and improve the quality of life for everyone living and working in Cheshire East.

149. Achieving our ambitions is not just about developing the right policies or establishing new processes and systems. It is also about the way we work, focusing equally on **how** we do things, as well as **what** we do – in order to be successful.

150. Our aspire values are at the heart of how we work with colleagues, customers, partners and communities to ensure both quality and value in public services of which we can be proud. Our values are summarised as follows:

- we take **action** with **integrity**,
- we **respect** and **support** each other,
- **together**, we achieve **excellence** for **people** in Cheshire East.



New deal for staff

151. Our workforce is our most valuable resource, and the key to our future success. In becoming a new “21st Century Council” our aim is to remain one of the best local employers. This means offering a “new deal” to staff. In return for greater flexibility over new ways of working and even better productivity to do more with less, we will invest in training for the new skills required, offer competitive earnings linked to contribution and satisfying jobs that allow our people to use their talents and creativity.

152. Ultimately this will mean improved job security for the majority of our staff. To achieve this we will need to actively manage changes to the future size and shape of the Council, primarily through not replacing most jobs when people leave; making sure that re-deployment continues to work and re-skilling for the jobs of the future.

Workforce priorities

153. To successfully transform the workforce we have, to the workforce that we will need, four strategic workforce priorities have been identified:



Workforce priority one: Organisation reshaping & agility

- **Alternative delivery models** – to explore, prototype and move into a range of new delivery and operating models which will increase efficiency and effectiveness, break down silo's and enable improved services to be delivered for less.

- Staff deployment** - to build greater flexibility into the way in which staff, are deployed within and across services and organisations to respond to business need and optimise valuable skills, experience and capacity.

- Agile working** – to develop further our flexible and mobile working practices to enable staff to work in a range of locations, at different times and in different ways, to maximise their productivity and deliver the greatest value.

Workforce priority two: Resourcing & talent

- Employing young people** – we will continue to expand opportunities for young people to take their first step into employment, by working with partners to offer inspiring apprenticeships, meaningful work experience and progressive graduate development.

- Integrated workforce** – many of our services will increasingly be delivered in partnership with others. We will focus on strengthening those relationships and effectively transitioning health responsibilities to local government.

- Talent management** – to further identify, develop, manage and deploy the multitude of talents across the Council, enabling and empowering people with potential to make a greater impact on organisational performance.

Workforce priority three: Training & development

- Future capabilities** - we will equip our staff with the skills required to remain marketable and at the top of their game as our job requirements change. This will include generic competencies alongside professional and technical skills.

- Management development** – we will build the capability of managers at all levels as they have a crucial enabling role in unlocking barriers, developing talent and confidently delivering the organisational changes required, effectively.

- Collaborative learning** - to broaden and improve the learning experience for our employees we will seek opportunities to learn with other partners, within different communities and with the trades unions.

Workforce priority four: Engagement and contribution

- Employee engagement** – to build an engaged workforce which shares the Councils aspirations and is prepared to go the extra mile to achieve outstanding results for the communities we serve.

- Change leadership** - managers play a crucial role in the leading and embedding the required transformation with staff, partners, suppliers and volunteers. Harnessing their skills, creative ideas and energy will be essential to success.

- Total contribution** - we want our employees to be recognised and rewarded for both what they do and how they do it, and to be fairly remunerated for the contribution they make to achieving our goals.

Outcome measures

The key outcomes of effective workforce planning are summarised below:

- We have an agile, skilled, engaged, and high performing workforce ready and able to respond to the challenges ahead
- Where appropriate we attract and retain the best people from all sectors of the community to work for the Council
- We share and deploy our available resources across the Council in the best way to ensure priorities are achieved

These outcomes will be measured through formal assessment and recognition against national standards and benchmarks alongside key performance indicators.

5. Risk Management

154. Risk management is an integral part of the development of our business planning processes. We are committed to adopting best practice in the identification, evaluation and cost-effective control of risks to ensure that they are reduced to an acceptable level or eliminated, and also to maximise opportunities to achieve our priorities.
155. Risk management is not about being risk averse; some amount of risk taking is inevitable if the Council is to achieve its priorities and it is acknowledged that some risks will always exist and will never be eliminated.
156. Understanding and setting a clear risk appetite is essential to achieving an effective risk management framework. There are risks for which the Council is custodian on behalf of the public and the environment, where risk levels may be very low, and there may be risks with choices about investment in projects, research and delivery roles, where risk taking may be encouraged. Where we choose to accept an increased level of risk we will do so, subject always to ensuring that the potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established.
157. Through the identification and treatment of risk we can ensure that our priorities, intended outcomes and key projects are more likely to be achieved, damaging actions or events are avoided or minimised and opportunities maximised.

158. Some risks to achieving our priorities are cross-cutting. The key corporate risks to achieving our priorities and expected outcomes will be identified on our key corporate risk register, including the actions necessary to manage and mitigate these risks. We have a Risk Management Policy which forms part of the Council's overall internal control framework and enables it to respond appropriately to risks. We regularly review and monitor risks through our risk management framework.
159. Individual services and project managers will identify, analyse and prioritise service and project risks on local risk registers as part of the service planning and project management processes. Progress and performance towards meeting objectives is monitored regularly and services and project managers will ensure that risks to achieving objectives are effectively managed in their area in accordance with the risk management policy and procedures.

Annexes to Budget Report 2013 / 2016

Page 233

February 2013

Annex 1 - A Profile of the Authority

Introduction

1. In addition to Cheshire West and Chester to the west, Cheshire East is bounded by the Greater Manchester conurbation to the north, Warrington to the northwest, Shropshire and Newcastle-under-Lyme to the south and High Peak and Staffordshire Moorlands to the east.

Geography of the Area

2. The mix of topography, soils and land use in Cheshire East presents an area of contrasting character, ranging from the highland and lowland rural areas to the more densely-populated areas in the northeast of the authority. Part of the eastern boundary is part of the Peak District National Park which rises significantly higher than the rest of the council area.
3. Cheshire East is characterised by wonderful countryside assets such as Tegg's Nose Country Park, The Cloud and the Gritstone Trail as well as its splendid historic towns and its major national visitor attractions such as Tatton Park and castles built of the distinctive local sandstone.
4. The main rivers of Cheshire East are the Bollin and the Weaver - which both flow into the Mersey - and the Dane (a tributary of the Weaver). A number of canal systems - the Trent and Mersey, Shropshire Union and Macclesfield canals - make up the Borough's other major waterways.
5. There are excellent rail links both with Manchester and other parts of the country, in particular through the main West Coast routes from London through Crewe and Macclesfield to the north. The M6 is the main north-south road route, but important east-west links are established by the M56. Another main trunk road running through Cheshire East is the A556 from Knutsford to Bowden which connects people to Manchester.

Cheshire East and its population

6. Cheshire East has an area of 116,638 hectares. The population is 370,700 (2011 mid-year estimate¹), making it the 3rd largest unitary authority in the North West and 12th largest in England. Principal concentrations of population (based on the 2011 Census) are in the towns of Crewe (72,700), Macclesfield (52,200), Congleton (26,500) and Wilmslow (23,700). The Borough's other main towns - each with a population between 11,000 and 18,000 - are Alsager, Knutsford, Middlewich, Nantwich, Poynton and Sandbach.²
7. The majority of the Borough's residents live in market towns, villages or hamlets and around two fifths of the population live in areas that are classified as being more rural than urban.³
8. The population in Cheshire East has steadily increased over the past 20 years, from 340,500 in 1991 to 370,700 in 2011 - an increase of almost 9%. This increase in the total population is mainly due to net inward migration into the area. The age structure of Cheshire East is slightly older than that of England & Wales. In 2011, 5.4% of Cheshire East's residents were aged under 5 (compared to 6.2% for England & Wales), 12.3% were aged 5 to 15 (12.6% for England & Wales) and 19.4% were aged 65 or above (16.5% for England & Wales).
9. The age structure of the population in Cheshire East has changed since 1991. The number of older people (aged 65+) has

¹ ONS mid-year population estimates 2011. ONS Crown Copyright 2013.

² 2011 Census (Table PP04). ONS Crown Copyright. Notes: [1] The Wilmslow figure excludes Handforth. [2] The 2011 Census LSOA level population estimates are for the new (post-2012) LSOA boundaries, which involve the splitting up of some of the old LSOAs in the Nantwich area. The definition of Nantwich town needs to be updated to reflect these LSOA boundary changes and therefore it is not appropriate to quote an exact 2011 Census figure for the town's population at this stage.

³ [1] 2011 Census (Table PP04). ONS Crown Copyright. [2] Rural Classification, 2004, Cheshire County Council.

increased by 33%, from around 54,200 in 1991 to 72,100 in 2011, whilst the number of children (aged 0-15) has fallen slightly (down 2% over the same period) and now stands at 65,700 (against 66,800 in 1991).⁴ The latest in-house forecasting work indicates continuing decreases in the number of children, decreases in the working-age population and increases in the older age groups, with the largest proportional increase being in the 85+ age group.⁵

10. Cheshire East has a strong local economy. It contributes 5% of the North West region's total population,⁶ but 7% of the region's output⁷. Average household income is above the Great Britain average.⁸ The Borough's largest three industries in terms of economic output (Gross Value Added) in 2009 were Professional Services (12% share of GVA), Pharmaceuticals (9%) and Health & Social Work (8%). Forecasts suggest that, by 2025, Professional Services and Pharmaceuticals will make up even greater shares of Cheshire East's GVA (14% and 12% respectively), with Computing Services (8% share) replacing Health & Social Work as the next largest sector.⁹ The labour supply (the number of economically active local residents) is forecast to fall by 2,700 (1.5%) during 2009-25, which means that the Borough may need to rely on more inward migration or additional inward commuting to achieve employment growth.¹⁰

⁴ ONS mid-year population estimates 1991-2011. ONS Crown Copyright 2013. Source is the same for the previous paragraph.

⁵ In-house forecasting work produced by Cheshire West and Chester Council on behalf of Cheshire East, based on 2011 Census results and the latest Local Plan proposals.

⁶ ONS mid-year population estimates 2011. ONS Crown Copyright 2013.

⁷ Baseline projections from the Cheshire, Halton & Warrington Econometric Model (CHWEM). Projections were obtained using Cambridge Econometrics (CE)/IER LEFM software and are consistent with CE's UK Regional Forecast, as published on CE's Knowledge Base website in June 2012.

⁸ Paycheck 2010 data, CACI Ltd.

⁹ Same source as for footnote 2.

¹⁰ [1] Economic activity rate projections for Cheshire. Research, Intelligence & Consultation Team, Cheshire West and Chester Council, 2012. [2] 2009-based Cheshire Population Forecasts (produced by the Research, Intelligence & Consultation Team, Cheshire West and Chester Council).

11. The local economy is not immune from national and global factors and unemployment did rise sharply during the 2008/2009 recession, like in Great Britain as a whole. The proportion of 16-64 year-olds claiming Jobseeker's Allowance (2.4% in November 2012) has fallen significantly from its summer 2009 peak (3.2%). However, this still exceeds pre-recession rates, whilst the broad unemployment count (which includes all who are available for and actively seeking work) has remained at around 10,000-12,000 since 2008/2009. Unemployment is still more prevalent amongst young people – with 5.7% of the Borough's 18-24 year olds claiming JSA in November 2012 – than in other age groups, but Cheshire East compares favourably to the national (GB) rates for both this age group (7.0%) and older people.¹¹

12. Residents enjoy better health than elsewhere in the region and nationally.¹² Life expectancy in the borough as a whole is above the national average and incidence of smoking cigarettes is lower¹³.

13. Educational attainment among school pupils – in terms of the percentage achieving Level 4+ in English at Key Stage 2 (primary school), Level 4+ in Maths at KS2 and five or more GCSE grades at A*-C grade (secondary) is, in each case, above the national (England) average.¹⁴ Cheshire East schools generally perform well; children get off to a good start with a large percentage of childcare establishments, nursery education and primary schools judged to be better than similar areas and better than standards found nationally. There is very little inadequate provision with only a very small number of schools judged as underperforming by Ofsted.

¹¹ [1] Claimant Count, ONS, NOMIS. Crown Copyright. [2] Broad unemployment: model-based estimates of unemployment, Jul 2004 – Jun 2005 to Jul 2011 – Jun 2012, ONS, NOMIS. Crown Copyright.

¹² Life Expectancy at Birth: Dept of Health

¹³ Smoking prevalence: Office for National Statistics (ONS)

¹⁴ "In Your Area" statistics, DfE website, Jan 2013. Figures relate to 2011 and 2012.

14. The crime rate in Cheshire East is one of the lowest in the country¹⁵ and residents are less concerned about anti-social behaviour than elsewhere. However, there is significant anxiety about victimisation.
15. In the Communities of Cheshire survey 2008, the majority (93%) were satisfied with their home as a place to live and 85% were satisfied with their local area. But while the residents of Cheshire East generally enjoy good quality of life there are significant inequalities, with some areas experiencing poorer health, educational attainment and economic well-being than elsewhere. There are sixteen Lower-layer Super Output Areas among the 20% most deprived in England, according to the most recent (2010) Index of Multiple Deprivation (up from 14 in the 2007 IMD). These sixteen areas – eleven of them in Crewe, two in Macclesfield, two in Wilmslow/ Handforth and one in Congleton - contain 7% of the Borough's population.¹⁶

¹⁵ Crime and Incident Data provided by Cheshire Constabulary – Extracted from Niche and Command and Control using Business Objects.

¹⁶ [1] English Indices of Deprivation 2010, DCLG (published in March 2011). [2] Cheshire West and Chester Council Research, Intelligence & Consultation Team's Small Area Population Estimates. All estimates are constrained to the Registrar General's Annual Estimates of Population for 2010. ONS Crown Copyright 2013.

Annex 2 –The Budget Setting Process

Introduction

- 1.The Business Planning Process 2013/2016 has enabled the Budget to be balanced following a series of managed stages.
- 2.Over the last few months the Council has undertaken a series of actions in response to the on-going reductions in funding levels. These are detailed below:

Capital Visioning	A programme of meetings to review the capital programme to release funding and capacity to deliver the Council's Three Year Plan.
Revenue Visioning	A series of meetings with Portfolio Holders, Directors and Heads of Service to systematically review each area of the budget and the scope for savings.
Star Chambers	A series of officer meetings to challenge the medium terms plans for each service area.
Central Finance Group	This Group met on several occasions to review all the financial planning assumptions and the processes to agree the final position.
Development of Major Change Programmes	The Council has identified lead officers for each of the projects / programmes and initial business cases are being developed for review. It is expected the Major Change Programmes will collate all the budget changes the Council needs to make for the next three years.

Collated and reported its mid-year position to Cabinet / Identified base budget pressures with a permanent impact.	A key development is the consideration of the Council's Mid-Year Review of Performance at Cabinet on 12 th November 2012 and the subsequent analysis of the medium term pressures on the base budget.
Executive Monitoring Board (EMB)	Introduced the Executive Monitoring Board arrangement to review and challenge prospective capital and revenue projects.

In addition a series of Informal Cabinet and Corporate Management Team discussions have taken place.

- 3.The changes made to the budget are presented in the standard five measure format of:

The Five Measures	
Measure One	Challenge Financial Assumptions
Measure Two	Review Local Taxation
Measure Three	Manage Reserves
Measure Four	Manage Cost Drivers
Measure Five	Manage Income

- 4.**Table 1** sets out the stages to achieve a balanced position for 2013/2014 and ties up with the reports to Cabinet made on 15th October 2012, 10th December 2012 and in the Budget Report itself.

Table 1 - Steps to Balance the Cheshire East Council Funding Shortfall	2013/2014						
		Step 1		Step 2		Step 3	
	Feb-12 £m	Changes to Oct 12 Cabinet £m	Oct-12 £m	Changes to Dec 12 Cabinet £m	Dec-12 £m	Changes to Feb 13 Balance £m	Feb-13 £m
Directorate Spend	253.8	0.6	254.4	12.9	267.3	-3.3	264.0
Funding							
Grant Funding	-95.2	-3.8	-99.0	-3.1	-102.1	-11.9	-114.0
Council Tax	-179.1	15.7	-163.4	-3.4	-166.8	0.0	-166.8
Central Adjustments	33.6	-1.0	32.6	-6.0	26.6	-9.8	16.8
Funding Available	-240.7	10.9	-229.8	-12.5	-242.3	-21.7	-264.0
Funding Gap / (Surplus)	13.1	11.5	24.6	0.4	25.0	-25.0	0.0

Headline Changes Made and Impact on Funding Gap

Directorate Spend	- Allocation of final pension provision for 2012/2013 to Directorates (+£0.6m)	- Permanent cost pressures (+£31.5m) and permanent remedial actions (-£8.5m) were identified - Amendments to the Feb 2012 Business Plan proposals were identified (-£4.9m) - The initial impact of the major change programmes were included (-£5.2m)	- Reflects final policy proposals and cost of investment being factored in (-£3.3m)
Grant Funding	- Forecast grant levels reduced to reflect revised CSR position and BRRS modelling (+£11.9m) - CTS assumed to be cost neutral at the grant receivable level (-£15.7m)	- New Homes Bonus national contingency return included (-£3.7m) - A number of other grant estimates are refined (+£0.6m)	- Reflects the Provisional Settlement for grant funding (-£7.2m) - Includes estimated LACSEG returned (-£4.7m)
Council Tax	- Tax base reduced to reflect CTS (+£15.7m)	- Impact of final tax base including technical reforms (-£3.4m)	- No change
Central Adjustments	- Removal of pay inflation provision (-£1.3m) - Additional Relocation provision (+£0.3m)	- Capital Financing adjusted for Capital Visioning (-£2.8m) and balance sheet efficiency review (-£2.4m) - Additional net contribution to reserves (-£0.3m)	- Reflects removal of contribution to reserves to fund cost of investment (-£9.8m) and acknowledge minimum level.

Source: Cheshire East Finance

5. Further details are set out in the following paragraphs.

Opening Position

6. The changes to 2013/2014 are summarised in **Table 1** and detailed in the following paragraphs.

7. **Table 2** provides further details of the three year changes.

Measure 1 – Challenge Funding Assumptions

8. A number of changes were made through the October and December MTFS reports to Cabinet and through the process to balance the Budget.

Government Grant Funding

-BRR and RSG ~ the initial estimates have been revised to:

- Reflect the financial modelling based on the CLG Consultation document issued over the summer and include the return of the new homes bonus national contingency element (-£25.4m change as per December 2012 MTFS).
- Reflect the Final Settlement figures issued on the 4th February 2013. This includes the transfer of a number of specific grants (including Council Tax Support) into the scheme. (-£0.4m post MTFS).

Overall the impact of the changes to BRRS / RSG on the Funding Gap is a reduction of -£25.8m. However, this is significantly offset by the issues identified below in particular Council Tax Support.

- Specific Grants** ~ the position has been revised to take account of the best information available locally based on the CSR as reflected in the MTFS (+£18.5m as per MTFS).
- This has then been updated based on the final settlement for the majority of items. A few items continue to remain at estimated levels pending further information from the Government. The

Council Tax Freeze Grant of £1.8m for 2013/2014 has been included. (-£11.5m post MTFS)

-Note that ring fenced grants continue to be included within net Directorate budgets.

Overall the impact of the changes to Specific Grants on the Funding Gap is an increase of £7m.

Central Adjustments:

-Capital Financing ~ the results of several exercises have amended the figure:

- Capital Visioning Group ~ the Capital Programme from 2012/2013 onwards has been subject to review and reduction. This has led to a reduction in the Capital Financing Budget required. (£2.8m as per MTFS)
- Balance Sheet Efficiency Review ~ the Council has revised its approach to the repayment of debt and this has resulted in a further saving for 2013/2014. (£2.4m as per MTFS)
- The result of the three quarter year review of performance on forecast capital expenditure and therefore the Capital Financing Budget. (£0.5m post MTFS)

Overall the impact on the Funding Gap is -£5.7m.

-Pensions ~ the Central Adjustments include two elements in relation to pension costs:

- The one off costs of staff who have left the organisation between 2009/2010 and 2011/2012 where any pension costs were funded corporately. This has been subject to refinement, resulting in additional costs of **£0.4m**.
- The provision for additional employer pension contributions. This has remained at 0.5% of pensionable pay – therefore no change.

Overall the impact on the Funding Gap is an increase of £0.4m.

-Pay inflation ~ the February 2012 position allowed 1% for pay in 2013/2014. This was removed during the process.

Overall the impact on the Funding Gap is a decrease of -£1.3m.

Total change for Measure 1 is a -£25.4m reduction in the Funding Gap.

Measure 2 – Review Local Taxation

9. Several amendments have been made through the process:

-Council Tax Increase ~ the original planning assumption of no change in Council Tax has not changed. However, the Government have offered a Council Tax Freeze Grant equivalent to a 1% increase in Council Tax. It is proposed that this is accepted resulting in additional funding of £1.8m. (This has been added to specific grants under Measure 1 post December MTFS).

-Council Tax Base ~ The overall package of tax base measures of New Growth and Technical Reforms results in net growth of **£3.3m**. (Reflected in December MTFS)

However, the application of Council Tax Support has reduced the tax base by **£15.6m**. This forms part of the increase in the BRRS grant.

-Business Rates ~ The Council is continuing to assume no income from supplementary Business Rates or business improvement districts.

The total change for Measure 2 is a £12.3m increase in the Funding Gap.

Measure 3 – Managing Reserves

10. The February 2012 position included a provision to pay £9.5m into general reserves. This figure has been reduced to nil for the following reasons:

-Risk assessed minimum levels ~ following a review of the minimum level of general reserves required by the Council, the level has been reduced to £13.2m. This matches the forecast opening balance. Further details of this change are set out in **Annex 7**.

-Funding Cost of Investment ~ the Council has recognised that the delivery of a substantial set of major change programmes will require temporary investment. Funding previously paid into reserves as a result of the Council Tax Freeze Grant, has been used for this purpose. Combined these have resulted in a change of **-£9.5m**.

The total change for Measure 3 is a -£9.5m reduction in the Funding Gap.

Measure 4 & 5 – Manage Cost Drivers and Income

11. Directorates have identified new proposals under the following headings:

The total change for Measure 4 and 5 is +£9.5m.

Summary of Balancing the 2013/2016 Budget

13. The table overleaf summarises the measures taken to balance the 2013/2016 Budget.

	2013/2014 Impact £m
Additional Base Budget pressures on-going from the Mid-Year Review	31.5
Additional permanent remedial actions to offset these	-8.5
Review of roll forward proposals	-4.9
The impact of delivering the major change programmes	-9.4
Sub total	8.7
Less original roll forward	-5.5
Total Change	3.2

These proposals are set out in **Annex 6**.

Overall the impact on the Funding Gap is an increase of £3.2m including the change to the roll forward.

Cost of Investment

12. As referred to in Measure 3, the Council has provided for temporary funding for the year of £6.3m per annum for two years to deliver the major change programmes. This is linked to the Council Tax Freeze Grant.

Overall the impact on the Funding Gap is an increase of £6.3m.

Table 2 - Summary of Changes from February 2012 Business Plan to February 2013 Budget Report		2013/2014 Changes		2014/2015 Changes		2015/2016 Changes	
		£m	£m	£m	£m	£m	£m
Funding Gap - February 2012 Business Plan			13.1		7.4		2.6
(Year 3 calculated based on February 2012 assumptions)							
Measure 1 ~ Challenge Funding Assumptions							
Changes to BRRS/RSG funding (incl Council Tax Support funding)		-25.8		-23.4		-20.9	
Changes to specific grants		7.0	-18.8	9.2	-14.2	9.5	-11.4
Central Adjustments -							
Capital Financing -	Capital Visioning Group and Further Challenge	-2.8		-7.2		-0.6	
	Balance Sheet Efficiency Review	-2.4		0.0		0.0	
	Reduced spend at Third Quarter Review	-0.5	-5.7	0.0	-7.2	0.0	-0.6
Pensions -	Increased provision	0.0		0.6		0.6	
	Severance Costs	0.4	0.4	-0.1	0.5	0.0	0.6
Pay -	Change to provision		-1.3		0.0		0.0
Sub total - Measure 1			-25.4		-20.9		-11.4
Measure 2 ~ Review Local Taxation							
Council tax level (freeze grant is reflected in Measure 1)		0.0		0.0		0.0	
Impact on tax base -	New growth above existing assumptions	-0.3		0.3		0.8	
	Technical Reforms to discounts	-3.0		-3.0		-3.0	
	Council Tax Support Scheme	15.6		15.6		15.6	
Sub total - Measure 2			12.3		12.9		13.4
Measure 3 ~ Managing Reserves							
Revised Strategy to maintain reserve levels		-7.9		-4.5		0.0	
Removed repayment of previous cost of investment		-1.6		-1.6		-1.6	
Sub total - Measure 3			-9.5		-6.1		-1.6
Measures 4 & 5 ~ Manage Cost Drivers and Income							
Major Change Programmes		3.2		8.7		17.4	
Cost of Investment - Funded by Council Tax Freeze		6.3		6.3		-6.3	
Directorate Savings to be allocated to base budgets		0.0		-8.3		-14.1	
Sub total - Measures 4 & 5			9.5		6.7		-3.0
Remaining Funding Gap			0.0		0.0		0.0

Source: Cheshire East Finance

Annex 3 – Grant Funding Details

	Notes	2012/2013 £000	2013/2014 £000	2014/2015 £000	2015/2016 £000
Formula Grant					
Revenue Support Grant	1	1,287	55,855	47,257	39,462
National Non Domestic Rates	1	66,390	-	-	-
Business Rates Retention Scheme	1	-	37,160	38,299	34,511
Total Formula Grant		67,677	93,015	85,556	73,973
Specific Grants					
Ringfenced Grants					
Dedicated Schools Grant	4	193,540	182,401	155,785	155,785
Pupil Premium	4	4,164	5,228	5,197	5,197
Sixth Forms	4	8,801	6,722	4,699	4,699
Golden Hello		40	-	-	-
16-19 Bursary		128	-	-	-
Summer Schools		91	-	-	-
Total Ringfenced Grants		206,764	194,351	165,681	165,681
Non Ringfenced Grants - within services					
Council Tax Benefit Subsidy		20,408	-	-	-
Housing Benefit Subsidy		75,128	84,518	84,518	84,518
Total Ringfenced Grants - within services		95,536	84,518	84,518	84,518
Non Ringfenced Grants - corporate					
<u>Children & Families</u>					
Early Intervention Grant	2	12,908	-	-	-
Learning Disabilities & Health Reform	2	10,545	-	-	-
Adult Skills & Adult Safeguarding Learning		675	641	595	506
Skills Funding Agency		296	205	190	162
Youth Offending Service		418	-	-	-
NHS S256 Reablement		3,756	5,192	5,440	2,813
Troubled Families		522	586	-	-
Troubled Families - Co-ordinator		100	100	-	-
Music		142	-	-	-
Local Reform and Community Voices (inc Deprivation of Liberties and Healthwatch)		-	254	262	-
Independent Living Fund		-	-	-	1,500
Social Fund - Core Funding		-	612	612	600
Social Fund - Administration		-	129	119	-
Adoption Improvement		40	-	-	-

Notes -

1 Business Rates Retention Scheme replaces Formula Grant funding from April 2013.

2 Grants rolled into Business Rates Retention Scheme include - Early Intervention, Learning Disabilities & Health Reform, Preventing Homelessness and part of Lead Local Flood Authorities grants.

3 Community Safety Fund is transferring to the Police and Crime Commissioner from April 2013.

4 DSG figures reflect the same academy reduction assumptions as the Budget Book for 2013/2014 and 2014/2015. 2015/2016 has been maintained at 2014/2015 levels.

	Notes	2012/2013 £000	2013/2014 £000	2014/2015 £000	2015/2016 £000
<u>Places & Organisational Capacity</u>					
Local Service Support -					
Preventing Homelessness	2	253	-	-	-
Lead Local Flood Authorities	2	177	52	52	-
Community Safety Fund	3	148	-	-	-
Extended Rights to Free Transport		385	-	-	-
LSS Total		963	52	52	-
Mortgage Rescue / Preventing Repossessions		107	-	-	-
Community Transport		139	-	-	-
Local Sustainable Transport Fund		578	-	-	-
Town Team Partnership		40	-	-	-
<u>Not allocated to services</u>					
LACSEG		-	4,385	3,500	3,500
New Homes Bonus 2011/2012		870	870	870	870
New Homes Bonus 2012/2013		1,844	1,844	1,844	1,844
New Homes Bonus 2013/2014		-	1,037	1,037	1,037
New Homes Bonus 2014/2015		-	-	1,079	1,079
New Homes Bonus 2015/2016		-	-	-	1,223
Affordable Homes - 2012/2013		85	85	85	85
Affordable Homes - 2013/2014		-	82	82	82
New Homes Bonus 2013/2014 - return of topslice		-	315	-	-
Housing Benefit & Council Tax Administration	2,094	2,000	-	-	-
NNDR Administration		562	562	562	478
Council Tax Freeze Grant 2012/2013	4,464	-	-	-	-
Council Tax Freeze Grant 2013/2014		-	1,794	1,794	-
LACSEG refund from 2011/2012		503	-	-	-
New Burden - Council Tax		84	148	135	-
New Burden - Community Rights to Challenge		9	9	9	-
New Burden - Temp Deferment Rates		5	-	-	-
New Burden - Community Rights to Bid		5	8	8	-
New Burden - Remand Funding		-	64	-	-
Total Non Ringfenced Grants - corporate		41,754	20,974	18,275	15,779
Total Specific Grants		344,054	299,843	268,474	265,978
Total Government Grant Funding		411,731	392,858	354,030	339,951

Business Rate Retention Scheme (BRRS)

1. **Table 1** sets out the calculation of the Council's Start-Up Funding Assessment calculated through the new BRRS.

Table 1 - The Council's BRR Allocation Explained		2013/2014	Notes
		£m	
Business Rates Baseline	64.9	Determined by updated Formula Grant Calculation	
Less Tariff	-27.8	Determined by difference between baseline funding and business rates baseline	
equals			
Baseline Funding Level	37.1	Share of national estimated Business Rates Allocation	
plus			
Revenue Support Grant	55.9	To deliver adjusted CSR funding totals inclusive of grants rolled in	
Start up funding assessment	93.0		

Source: Cheshire East Finance

2. The BRRS will be introduced on 1st April 2013 for local authorities in England. The concept is for the Council to retain a share of the Business Rates it collects locally rather than paying this to the Government for re-allocation nationally through a formula.

3. However, the scheme design has been subject to a number of consultation processes and is inevitably complex as an alternative system to ensure fairness is required.

4. The Council is set a Business Rates Baseline (£64.9m) using updated Formula Grant allocations plus any Specific Grants which are being rolled into the system. This is being done to ensure no council is unfairly affected by the new system.

5. Next, the Council's proportionate share of the total estimated Business Rates collected in England is used to set a Baseline Funding Level. (£37.1m).

6. The two amounts are compared and as the Business Rates Baseline exceeds the Baseline Funding Level the Council is subject to a "tariff". (-£27.8m). (Should the baseline funding exceed the Business Rates base a "top-up" will be paid).

7. The final step is to determine a Revenue Support Grant (RSG) (£55.9m). This is being done to ensure local government continues to be funded up to the levels set out within the adjusted CSR. It includes a number of formerly specific grants being rolled into it.

8. The total of the Baseline Funding Level and RSG forms the Council's Start-Up Funding Assessment (£93m).

Annual Growth

9. Given that the Business Rate income should broadly increase each year, as RPI is applied to the multiplier rate, the level of tariffs and top-ups also increase by RPI each year.

10. The Council's modelling of the BRRS has assumed zero growth above forecast RPI, at this stage, given the uncertain economic environment and new businesses potentially being balanced out by those ceasing to trade or leaving the area. This position will be monitored closely.

Retention

11. The Council is able to retain part of any Business Rates it collects over and above the Baseline Funding Level, or manage any reduced income levels. Gaining or losing Business Rates are subject to certain tolerances. This is referred to as the levy and safety net system which should be self-funding.

12. Any growth retained will be limited to a 1:1 ratio. That is if Business Rates collected locally increases by 1% then the amount retained can only increase by 1%. For Cheshire East Council this equates to one third of any additional rates collected being retained.

Revenue Support Grant

13. A second key element of the new funding system is a new RSG from 2013/2014. RSG ensures the amount of funding the Council receives matches the adjusted control totals set within the CSR.

This has been achieved through the inclusion or rolling up of a number of previously separate specific grants into the overall total. A list is set out in **Table 2**.

Table 2 - A number of previously separate grants have been rolled into RSG	2012/2013 Restated as per CLG £m	2013/2014 £m	Change £m	Change %
Business Rate Retention Scheme	-34.7	-37.2		
RSG - basic allocation	-30.0	-21.7		
RSG - grants rolled in -				
Grants rolled in -				
Council Tax Freeze Grant	-4.5	-4.5		
Council Tax Support Grant	-15.7	-15.7		
Early Intervention Grant	-10.5	-9.6		
Homelessness Prevention Grant	-0.2	-0.2		
Lead Local Flood Grant	-0.1	-0.1		
Learning Disability & Health Reform Gr	-10.5	-10.8		
Grants taken out -				
LACSEG	6.9	6.8		
	-34.6	-34.1		
Total BRRS funding	-99.3	-93.0	-6.3	-6.3%

Source: Cheshire East Finance

14. While the trend to unring-fence grant funding is welcome there remains a risk that, as the link to these current amounts is lost, the general figure is subject to substantial reductions in coming years.

Annex 4 – Minimum Revenue Provision

Introduction

1. Under 2003 Regulations¹, local authorities are required to charge to their revenue account for each year a Minimum Revenue Provision (MRP) to account for the cost of their debt in that financial year.
2. Debt is created where capital expenditure has been financed by borrowing or other credit arrangements (e.g. finance leases); it may be self-financed or Government-supported. Supported Capital Expenditure means expenditure taken into account by Government in the calculation of the Revenue Support Grant due to the authority.
3. Prior to its amendment by the 2008 Regulations², the method authorities were required to follow in calculating MRP was prescribed. For the financial year 2007/2008 and subsequent years, the detailed calculation has been replaced with a requirement that local authorities calculate an amount of MRP which they consider to be “prudent”.
4. At the same time the Secretary of State issued guidance³ on the duty to make a prudent provision and local authorities are legally obliged to “have regard” to this guidance.

¹ Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 2003/3146, as amended]

² Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 [SI 2008/414]

³ Guidance on Minimum Revenue Provision, issued by the Secretary of State for Communities and Local Government, under Section 21(1A) of the Local Government Act 2003, 28 February 2008

5. Authorities are required to prepare an annual statement of their policy on making MRP for submission to their Full Council. The aim is to give elected Members the opportunity to scrutinise the proposed use of freedoms conferred by the arrangements, following a shift in emphasis from regulations to guidance.

Meaning of “Prudent Provision”

6. The broad aim of a prudent provision is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant. The Secretary of State considers that the methods of making prudent provision include the options set out below.
7. For capital expenditure incurred before 1st April 2008 and incurred on or after that date if it forms part of Government-Supported Capital Expenditure:
 - **Option 1: Regulatory Method** - MRP is equal to the amount determined in accordance with the 2003 Regulations (as amended), as if they had not been revoked by the 2008 Regulations

This calculation would include any technical adjustments, as statutorily required.
 - **Option 2: CFR Method** - MRP is equal to 4% of the Capital Financing Requirement (CFR), as derived from the balance sheet at the end of the preceding financial year.

This produces a similar MRP charge to Option 1, but is technically simpler.
 - **Option 3: Asset Life Method** - MRP is determined by reference to the life of the asset, by equal instalment method or annuity method.

MRP should commence in the financial year following the one in which expenditure was incurred, or the year following the one in which the asset becomes operational.

-Option 4: Depreciation Method - MRP is to be equal to the provision required in accordance with depreciation accounting

8. For capital expenditure incurred on or after 1st April 2008 and which does not form part of Government-Supported Capital Expenditure, only Options 3 and 4 are considered prudent under the guidance issued by the Secretary of State.

9. The move to International Financial Reporting Standards (IFRS) means that private finance initiative (PFI) schemes and operating leases may be brought on balance sheet. Where this is the case, such items are classed in accounting terms as a form of borrowing and the CFR will increase which will lead to an increase in the MRP charge to revenue. To ensure that the impact on the revenue account is neutral MRP for these items will match the principal repayment embedded within the PFI or lease agreement.

10. The Council is party to one PFI contract in respect of Extra Care Housing, this was recognised on the balance sheet in 2009/2010.

Finance Leases

11. In the case of finance leases, the MRP is equal to the amount that goes to write down the Balance Sheet liability; thus **Option 3** will apply in a modified form.

Policy Statement

12. The Council adopts the following policies in respect of calculating its annual Minimum Revenue Provision (MRP) for 2012/2013 and subsequent years.

13. The Council will apply **Option 2 (CFR Method)** in respect of supported capital expenditure and **Option 3 (Asset Life Method)** in respect of unsupported capital expenditure.

14. Other approaches may be developed, but they will be fully consistent with the statutory duty to make prudent revenue provision. These may relate to large, complex or novel schemes. Legal advisors and external auditors will be consulted if significant departures from the guidance are proposed and any alternative approaches developed will be incorporated in future annual policy statements, for approval by Council prior to application.

Annex 5 – Prudential Borrowing Indicators

Prudential Indicators revisions to 2012/2013 and 2013/2014 – 2015/2016

Background

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

Gross Debt and the Capital Financing Requirement

2. This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.
3. If in any of these years there is a reduction in the capital financing requirement, this reduction is ignored in estimating the cumulative increase in the capital financing requirement which is used for comparison with **gross** external debt.
4. The Deputy S151 Officer reports that the Authority had no difficulty meeting this requirement in 2012/2013, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

Estimates of Capital Expenditure

5. This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax.

Capital Expenditure	2012/2013 Approved £m	2012/2013 Revised £m	2013/2014 Estimate £m	2014/2015 Estimate £m	2015/2016 Estimate £m
Total	83.9	57.0	112.0	83.1	28.9

Source: Cheshire East Finance

6. Capital expenditure will be financed or funded as follows:

Capital Financing	2012/2013 Approved £m	2012/2013 Revised £m	2013/2014 Estimate £m	2014/2015 Estimate £m	2015/2016 Estimate £m
Capital receipts	14.3	10.0	10.0	5.0	0.0
Government Grants	36.1	31.2	41.3	22.1	2.6
Other Grants/Contributions	0.2	2.0	22.7	20.7	8.4
Revenue Contributions	0.6	0.5	0.1	0.0	0.0
Total Financing	51.2	43.7	74.1	47.8	11.0
Supported Borrowing	1.8	1.6	0.0	0.0	0.0
Prudential Borrowing	30.9	11.7	37.9	35.3	17.9
Total Funding	32.7	13.3	37.9	35.3	17.9
Total Financing and Funding	83.9	57.0	112.0	83.1	28.9

Source: Cheshire East Finance

7. The above table shows that the capital expenditure plans of the Authority cannot be funded entirely from sources other than external borrowing.

Ratio of Financing Costs to Net Revenue Stream

8. This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.
9. The ratio is based on costs net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2012/2013 Approved	2012/2013 Revised	2013/2014 Estimate	2014/2015 Estimate	2015/2016 Estimate
	%	%	%	%	%
Total	6.01	5.64	4.58	5.35	6.23

Source: Cheshire East Finance

Capital Financing Requirement:

10. The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and financing.

Capital Financing Requirement	2012/2013 Approved	2012/2013 Revised	2013/2014 Estimate	2014/2015 Estimate	2015/2016 Estimate
	£m	£m	£m	£m	£m
Total	233	196	227	253	260

Source: Cheshire East Finance

Actual External Debt

11. This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

Actual External Debt as at 31/03/2012	£m
Borrowing	134
Other Long-term Liabilities	25
Total	159

Source: Cheshire East Finance

Incremental Impact of Capital Investment Decisions

12. This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

Incremental Impact of Capital Investment Decisions	2012/2013 Approved	2013/2014 Estimate	2014/2015 Estimate	2015/2016 Estimate
	£	£	£	£
Increase in Band D Council Tax	6.02	0.00	11.92	10.77

Source: Cheshire East Finance

Authorised Limit and Operational Boundary for External Debt:

13. The Authority has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Authority and not just those arising from capital spending reflected in the CFR.
14. The **Authorised Limit** sets the maximum level of external debt on a gross basis (i.e. excluding investments) for the Authority. It is measured on a daily basis against all external debt items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This

Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Authority's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

15. The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).
16. The Operational Boundary has been set on the estimate of the most likely, i.e. prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.
17. The Operational Boundary links directly to the Authority's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

	2012/2013 Approved £m	2012/2013 Revised £m	2013/2014 Estimate £m	2014/2015 Estimate £m	2015/2016 Estimate £m
Authorised Limit for Borrowing	245	208	240	267	275
Authorised Limit for Other Long- Term Liabilities	23	23	22	21	20
Authorised Limit for External Debt	268	231	262	288	295
Operational Boundary for Borrowing	235	198	230	257	265
Operational Boundary for Other Long-Term Liabilities	23	23	22	21	20
Operational Boundary for External Debt	258	221	252	278	285

Source: Cheshire East Finance

Adoption of the CIPFA Treasury Management Code

18. This indicator demonstrates that the Authority has adopted the principles of best practice.

Adoption of the CIPFA Code of Practice in Treasury Management The Council approved the adoption of the CIPFA Treasury Management Code at its Council meeting on 23rd February 2012
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The Authority has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

19. These indicators allow the Authority to manage the extent to which it is exposed to changes in interest rates. This Authority calculates these limits on net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments).
20. The upper limit for variable rate exposure has been set to ensure that the Authority is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments.

	Existing level (or Benchmark level) at 02/01/13	2012/2013 Approved	2012/2013 Revised	2013/2014 Estimate	2014/2015 Estimate	2015/2016 Estimate
	%	%	%	%	%	%
Upper Limit for Fixed Interest Rate Exposure	100%	100%	100%	100%	100%	100%
Upper Limit for Variable Interest Rate Exposure	0%	100%	100%	100%	100%	100%

Source: Cheshire East Finance

21. The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Authority's treasury management strategy.

Maturity Structure of Fixed Rate borrowing

22. This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.
23. It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.
24. The Lenders Option Borrowers Option (LOBO) is classified as maturing on the next call date i.e. the earliest date that the lender can require repayment. As all LOBOs can be called within 12 months the upper limit for borrowing maturing within 12 months has been increased from 25% to 35% to allow for the value of LOBOs and any potential short term borrowing that could be undertaken in 2013/2014.

Maturity structure of fixed rate borrowing	Existing level as at 02/01/13	Lower Limit for 2013/2014	Upper Limit for 2013/2014
	%	%	%
under 12 months	17%	0%	35%
12 months and within 24 months	8%	0%	25%
24 months and within 5 years	15%	0%	35%
5 years and within 10 years	15%	0%	50%
10 years and within 20 years	16%	0%	100%
20 years and within 30 years	9%	0%	100%
30 years and within 40 years	9%	0%	100%
40 years and within 50 years	11%	0%	100%
50 years and above	0%	0%	100%

Source: Cheshire East Finance

Credit Risk

25. The Authority considers security, liquidity and yield, in that order, when making investment decisions.
26. Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Authority's assessment of counterparty credit risk.
27. The Authority also considers alternative assessments of credit strength, and information on corporate developments and market sentiment towards counterparties. The following key tools are used to assess credit risk:
- Published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
 - Sovereign support mechanisms;
 - Credit default swaps (where quoted);
 - Share prices (where available);

- Economic fundamentals, such as a country's net debt as a percentage of its GDP;
- Corporate developments, news, articles, markets sentiment and momentum;
- Subjective overlay.

28. The only indicators with prescriptive values remain to be credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

Upper Limit for total principal sums invested over 364 days

29. The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Authority having to seek early repayment of the sums invested.

Upper Limit for total principal sums invested over 364 days	2012/2013 Approved	2012/2013 Revised	2013/2014 Estimate	2014/2015 Estimate	2015/2016 Estimate
	%	%	%	%	%
	40	40	40	40	40

Source: Cheshire East Finance

Annex 6 – Financial Summary Tables

Note: the 2012/2013 Budget, shown as the starting point in the following tables, takes account of any permanent changes made during the 2012/2013 financial year to date. There may be differences from the budget position at the Three Quarter Review which includes both permanent and temporary budget changes. The table below summarises these changes. Further details are available on request.

Summary of Budget Movements from 2012/2013 Budget at Three Quarter to Permanent Base Carried Forward

	Current Net Budget 2012/2013 at Three Quarter Review	Less Cost of Investment budget	Less temporary specific grant allocations	Less other temporary in- year budget adjustments	Permanent Base Budget carried forward to 2013/2014
DIRECTORATES	£m	£m	£m	£m	£m
Children & Families	59.2	-0.7	-0.6	-0.1	57.8
Adults	99.0	-0.7	-6.4	-0.1	91.8
Public Health	0.0	0.0	0.0	0.0	0.0
Places & Organisational Capacity	77.1	-1.9	-1.1	-0.4	73.7
Corporate Services	26.7	-0.7	-0.1	-0.2	25.7
TOTAL: All Directorates	262.0	-4.0	-8.2	-0.8	249.0

Many of the proposals reflected in the following tables, the Medium Term Financial Strategy Report and on the Council's website at www.cheshireeast.gov.uk/budget remain subject to separate consultation exercises and further Member decisions prior to being implemented.

CHESHIRE EAST COUNCIL REVENUE BUDGET SUMMARY

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Children and Families	273,901	-216,046	57,855	259,683	-201,918	57,765	228,953	-173,248	55,705
Adults	142,816	-51,062	91,754	146,386	-44,934	101,452	147,529	-44,934	102,595
Public Health	0	0	0	12,725	-12,725	0	13,998	-13,998	0
Places and Organisational Capacity	126,637	-52,902	73,735	128,070	-51,654	76,417	125,002	-51,567	73,436
Corporate Services	128,698	-103,030	25,668	129,827	-103,288	26,539	129,624	-103,288	26,336
Cross Directorate Items	0	0	0	-4,463	0	-4,463	-3,372	0	-3,372
Base Budget	672,053	-423,040	249,013	672,228	-414,519	257,710	641,734	-387,035	254,700

Changes to Budget Requirement

	2013/2014			2014/2015			2015/2016		
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
Children and Families	-14,218	14,128	-90	-30,730	28,670	-2,060	-7,520	6,110	-1,410
Adults	3,570	6,128	9,698	1,143	0	1,143	5,740	0	5,740
Public Health	12,725	-12,725	0	1,273	-1,273	0	0	0	0
Places and Organisational Capacity	1,433	1,248	2,681	-3,068	87	-2,981	-1,796	742	-1,054
Corporate Services	1,129	-258	871	-203	0	-203	-663	0	-663
Cross Directorate Items	-4,463	0	-4,463	1,091	0	1,091	0	0	0
Financial Impact of Policy Proposals	176	8,521	8,697	-30,494	27,484	-3,010	-4,239	6,852	2,613
	2013/2014 Budget			2014/2015 Budget			2015/2016 Budget		
Budget Carried Forward	672,229	-414,519	257,710	641,734	-387,035	254,700	637,495	-380,183	257,313

Cost of Investment Items

Children and Families	380	0	380	220	0	220	215	0	215
Adults	1,510	0	1,510	400	0	400	0	0	0
Public Health	0	0	0	0	0	0	0	0	0
Places and Organisational Capacity	2,403	0	2,403	1,109	0	1,109	458	0	458
Corporate Services	661	0	661	20	0	20	50	0	50
Cross Directorate Items	1,346	0	1,346	4,551	0	4,551	0	0	0
Total Cost of Investment Items	6,300	0	6,300	6,300	0	6,300	723	0	723
Total Budget for the Year	678,529	-414,519	264,010	648,034	-387,035	261,000	638,218	-380,183	258,036

CHILDREN AND FAMILIES

REVENUE

The Children & Families Directorate delivers services to schools and other education services, social care provision and the delivery of early intervention strategies.

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Directorate	579	0	579	359	0	359	139	0	139
Schools (Individual School Budgets)	184,689	-184,689	0	170,046	-170,046	0	140,956	-140,956	0
Other Schools Provision	6,030	-6,030	0	3,047	-3,047	0	3,498	-3,498	0
Pupil Premium	4,164	-4,164	0	5,228	-5,228	0	5,197	-5,197	0
Safeguarding and Specialist Support	26,422	-266	26,156	28,622	-266	28,356	27,722	-266	27,456
Early Intervention and Prevention	12,435	-255	12,180	11,920	-255	11,665	11,870	-255	11,615
Strategy, Planning and Performance	37,708	-20,383	17,325	38,217	-22,817	15,400	37,697	-22,817	14,880
Children's Safeguarding	1,874	-259	1,615	1,874	-259	1,615	1,874	-259	1,615
One year funding allocation to assist delivery of major change programme	0	0	0	370	0	370	0	0	0
Base Budget	273,901	-216,046	57,855	259,683	-201,918	57,765	228,953	-173,248	55,705

Note: the above includes total Dedicated Schools Grant (DSG) of £193.8m (2012/2013), £182.4m (2013/2014) and £155.8m (2014/2015).

Changes to Budget Requirement

	2013/2014			2014/2015			2015/2016		
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
Directorate	-220	0	-220	-220	0	-220	-340	0	-340
Schools & Other Schools Provision	-17,626	17,626	0	-28,639	28,639	0	-6,110	6,110	0
Pupil Premium	1,064	-1,064	0	-31	31	0	0	0	0
Safeguarding and Specialist Support	2,200	0	2,200	-900	0	-900	-800	0	-800
Early Intervention and Prevention	-515	0	-515	-50	0	-50	0	0	0
Strategy, Planning and Performance	509	-2,434	-1,925	-520	0	-520	-270	0	-270
Children's Safeguarding	0	0	0	0	0	0	0	0	0
One year funding allocation to assist delivery of major change programme	370	0	370	-370	0	-370	0	0	0
Financial Impact of Policy Proposals	-14,218	14,128	-90	-30,730	28,670	-2,060	-7,520	6,110	-1,410
	2013/2014 Budget			2014/2015 Budget			2015/2016 Budget		
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
Budget Carried Forward	259,683	-201,918	57,765	228,953	-173,248	55,705	221,433	-167,138	54,295
Cost of Investment Items	380	0	380	220	0	220	215	0	215
Total Cost of Investment Items	380	0	380	220	0	220	215	0	215
Total Budget for the Year	260,063	-201,918	58,145	229,173	-173,248	55,925	221,648	-167,138	54,510

Note.

1. DSG policy proposals are not included within the "Changes to Budget Requirement" analysis, as changes within DSG do not represent changes to the Council funded budget requirement. Further details are set out on the memorandum page.

The budget incorporates the costs of the Directorate Management Team and support for specific initiatives corporately across the Directorate.

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Management	579		579	579		579	579		579
Business Review			0	-220		-220	-440		-440
Base Budget	579	0	579	359	0	359	139	0	139
Changes to Budget Requirement									
	2013/2014			2014/2015			2015/2016		
7.3 - Business Reviews	-50		-50	-50		-50			0
7.4 - Implement a modern business architecture, including ICT systems, which supports innovative and affordable frontline delivery	-170		-170	-170		-170	-340		-340
Financial Impact of Policy Proposals	-220	0	-220	-220	0	-220	-340	0	-340
	2013/2014 Budget			2014/2015 Budget			2015/2016 Budget		
Budget Carried Forward	359	0	359	139	0	139	-201	0	-201
Cost of Investment Items									
VR Costs	80		80	70		70	140		140
Total Cost of Investment Items	80	0	80	70	0	70	140	0	140
Total Budget for the Year	439	0	439	209	0	209	-61	0	-61

Dedicated Schools Grant - Memorandum Page

REVENUE

This Dedicated Schools Grant is ring-fenced funding used to support schools. The largest proportion of the grant is allocated directly to schools, with a proportion also held back to fund Local Authority schools related expenditure.

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Nursery Schools	232		232	236		236	236		236
Primary Schools	100,784	-47	100,737	102,207		102,207	96,273		96,273
Secondary Schools	68,552	-10,424	58,128	50,211	-6,722	43,489	27,055	-4,699	22,356
Special Schools	6,257	-22	6,235	6,207		6,207	6,207		6,207
Private Voluntary and Independent Nurseries	7,517		7,517	10,477		10,477	10,477		10,477
Pupil Referral Unit	1,347		1,347	708		708	708		708
Other Schools Provision	6,030		6,030	3,047		3,047	3,498		3,498
Central Spend	13,596		13,596	16,030		16,030	16,030		16,030
Base Budget	204,315	-10,493	193,822	189,123	-6,722	182,401	160,484	-4,699	155,785
Changes to Budget Requirement									
	2013/2014			2014/2015			2015/2016		
Academy Conversions & Funding Reforms	-17,603	3,771	-13,832	-29,090	2,023	-27,067			0
Additional Delegation to Schools	-518		-518			0			0
Growth in SEN Placements Budget	2,600		2,600			0			0
New responsibility for 2 year old education	1,000		1,000			0			0
Academies Special Educational Needs Funding	-321		-321	451		451			0
Unallocated Savings	-350		-350			0			0
Financial Impact of Policy Proposals	-15,192	3,771	-11,421	-28,639	2,023	-26,616	0	0	0
	2013/2014 Budget			2014/2015 Budget			2015/2016 Budget		
Budget Carried Forward	189,123	-6,722	182,401	160,484	-4,699	155,785	160,484	-4,699	155,785

Safeguarding and Specialist Support

REVENUE

The service is responsible for the delivery of the full range of children's social care, safeguarding and support.

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Head of Service	212		212	1,012		1,012	1,012		1,012
Children in Need and Child Protection	3,128		3,128	3,128		3,128	3,128		3,128
16+ Service and Cared for Support	5,034	-102	4,932	5,034	-102	4,932	5,034	-102	4,932
Other Services	179		179	179		179	179		179
Section 17	110		110	110		110	110		110
Care Plans / Legal	605		605	605		605	605		605
Disability Services	1,152		1,152	1,152		1,152	1,152		1,152
Residential	2,309		2,309	2,309		2,309	2,309		2,309
Placements	8,624	-164	8,460	10,024	-164	9,860	9,124	-164	8,960
Allowances	5,069		5,069	5,069		5,069	5,069		5,069
Base Budget	26,422	-266	26,156	28,622	-266	28,356	27,722	-266	27,456
Changes to Budget Requirement									
	2013/2014			2014/2015			2015/2016		
Children's Placements - Base Budget Pressure	3,600		3,600			0			0
Children's Staffing	800		800			0			0
2.0 Affordable models of care	-2,200		-2,200	-900		-900	-800		0
Financial Impact of Policy Proposals	2,200	0	2,200	-900	0	-900	-800	0	0
	2013/2014 Budget			2014/2015 Budget			2015/2016 Budget		
Budget Carried Forward	28,622	-266	28,356	27,722	-266	27,456	26,922	-266	27,456
Cost of Investment Items									
Total Cost of Investment Items	0	0	0	0	0	0	0	0	0
Total Budget for the Year	28,622	-266	28,356	27,722	-266	27,456	26,922	-266	27,456

Early Intervention & Prevention

REVENUE

Supports the delivery of early intervention to prevent children and young people needing further social care, and the delivery of targeted youth and youth offending services.

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Early Intervention and Prevention Service	2017		2,017	1,502		1,502	1,452		1,452
Targeted Youth Service	2,764	-36	2,728	2,764	-36	2,728	2,764	-36	2,728
Family Service	5,966	-70	5,896	5,966	-70	5,896	5,966	-70	5,896
First Contact	529		529	529		529	529		529
Youth Offending Service	1,159	-149	1,010	1,159	-149	1,010	1,159	-149	1,010
Base Budget	12,435	-255	12,180	11,920	-255	11,665	11,870	-255	11,615
Changes to Budget Requirement									
3.0 Focus on prevention and intervention	2013/2014			2014/2015			2015/2016		
	-515		-515	-50		-50			0
Financial Impact of Policy Proposals	-515	0	-515	-50	0	-50	0	0	0
	2013/2014 Budget			2014/2015 Budget			2015/2016 Budget		
Budget Carried Forward	11,920	-255	11,665	11,870	-255	11,615	11,870	-255	11,615
Cost of Investment Items									
Total Cost of Investment Items	0	0	0	0	0	0	0	0	0
Total Budget for the Year	11,920	-255	11,665	11,870	-255	11,615	11,870	-255	11,615

Comprises a wide range of services that support schools and the delivery of central educational support to other areas of the Directorate.

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
School Support	18,899	-6,913	11,986	17,278	-6,817	10,461	16,758	-6,817	9,941
Special Education	11,221	-10,149	1,072	13,735	-13,098	637	13,735	-13,098	637
Targeted Intervention	3,333	-2,597	736	2,949	-2,178	771	2,949	-2,178	771
Early Years	1,071	-563	508	1,071	-563	508	1,071	-563	508
Workforce Development & Commissioning	2,175	-23	2,152	2,175	-23	2,152	2,175	-23	2,152
Business Support	1,009	-138	871	1,009	-138	871	1,009	-138	871
Base Budget	37,708	-20,383	17,325	38,217	-22,817	15,400	37,697	-22,817	14,880
Changes to Budget Requirement									
	2013/2014			2014/2015			2015/2016		
Base Budget Pressure - Transport	1,100		1,100		0			0	
4.0 Changing Education Environment	-2,625		-2,625	-520	-520		-270	-270	
7.3 Business Review	-400		-400		0			0	
Growth in SEN Placements	2,434	-2,434	0		0			0	
Financial Impact of Policy Proposals	509	-2,434	-1,925	-520	0	-520	-270	0	-270
	2013/2014 Budget			2014/2015 Budget			2015/2016 Budget		
Budget Carried Forward	38,217	-22,817	15,400	37,697	-22,817	14,880	37,427	-22,817	14,610
Cost of Investment Items									
VR Costs	300		300	150	150		75	75	
Total Cost of Investment Items	300	0	300	150	0	150	75	0	75
Total Budget for the Year	38,517	-22,817	15,700	37,847	-22,817	15,030	37,502	-22,817	14,685

Children's Safeguarding

REVENUE

The budget incorporates the costs of the Children's Safeguarding team which reports directly to the Director of Children, Families and Adults

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Children's Safeguarding	1,874	-259	1,615	1,874	-259	1,615	1,874	-259	1,615
Base Budget	1,874	-259	1,615	1,874	-259	1,615	1,874	-259	1,615
Changes to Budget Requirement									
	2013/2014			2014/2015			2015/2016		
No Proposals			0			0			0
Financial Impact of Policy Proposals	0	0	0	0	0	0	0	0	0
	2013/2014 Budget			2014/2015 Budget			2015/2016 Budget		
Budget Carried Forward	1,874	-259	1,615	1,874	-259	1,615	1,874	-259	1,615
Cost of Investment Items									
Total Cost of Investment Items	0	0	0	0	0	0	0	0	0
Total Budget for the Year	1,874	-259	1,615	1,874	-259	1,615	1,874	-259	1,615

ADULTS

REVENUE

The Adult Social Care service provides social care for adults, including older people, people with disabilities and vulnerable adults. The service primarily provides the assessment; commissioning / contracting and some delivery functions of social care within Cheshire East.

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Care4CE	19,904	-19,904	0	18,704	-19,904	-1,200	18,029	-19,904	-1,875
Strategic Commissioning	43,911	-14,766	29,145	47,048	-8,638	38,410	47,226	-8,638	38,588
Business Management and Challenge	3,241	0	3,241	3,011	0	3,011	2,881	0	2,881
Adults Safeguarding	558	0	558	591	0	591	591	0	591
Individual Commissioning	75,202	-16,392	58,810	76,452	-16,392	60,060	78,802	-16,392	62,410
One year funding allocation to assist delivery of major change programme	0	0	0	580	0	580	0	0	0
Base Budget	142,816	-51,062	91,754	146,386	-44,934	101,452	147,529	-44,934	102,595

Changes to Budget Requirement

	2013/2014			2014/2015			2015/2016		
Care4CE	-1,200	0	-1,200	-675	0	-675	0	0	0
Strategic Commissioning	3,137	6,128	9,265	178	0	178	1,500	0	1,500
Business Management and Challenge	-230	0	-230	-130	0	-130	-160	0	-160
Adults Safeguarding	33	0	33	0	0	0	0	0	0
Individual Commissioning	1,250	0	1,250	2,350	0	2,350	4,400	0	4,400
One year funding allocation to assist delivery of major change programme	580	0	580	-580	0	-580	0	0	0
Financial Impact of Policy Proposals	3,570	6,128	9,698	1,143	0	1,143	5,740	0	5,740
	2013/2014 Budget			2014/2015 Budget			2015/2016 Budget		
Budget Carried Forward	146,386	-44,934	101,452	147,529	-44,934	102,595	153,269	-44,934	108,335
Cost of Investment Items	1,510	0	1,510	400	0	400	0	0	0
Total Cost of Investment Items	1,510	0	1,510	400	0	0	0	0	0
Total Budget for the Year	147,896	-44,934	102,962	147,929	-44,934	102,595	153,269	-44,934	108,335

Care4CE deliver the internal care provision (including day centres, community support centres and homecare re-ablement service) across the Cheshire East area.

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Provider Management	298	-18,293	-17,995	298	-18,293	-17,995	298	-18,293	-17,995
Reshaping Care4CE			0	-525		-525	-525		-525
Community Support Reablement	4,048	-449	3,599	4,048	-449	3,599	4,048	-449	3,599
Day Services (Adults)	3,376	-206	3,170	3,026	-206	2,820	3,026	-206	2,820
Day Services (Older People)	585	-133	452	585	-133	452	585	-133	452
Intermediate Care	854	-387	467	854	-387	467	854	-387	467
Community Support Centres	3,082	-158	2,924	2,757	-158	2,599	2,082	-158	1,924
Social Inclusion	6,937	-278	6,659	6,937	-278	6,659	6,937	-278	6,659
Respite	426		426	426		426	426		426
Shared Lives	298		298	298		298	298		298
Base Budget	19,904	-19,904	0	18,704	-19,904	-1,200	18,029	-19,904	-1,875

Changes to Budget Requirement

	2013/2014		2014/2015		2015/2016	
2.0 - Affordable models of care	-1,100	-1,100	-675	-675	0	0
7.3 - Business reviews	-100	-100	0	0	0	0
Financial Impact of Policy Proposals	-1,200	0	-1,200	-675	0	0
	2013/2014 Budget		2014/2015 Budget		2015/2016 Budget	
Budget Carried Forward	18,704	-19,904	-1,200	18,029	-19,904	-1,875
Cost of Investment Items						
Fund VR's	450	450	400	400	0	0
2.0 - Affordable models of care - Redevelop Hollins View	100	100	0	0	0	0
Total Cost of Investment Items	550	0	550	400	0	0
Total Budget for the Year	19,254	-19,904	-650	18,429	-19,904	-1,475

Strategic Commissioning

REVENUE

Strategic Commissioning monitors and commissions contracts with third sector organisations. This area also holds joint budgets with Health and other Local Authorities for services such as Learning Disability Pooled Budget, Community Equipment Service and Extra Care Housing. Strategic Commissioning also holds Supporting People funding and contracts and manages the Domestic Abuse and Safeguarding teams.

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Strategic Commissioning Management	39		39	289		289	239		239
Prevention	7,284	-1,633	5,651	8,800	-1,633	7,167	9,028	-1,633	7,395
Contracts, Supporting People, Voluntary Community & Faith Sector	36,036	-13,133	22,903	37,307	-7,005	30,302	37,307	-7,005	30,302
Public Health	221		221	221		221	221		221
Consultation and Participation	331		331	431		431	431		431
Base Budget	43,911	-14,766	29,145	47,048	-8,638	38,410	47,226	-8,638	38,588
Changes to Budget Requirement									
	2013/2014			2014/2015			2015/2016		
Adults Valuing People Now		6,128	6,128			0			0
Unachieved redesign reductions	800		800	-70		-70			0
2.0 Affordable models of care	2,030		2,030			0			0
3.0 Focus on prevention and intervention	807		807	248		248	1,500		1,500
7.1 Restructure the organisation	-500		-500			0			0
Financial Impact of Policy Proposals	3,137	6,128	9,265	178	0	178	1,500	0	1,500
	2013/2014 Budget			2014/2015 Budget			2015/2016 Budget		
Budget Carried Forward	47,048	-8,638	38,410	47,226	-8,638	38,588	48,726	-8,638	40,088
Cost of Investment Items									
Establish market sufficiency and sustainability	100		100			0			0
Review of housing accommodation	150		150			0			0
Fund VR's	320		320			0			0
Total Cost of Investment Items	570	0	570	0	0	0	0	0	0
Total Budget for the Year	47,618	-8,638	38,980	47,226	-8,638	38,588	48,726	-8,638	40,088

Business Management and Challenge

REVENUE

This service supports the overall operation of the Adults service and includes the following areas: client finance, business information, workforce development, system development, complaints and business support

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Business Management	381		381	201		201	121		121
Client Finance	1,234		1,234	1,234		1,234	1,234		1,234
Business Intelligence and Performance	845		845	845		845	845		845
Workforce Development	781		781	731		731	681		681
Base Budget	3,241	0	3,241	3,011	0	3,011	2,881	0	2,881

Changes to Budget Requirement

	2013/2014		2014/2015		2015/2016	
7.3 Business Reviews	-50	-50	-50	-50		0
7.4 Implement a modern business architecture, including ICT systems, which supports innovative and affordable frontline delivery	-180	-180	-80	-80	-160	-160
Financial Impact of Policy Proposals	-230	0	-230	-130	0	-160
	2013/2014 Budget		2014/2015 Budget		2015/2016 Budget	
Budget Carried Forward	3,011	0	3,011	2,881	0	2,721

Cost of Investment Items						
VR Costs	130	130		0		0
Total Cost of Investment Items	130	0	130	0	0	0
Total Budget for the Year	3,141	0	3,141	2,881	0	2,721

Adult Safeguarding

REVENUE

This area is responsible for the Adult Safeguarding teams and the Domestic Abuse teams.

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Adults Safeguarding	391		391	424		424	424		424
Adults Safeguarding Board	34		34	34		34	34		34
Domestic Abuse	133		133	133		133	133		133
Base Budget	558	0	558	591	0	591	591	0	591
Changes to Budget Requirement									
	2013/2014			2014/2015			2015/2016		
3.0 Focus on prevention and intervention	33		33			0			0
Financial Impact of Policy Proposals	33	0	33	0	0	0	0	0	0
	2013/2014 Budget			2014/2015 Budget			2015/2016 Budget		
Budget Carried Forward	591	0	591	591	0	591	591	0	591
Cost of Investment Items			0			0			0
Total Cost of Investment Items	0	0	0	0	0	0	0	0	0
Total Budget for the Year	591	0	591	591	0	591	591	0	591

Individual Commissioning

REVENUE

This part of the service delivers front line support and assessment to clients through social workers, occupational therapists and social care assessors. Care package costs, including nursing and residential packages; direct payments and community based packages are reflected in this service.

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Individual Commissioning Manager	941		941	941		941	941		941
Skilled Multi-Agency Response Teams	7,589	-210	7,379	7,339	-210	7,129	7,339	-210	7,129
Specialist Teams	1,487	-26	1,461	1,487	-26	1,461	1,487	-26	1,461
Delayed Discharges	1,686	-443	1,243	1,686	-443	1,243	1,686	-443	1,243
Traditional Care Packages	47,362	-15,713	31,649	48,862	-15,713	33,149	51,212	-15,713	35,499
Direct Payments	15,469		15,469	15,469		15,469	15,469		15,469
Transport Service Level Agreement	668		668	668		668	668		668
Base Budget	75,202	-16,392	58,810	76,452	-16,392	60,060	78,802	-16,392	62,410

Changes to Budget Requirement

	2013/2014		2014/2015		2015/2016	
Care Costs (Base Pressure)	7,600	7,600	0	0	0	0
2.0 Affordable models of care	-4,500	-4,500	2,850	2,850	4,900	4,900
3.0 Focus on prevention and intervention	-1,600	-1,600	-500	-500	-500	-500
7.3 Business Review	-250	-250	0	0	0	0
Financial Impact of Policy Proposals	1,250	0	1,250	2,350	0	2,350

	2013/2014 Budget		2014/2015 Budget		2015/2016 Budget	
Budget Carried Forward	76,452	-16,392	60,060	78,802	-16,392	62,410

Cost of Investment Items						
Affordable models of care	100	100	0	0	0	0
Placements	100	100	0	0	0	0
VR's	60	60	0	0	0	0
Total Cost of Investment Items	260	0	260	0	0	0
Total Budget for the Year	76,712	-16,392	60,320	78,802	-16,392	62,410

PUBLIC HEALTH

REVENUE

Public Health is a new Local Authority responsibility transferred from Health in 2013/2014, the service will take the lead on promoting and commissioning services that improve the Public Health of the residents of Cheshire East.

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Public Health	0	0	0	12,725	0	12,725	13,998	0	13,998
Base Budget	0	0	0	12,725	0	12,725	13,998	0	13,998

Changes to Budget Requirement

	2013/2014 (See Note 1)			2014/2015 (See Note 2)			2015/2016		
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
Public Health	12,725	0	12,725	1,273	0	1,273	0	0	0
Financial Impact of Policy Proposals	12,725	0	12,725	1,273	0	1,273	0	0	0
	2013/2014 Budget			2014/2015 Budget			2015/2016 Budget		
Budget Carried Forward	12,725	0	12,725	13,998	0	13,998	13,998	0	13,998
Cost of Investment Items	0								
Total Cost of Investment Items	0	0	0	0	0	0	0	0	0
Total Budget for the Year	12,725	0	12,725	13,998	0	13,998	13,998	0	13,998

Note 1: This is an indicative budget based on the PCT baseline allocation (25/04/2012). The Public Health budget allocations to Local Authorities were published on 10th January 2013 and work is now underway to work through the budget requirements.

Note 2: The total budget of £14m for 2014/2015 is guaranteed. The split between service areas will be subject to change depending on service review in year.

Public Health

REVENUE

Public Health is a new Local Authority responsibility transferred from Health in 2013/2014, the service will take the lead on promoting and commissioning services that improve the Public Health of the residents of Cheshire East.

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Public Health Leadership			0	1,663		1,663	1,663		1,663
Public Health Development/Resilience			0	167		167	1,440		1,440
Public Health Intelligence			0	231		231	231		231
Nutrition, Obesity and Physical activity			0	155		155	155		155
Drug misuse			0	2,504		2,504	2,504		2,504
Alcohol misuse			0	849		849	849		849
Tobacco			0	653		653	653		653
Dental public health			0	47		47	47		47
Fluoridation			0	49		49	49		49
Children 5-19			0	1,600		1,600	1,600		1,600
NHS Health Check Programme			0	672		672	672		672
Misc health improvement and wellbeing			0	134		134	134		134
Sexual health			0	3,272		3,272	3,272		3,272
Infection Control			0	524		524	524		524
Other Locally Enhanced Services's			0	205		205	205		205
Base Budget	0	0	0	12,725	0	12,725	13,998	0	13,998

Changes to Budget Requirement								
	2013/2014 (See Note 1)			2014/2015 (See Note 2)			2015/2016	
Transfer of Public Health Budget from NHS	12,725		12,725	1,273		1,273		0
Financial Impact of Policy Proposals	12,725	0	12,725	1,273	0	1,273	0	0
	2013/2014 Budget			2014/2015 Budget			2015/2016 Budget	
Budget Carried Forward	12,725	0	12,725	13,998	0	13,998	13,998	0
Cost of Investment Items								
No Proposals			0			0		0
Total Cost of Investment Items	0	0	0	0	0	0	0	0
Total Budget for the Year	12,725	0	12,725	13,998	0	13,998	13,998	0

Note 1: This is an indicative budget based on the PCT baseline allocation (25/04/2012). The Public Health budget allocations to Local Authorities were published on 10th January 2013 and work is now underway to work through the budget requirements.

Note 2: The total budget of £14m for 2014/2015 is guaranteed. The split between service areas will be subject to change depending on service review in year.

PLACES AND ORGANISATIONAL CAPACITY

REVENUE

Service includes: Waste, Recycling and Streetscape, Highways & Transport, Community Services, Development, Performance, Customer Services & Capacity.

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Waste, Recycling & Streetscape	30,731	-4,657	26,074	31,052	-4,297	26,755	30,364	-4,307	26,057
Highways & Transport	34,649	-17,980	16,669	35,681	-18,872	16,809	35,622	-18,778	16,844
Community Services	15,432	-15,333	99	13,743	-13,511	232	13,193	-13,511	-318
Development	34,591	-13,655	20,936	35,799	-13,697	22,102	35,197	-13,724	21,473
Performance, Customer Services and Capacity	11,234	-1,277	9,957	11,325	-1,277	10,048	10,626	-1,247	9,379
One year funding allocation to assist delivery of major change programme	0	0	0	470	0	470	0	0	0
Base Budget	126,637	-52,902	73,735	128,070	-51,654	76,417	125,002	-51,567	73,436

Changes to Budget Requirement

	2013/2014			2014/2015			2015/2016		
Waste, Recycling & Streetscape	321	360	681	-688	-10	-698	-1,328	20	-1,308
Highways & Transport	1,032	-892	140	-59	94	35	-290	782	492
Community Services	-1,689	1,822	133	-550	0	-550	-96	0	-96
Development	1,208	-42	1,166	-602	-27	-629	331	-80	251
Performance & Capacity	91	0	91	-699	30	-669	-413	20	-393
One year funding allocation to assist delivery of major change programme	470	0	470	-470	0	-470	0	0	0
Financial Impact of Policy Proposals	1,433	1,248	2,681	-3,068	87	-2,981	-1,796	742	-1,054
	2013/2014 Budget			2014/2015 Budget			2015/2016 Budget		
Budget Carried Forward	128,070	-51,654	76,416	125,002	-51,567	73,436	123,206	-50,825	72,382
Cost of Investment Items	2,403	0	2,403	1,109	0	1,109	458	0	458
Total Budget for the Year	130,473	-51,654	78,819	126,111	-51,567	74,545	123,664	-50,825	72,840

Waste, Recycling & Streetscape

REVENUE

This service includes Waste Collection & Recycling services, Waste Disposal, Strategy & Minimisation, Streetscape Services (Grounds Maintenance (including Verges), Street Cleansing, Bereavement Services, Public Conveniences and Markets), and Greenspaces (Parks, Open Spaces & Playing Fields).

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Waste & Recycling	22,249	-699	21,550	23,010	-586	22,424	22,472	-596	21,876
Streetscape	8,482	-3,958	4,524	8,042	-3,711	4,331	7,892	-3,711	4,181
Base Budget	30,731	-4,657	26,074	31,052	-4,297	26,755	30,364	-4,307	26,057

Changes to Budget Requirement

	2013/2014		2014/2015		2015/2016	
6.4 - Determine future delivery model for waste management services	-113	-113	-887	-887	-1,500	-1,500
6.1 - Develop delivery models for frontline place-based services	-154	-154	-150	-150		0
7.3 Continue targeted business improvement reviews to find efficiency savings from all services.	588	360	349	-10	172	192
Financial Impact of Policy Proposals	321	360	-688	-10	-1,328	-1,308
	2013/2014 Budget		2014/2015 Budget		2015/2016 Budget	
Budget Carried Forward	31,052	-4,297	30,364	-4,307	29,036	24,749

Cost of Investment Items						
6.1 - Develop delivery models for frontline place-based services	325	325	259	259		0
6.4 - Determine future delivery model for waste	400	400	200	200		0
Total Cost of Investment Items	725	0	459	0	0	0
Total Budget for the Year	31,777	-4,297	30,823	-4,307	29,036	24,749

Highways & Transport

REVENUE

This service includes Highways (Strategic Client, Cheshire Highways & Public Rights of Way (PROW) / Countryside), Transport and Fleet.

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Highways	9,685	-492	9,193	9,484	-672	8,812	9,332	-672	8,660
PROW & Countryside	1,450	-240	1,210	1,391	-240	1,151	1,391	-240	1,151
Transport	16,976	-10,720	6,256	18,288	-11,532	6,756	18,381	-11,438	6,943
Fleet	6,538	-6,528	10	6,518	-6,428	90	6,518	-6,428	90
Base Budget	34,649	-17,980	16,669	35,681	-18,872	16,809	35,622	-18,778	16,844

Changes to Budget Requirement

	2013/2014			2014/2015			2015/2016		
1.1 Investment in existing and road infrastructure	-200		-200			0	200		200
7.3 Continue targeted business improvement reviews to find efficiency savings from all services.	1,232	-892	340	-59	94	35	-490	782	292
Financial Impact of Policy Proposals	1,032	-892	140	-59	94	35	-290	782	492
	2013/2014 Budget			2014/2015 Budget			2015/2016 Budget		
Budget Carried Forward	35,681	-18,872	16,809	35,622	-18,778	16,844	35,332	-17,996	17,336

Cost of Investment Items

7.3 Continue targeted business improvement reviews to find efficiency savings from all services.	125		125			0			0
Total Cost of Investment Items	125	0	125	0	0	0	0	0	0
Total Budget for the Year	35,806	-18,872	16,934	35,622	-18,778	16,844	35,332	-17,996	17,336

Community Services

REVENUE

This service includes: Parking Services, Neighbourhood Enforcement, CCTV, Regulatory Services (Environmental Health, Licensing, Trading Standards), Leisure and Cultural Services .

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Parking, Neighbourhood Enforcement & CCTV	2,848	-6,586	-3,738	2,474	-5,811	-3,337	2,474	-5,811	-3,337
Regulatory Services	2,913	-1,028	1,885	2,875	-1,028	1,847	2,875	-1,028	1,847
Leisure and Cultural Services	9,428	-7,719	1,709	8,151	-6,672	1,479	7,601	-6,672	929
Directorate Training	243		243	243		243	243	0	243
Base Budget	15,432	-15,333	99	13,743	-13,511	232	13,193	-13,511	-318

Changes to Budget Requirement

	2013/2014			2014/2015			2015/2016		
6.1 - Develop delivery models for frontline place-based services	-1,398	823	-575	-550		-550	-96		-96
7.3 Continue targeted business improvement reviews to find efficiency savings from all services.	-110	999	889			0			
8.3 - Manage workforce turnover so that vacant posts are used to provide efficiency savings whilst retaining staff with essential skills	-181		-181			0			
Financial Impact of Policy Proposals	-1,689	1,822	133	-550	0	-550	-96	0	-96

	2013/2014 Budget			2014/2015 Budget			2015/2016 Budget		
Budget Carried Forward	13,743	-13,511	232	13,193	-13,511	-318	13,097	-13,511	-414

Cost of Investment Items									
Temporary VR costs	303		303						
Leisure Trust set up	200		200						
Total Cost of Investment Items	503	0	503	0	0	0	0	0	0
Total Budget for the Year	14,246	-13,511	735	13,193	-13,511	-318	13,097	-13,511	-414

Development

REVENUE

This service includes Spatial Planning, Housing, Development Management, Building Control, Economic Development, Assets, Visitor Economy & Tatton Park.

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Strategic Planning & Housing	2,924	-774	2,150	2,874	-774	2,100	2,749	-774	1,975
Development Management & Building Control	4,425	-3,868	557	4,346	-4,093	253	4,321	-4,093	228
Economic Development and Regeneration	1,424	-42	1,382	1,598	-42	1,556	1,573	-42	1,531
Assets	21,655	-5,816	15,839	23,002	-5,608	17,394	22,826	-5,608	17,218
Visitor Economy and Tatton Park	4,163	-3,155	1,008	3,979	-3,180	799	3,728	-3,207	521
Base Budget	34,591	-13,655	20,936	35,799	-13,697	22,102	35,197	-13,724	21,473

Changes to Budget Requirement

	2013/2014			2014/2015			2015/2016		
1.3 Investment to support business growth and delivery of Macclesfield and Crewe regeneration and the Sustainable Towns programme	200		200			0			0
5.2 Better intergrate Housing across all Council services, ensuring it supports independent living and health improvement.	-50		-50	-125		-125	-125		-125
7.3 Continue targeted business improvement reviews to find efficiency savings from all services.	-289	-250	-539	-301	-27	-328	-455	-80	-535
7.5 Maximise the benefits from the Corporate Landlord model to best utilise our asset base to support delivery of the Council's wider objectives	1,347	208	1555	-176		-176	911		911
Financial Impact of Policy Proposals	1,208	-42	1,166	-602	-27	-629	331	-80	251
	2013/2014 Budget			2014/2015 Budget			2015/2016 Budget		
Budget Carried Forward	35,799	-13,697	22,102	35,197	-13,724	21,473	35,528	-13,804	21,724
Cost of Investment Items									
5.2 Housing Review	100		100			0			0
7.3 Continue targeted business improvement reviews to find efficiency savings from all services.	400		400			0	358		358
7.5 Maximise the benefits from the Corporate Landlord model to best utilise our asset base to support delivery of the Council's wider objectives	500		500	500		500			0
Total Cost of Investment Items	1,000	0	1,000	500	0	500	358	0	358
Total Budget for the Year	36,799	-13,697	23,102	35,697	-13,724	21,973	35,886	-13,804	22,082

Performance, Customer Services and Capacity

REVENUE

The service includes Policy, Corporate Performance, Research and Intelligence, Customer Services and Libraries and Communications.

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Customer Services	3,343	-138	3,205	3,343	-138	3,205	3,343	-138	3,205
Performance & Partnerships	2,208	0	2,208	2,399	0	2,399	2,330	0	2,330
Communications	836	-26	810	836	-26	810	836	-26	810
Organisational Change	144	0	144	144	0	144	144	0	144
Libraries	4,703	-1,113	3,590	4,603	-1,113	3,490	3,973	-1,083	2,890
Base Budget	11,234	-1,277	9,957	11,325	-1,277	10,048	10,626	-1,247	9,379
Changes to Budget Requirement									
	2013/2014			2014/2015			2015/2016		
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
6.3 - Development of a sustainable Library service	-100		-100	-630	30	-600	-320	20	-300
7.6 - Develop resilient communities	-259		-259			0			0
Grants to Town & Parish councils for local Council Tax Support Scheme	450		450	-69		-69	-93		-93
Financial Impact of Policy Proposals	91	0	91	-699	30	-669	-413	20	-393
	2013/2014 Budget			2014/2015 Budget			2015/2016 Budget		
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
Budget Carried Forward	11,325	-1,277	10,048	10,626	-1,247	9,379	10,213	-1,227	8,986
Cost of Investment Items									
6.3 - Development of a sustainable Library service	50	0	50	150		150	100		100
Total Cost of Investment Items	50	0	50	150	0	150	100	0	100
Total Budget for the Year	11,375	-1,277	10,098	10,776	-1,247	9,529	10,313	-1,227	9,086

CORPORATE SERVICES

REVENUE

Corporate Services includes HR & Organisational Development, Finance & Business Services, Borough Solicitor and retained cross-cutting Corporate savings.

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Finance and Business Services	117,220	-100,275	16,945	118,335	-100,533	17,802	118,555	-100,533	18,022
HR and Organisational Development	4,571	-1,310	3,261	4,663	-1,310	3,353	4,663	-1,310	3,353
Borough Solicitor	6,907	-1,445	5,462	6,869	-1,445	5,424	6,856	-1,445	5,411
Unallocated	0	0	0	-200	0	-200	-450	0	-450
One year funding allocation to assist delivery of major change programme	0	0	0	160	0	160	0	0	0
Base Budget	128,698	-103,030	25,668	129,827	-103,288	26,539	129,624	-103,288	26,336

Changes to Budget Requirement

	2013/2014			2014/2015			2015/2016		
Finance and Business Services	1,115	-258	857	220	0	220	-663	0	-663
HR and Organisational Development	92	0	92	0	0	0	0	0	0
Borough Solicitor	-38	0	-38	-13	0	-13	0	0	0
Developed model for Corporate Services	-200	0	-200	-250	0	-250	0	0	0
One year funding allocation to assist delivery of major change programme	160	0	160	-160	0	-160	0	0	0
Financial Impact of Policy Proposals	1,129	-258	871	-203	0	-203	-663	0	-663

	2013/2014 Budget			2014/2015 Budget			2015/2016 Budget		
Budget Carried Forward	129,827	-103,288	26,539	129,624	-103,288	26,336	128,961	-103,288	25,673

Cost of Investment Items	661	0	661	20	0	20	50	0	50
Total Budget for the Year	130,488	-103,288	27,200	129,644	-103,288	26,356	129,011	-103,288	25,723

Finance and Business Services

REVENUE

This service includes Service Finance teams, Finance Back Office Shared Service, Revenues and Benefits, Internal Audit, ICT and Procurement

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Accountancy	6,926	-1,405	5,521	6,864	-1,418	5,446	7,154	-1,418	5,736
Finance Shared Service	790	-110	680	910	-110	800	910	-110	800
Revenues	1,853	-709	1,144	1,728	-709	1,019	1,728	-709	1,019
Benefits	98,827	-96,295	2,532	99,389	-96,415	2,974	99,319	-96,415	2,904
Audit	468		468	468		468	468		468
ICT	8,082	-1,756	6,326	8,702	-1,881	6,821	8,702	-1,881	6,821
Procurement	274		274	274		274	274		274
Cross Directorate			0			0			0
Base Budget	117,220	-100,275	16,945	118,335	-100,533	17,802	118,555	-100,533	18,022

Changes to Budget Requirement

	2013/2014		2014/2015		2015/2016	
7.2 - Develop a more affordable model of corporate and support services with key subject expertise, to enable better strategic commissioning and delivery of frontline services	163	163	290	290	-613	-613
7.4 - Implement a modern business architecture, including ICT systems, which supports innovative and affordable frontline delivery	525	525		0		0
7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	427	-258	169	-70	-50	-50
Financial Impact of Policy Proposals	1,115	-258	857	220	0	-663

	2013/2014 Budget		2014/2015 Budget		2015/2016 Budget	
Budget Carried Forward	118,335	-100,533	17,802	118,555	-100,533	18,022

Cost of Investment Items						
7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	220	220	20	20	50	50
Total Cost of Investment Items	220	0	220	20	0	50
Total Budget for the Year	118,555	-100,533	18,022	118,575	-100,533	18,042

HR & Organisational Development

REVENUE

This service includes HR Strategy and Policy (including the Occupational Health Unit), Organisation and Workforce Development, HR Delivery and HR Shared Back Office

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
	£000	£000	£000	£000	£000	£000	£000	£000	£000
HR Strategy & Policy	1,033	-99	934	1,025	-99	926	1,025	-99	926
HR Strategy & Policy (Shared Service)	331	-235	96	331	-235	96	331	-235	96
Organisation and Workforce Development	848	-16	832	948	-16	932	948	-16	932
HR Delivery	1,093	-365	728	1,093	-365	728	1,093	-365	728
HR Delivery (Shared Services)	1,266	-595	671	1,266	-595	671	1,266	-595	671
Base Budget	4,571	-1,310	3,261	4,663	-1,310	3,353	4,663	-1,310	3,353

Changes to Budget Requirement

	2013/2014			2014/2015			2015/2016		
7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	-53		-53			0			0
8.1 - Further develop employment and working practices to enable flexible and agile working			0			0			0
8.2 - Identify changing skills requirements over medium term and equipping the organisation with these skills	145		145			0			0
Financial Impact of Policy Proposals	92	0	92	0	0	0	0	0	0
	2013/2014 Budget			2014/2015 Budget			2015/2016 Budget		
Budget Carried Forward	4,663	-1,310	3,353	4,663	-1,310	3,353	4,663	-1,310	3,353

Cost of Investment Items

7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	33		33			0			0
8.1 - Further develop employment and working practices to enable flexible and agile working	280		280			0			0
8.2 - Identify changing skills requirements over medium term and equipping the organisation with these skills	70		70			0			0
Total Cost of Investment Items	383	0	383	0	0	0	0	0	0
Total Budget for the Year	5,046	-1,310	3,736	4,663	-1,310	3,353	4,663	-1,310	3,353

Borough Solicitor

REVENUE

This service includes Legal Services, Democratic Services, Scrutiny, Executive Office, Member Services, Coroner and Registration Services

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure	Income	Net	Expenditure	Income	Net	Expenditure	Income	Net
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Democratic & Registration	1,926	-299	1,627	1,888	-299	1,589	1,848	-299	1,549
Legal Services	4,981	-1,146	3,835	4,981	-1,146	3,835	5,008	-1,146	3,862
Base Budget	6,907	-1,445	5,462	6,869	-1,445	5,424	6,856	-1,445	5,411

Changes to Budget Requirement

	2013/2014			2014/2015			2015/2016		
7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	-38		-38	-13		-13			0
Financial Impact of Policy Proposals	-38	0	-38	-13	0	-13	0	0	0
	2013/2014 Budget			2014/2015 Budget			2015/2016 Budget		
Budget Carried Forward	6,869	-1,445	5,424	6,856	-1,445	5,411	6,856	-1,445	5,411

Cost of Investment Items									
7.3 - Continue targeted business improvement reviews to find efficiency savings from all services	38		38			0			0
Total Cost of Investment Items	38	0	38	0	0	0	0	0	0
Total Budget for the Year	6,907	-1,445	5,462	6,856	-1,445	5,411	6,856	-1,445	5,411

Cross Directorate Items

REVENUE

This includes proposals which will be allocated to Directorates during the year.

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Cross Directorate Savings			0	-4,463		-4,463	-3,372		-3,372
Base Budget	0	0	0	-4,463	0	-4,463	-3,372	0	-3,372
Changes to Budget Requirement									
	2013/2014			2014/2015			2015/2016		
Provision for contractual increments currently under review	210		210	1,651		1,651			0
Reducing management overheads	-2,173		-2,173	-560		-560			0
Managing workforce turnover so that vacant posts are used to provide efficiency savings whilst retaining staff with essential skills	-2,500		-2,500			0			0
Financial Impact of Policy Proposals	-4,463	0	-4,463	1,091	0	1,091	0	0	0
	2013/2014 Budget			2014/2015 Budget			2015/2016 Budget		
Budget Carried Forward	-4,463	0	-4,463	-3,372	0	-3,372	-3,372	0	-3,372
Cost of Investment Items									
Management Restructure / Major Change Programmes (Note 1)	1,346		1,346	4,551		4,551			0
Total Cost of Investment Items	1,346	0	1,346	4,551	0	4,551	0	0	0
Total Budget for the Year	-3,117	0	-3,117	1,179	0	1,179	-3,372	0	-3,372

Note 1: Part of the 2014/2015 allocation may be earmarked to cover expenditure in 2015/2016.

Management Restructure Savings - Memorandum Page

REVENUE

This page summarises the programme to reduce management overheads.

	2012/2013 Budget			2013/2014 Budget			2014/2015 Budget		
	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Management restructure			0	-3,500		-3,500	-4,500		-4,500
Base Budget	<u>0</u>	<u>0</u>	<u>0</u>	<u>-3,500</u>	<u>0</u>	<u>-3,500</u>	<u>-4,500</u>	<u>0</u>	<u>-4,500</u>
Changes to Budget Requirement									
	2013/2014			2014/2015			2015/2016		
Management restructure	-2,173		-2,173	-560		-560			0
Contribution from Children & Families	-640		-640	-400		-400	-560		-560
Contribution from Adults	-320		-320			0			0
Contribution from Places & Organisational Capacity	-105		-105			0			0
Contribution from Corporate Services	-262		-262	-40		-40	-25		-25
Financial Impact of Policy Proposals	<u>-3,500</u>	<u>0</u>	<u>-3,500</u>	<u>-1,000</u>	<u>0</u>	<u>-1,000</u>	<u>-585</u>	<u>0</u>	<u>-585</u>
	2013/2014 Budget			2014/2015 Budget			2015/2016 Budget		
Budget Carried Forward	<u>-3,500</u>	<u>0</u>	<u>-3,500</u>	<u>-4,500</u>	<u>0</u>	<u>-4,500</u>	<u>-5,085</u>	<u>0</u>	<u>-5,085</u>
Cost of Investment Items									
Management Restructure	60		60			0			0
Total Cost of Investment Items	<u>60</u>	<u>0</u>	<u>60</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Budget for the Year	<u>-3,440</u>	<u>0</u>	<u>-3,440</u>	<u>-4,500</u>	<u>0</u>	<u>-4,500</u>	<u>-5,085</u>	<u>0</u>	<u>-5,085</u>

CAPITAL PROGRAMME - SUMMARY

CAPITAL

Capital Programme 2013/2014 - 2015/2016

	Total Approved Budget £000	Prior Year Spend £000	Forecast Spend 2013/2014 £000	Forecast Spend 2014/2015 £000	Forecast Spend 2015/2016 £000
Ongoing Schemes					
Children & Families	25,906	16,513	8,769	625	0
Adults	1,796	847	949	0	0
Places and Organisational Capacity	144,063	75,371	45,550	21,629	1,512
Corporate Services	68,513	5,928	30,418	27,167	5,000
Total Ongoing Schemes	240,278	98,659	85,686	49,421	6,512
New Schemes					
Children & Families	7,962	0	7,962	0	0
Adults	9,000	0	500	2,500	6,000
Places and Organisational Capacity	65,366	0	17,821	31,145	16,400
Corporate Services	0	0	0	0	0
Total New Schemes	82,328	0	26,283	33,645	22,400
Total	322,606	98,659	111,969	83,066	28,912
Funded By					
Prudential Borrowing		18,860	37,894	35,227	17,912
Grants		65,194	41,305	22,076	2,630
Capital Receipts		11,648	10,000	5,000	0
Developer / Other Contributions		2,927	22,670	20,763	8,370
Revenue Contributions		30	100	0	0
Total		98,659	111,969	83,066	28,912

CHILDREN AND FAMILIES - SUMMARY

CAPITAL

Capital Programme 2013/2014 - 2015/2016

	Total Approved Budget £000	Prior Year Spend £000	Forecast Spend 2013/2014 £000	Forecast Spend 2014/2015 £000	Forecast Spend 2015/2016 £000
Ongoing Schemes					
Safeguarding & Specialist Support	2,081	1,196	885	0	0
Early Intervention & Prevention	865	2	863	0	0
Strategy, Planning & Performance	22,960	15,315	7,021	625	0
Subtotal - Ongoing Schemes	25,906	16,513	8,769	625	0
New Schemes					
Strategy, Planning & Performance	7,962	0	7,962	0	0
Subtotal - New Schemes	7,962	0	7,962	0	0
Total	33,868	16,513	16,731	625	0
Funded By					
Prudential Borrowing		5,543	1,510		0
Grants		10,430	14,368	625	0
Capital Receipts		137			0
Developer / Other Contributions		403	853		0
Revenue Contributions					0
Total		16,513	16,731	625	0

**CHILDREN AND FAMILIES
SAFEGUARDING & SPECIALIST SUPPORT**

CAPITAL

Capital Programme 2013/2014 - 2015/2016

	Total Approved Budget	Prior Year Spend	Forecast Spend 2013/2014	Forecast Spend 2014/2015	Forecast Spend 2015/2016	Forecast Spend Funded by Borrowing %
	£000	£000	£000	£000	£000	
Ongoing Schemes						
Residential Development Programme	1,500	997	503	0	0	100
Short Break Re Provision 2011-2012	175	51	124	0	0	100
Short Breaks for Disabled Children - Development of placements	406	148	258	0	0	0
Total	2,081	1,196	885	0	0	

**CHILDREN AND FAMILIES
EARLY INTERVENTION AND PROTECTION**

CAPITAL

Capital Programme 2013/2014 - 2015/2016

	Total Approved Budget	Prior Year Spend	Forecast Spend 2013/2014	Forecast Spend 2014/2015	Forecast Spend 2015/2016	Forecast Spend Funded by Borrowing
Scheme	£000	£000	£000	£000	£000	%
Ongoing Schemes						
Hurdsfield - Replacement of the Family Centre	865	2	863	0	0	100
Total	865	2	863	0	0	

Capital Programme 2013/2014 - 2015/2016

Scheme	Total Approved Budget £000	Prior Year Spend £000	Forecast Spend 2013/2014 £000	Forecast Spend 2014/2015 £000	Forecast Spend 2015/2016 £000	Forecast Spend Funded by Borrowing %
Ongoing Schemes						
Primary Schools	13,480	9,902	3,579	0	0	63
Secondary Schools	4,735	3,216	1,439	80	0	24
Specialist Schools	906	0	906			0
Minor Works / Accessibility (<£100k) - Improvements	943	922	21	0	0	15
Devolved Formula Capital Grant	2,748	1,137	1,066	545	0	0
Basic Need (<£100k) - Extensions	148	138	10	0	0	0
Subtotal - Ongoing Schemes	22,960	15,315	7,021	625	0	
New Schemes						
1. Basic Need - Block Provision	1,273	0	1,273	0	0	0
2. Wilmslow Grange Primary School - 2 Classroom Extension	887	0	887	0	0	0
3. Vine Tree - Primary School - 4 Classroom Extension	1,267	0	1,267	0	0	0
4. Suitability/Minor Works/Accessibility Block Provision	900	0	900	0	0	0
5. Condition Work - Block Provision	1,509	0	1,509	0	0	0
6. Re-organisation/Co-location of Services	100	0	100	0	0	0
7. Capital Maintenance Grant Block Provision	727	0	727	0	0	0
8. Devolved Formula Capital	902	0	902	0	0	0
9. Free Early Years Education Grant for 2 year Olds	397	0	397	0	0	0
Subtotal - New Schemes	7,962	0	7,962	0	0	0
Total	30,922	15,315	14,983	625	0	

Capital Programme 2013/2014 - 2015/2016

Please note that all of the 2013/2014 grant figures are based on the 2012/2013 grant allocations and will be revised once notification is received from the Department for Education

Details of New Schemes

1. Basic Need Block Provision

Basic need funding is allocated from the Department for Education according to relative need for new places, based on forecast data.

2. Wilmslow Grange Primary School

A two classroom extension over two storeys including a lift to allow DDA access to the first floor, a new staircase and group room space. Increases capacity to 315 places

3. Vine Tree Primary School

A four classroom extension, demolition of a mobile, creation of two group rooms, toilets and circulation. Increases capacity to 315 places.

4. Suitability/Minor Works/Accessibility Block Provision

Prioritised on a needs led basis the provision ensures that the establishment can function effectively and there are no Health & Safety or Safeguarding issues.

5. Condition Work - Block Provision

Prioritised on a needs led basis the provision relies on a condition survey to be completed.

6. Re-organisation/Co-location of Services

Provision to be used for the Children and Families Accommodation Strategy.

7. Capital Maintenance Grant Block Provision

To cover the project management costs of the individual projects within the Children and Families Capital Programme

8. Devolved Formula Capital

The grant is passported through the Authority and directly allocated to the schools for capital works.

9. Free Early Years Education Grant for 2 year Olds

New Government funding for disadvantaged 2 years olds to entitle them to 15 hours support each week.

Capital Programme 2013/2014 - 2015/2016

	Total Approved Budget	Prior Year Spend	Forecast Spend 2013/2014	Forecast Spend 2014/2015	Forecast Spend 2015/2016	Forecast Spend funded by Borrowing %
	£000	£000	£000	£000	£000	%
Ongoing Schemes						
Business Management & Change - Building Base Review - Adaptations and refurbishments	773	190	583	0	0	0
Business Management & Change - Combined ICT Project - Standardising processes	567	317	250	0	0	0
Care4CE - CareWorks System - Information Management System	456	340	116	0	0	0
Subtotal - Ongoing Schemes	1,796	847	949	0	0	
New Schemes						
<u>7.4 Implement a modern business architecture, including ICT Systems</u>						
1. Supporting the Front Line - Standardising of the Adults, Children & Families ICT Systems	3,000	0	500	1,500	1,000	77
<u>2. Developing affordable and sustainable local models of care</u>						
2. Hollins View	6,000	0	0	1,000	5,000	50
Subtotal - New Schemes	9,000	0	500	2,500	6,000	
Total	10,796	847	1,449	2,500	6,000	
Funded By						
Prudential Borrowing				1,800	3,500	
Grants		847	1,449	200		
Capital Receipts				500	2,500	
Developer / Other Contributions						
Revenue Contributions						
Total		847	1,449	2,500	6,000	

Details of New Schemes**1. Supporting the Front line**

This projects aims to rationalise and standardise the number of systems and processes within the Adults, Children & Families service departments.

2. Hollins View

To create an Adult Care Facility in partnership with the Health Authority.

PLACES AND ORGANISATIONAL CAPACITY - SUMMARY

CAPITAL

Capital Programme 2013/2014 - 2015/2016

	Total Approved Budget £000	Prior Year Spend £000	Forecast Spend 2013/2014 £000	Forecast Spend 2014/2015 £000	Forecast Spend 2015/2016 £000
Ongoing Schemes					
Waste, Recycling and Streetscape	272	89	183	0	0
Highways and Transport	87,318	51,784	23,470	12,063	0
Community Services	2,486	1,139	1,297	50	0
Development	52,518	21,100	20,390	9,516	1,512
Performance, Customer Services and Capacity	1,469	1,259	210	0	0
Subtotal - Ongoing Schemes	144,063	75,371	45,550	21,629	1,512
New Schemes					
Highways and Transport	46,380	0	14,835	21,645	9,900
Community Services	12,700	0	400	9,000	3,300
Development	5,586	0	2,586	0	3,000
Performance, Customer Services and Capacity	700	0	0	500	200
Subtotal - New Schemes	65,366	0	17,821	31,145	16,400
Total	209,429	75,371	63,371	52,774	17,912
Funded By					
Prudential Borrowing		9,749	36,281	31,484	9,412
Grants		53,874	25,457	21,251	2,630
Capital Receipts		9,452			
Developer / Other Contributions		2,266	1,533	39	5,870
Revenue Contributions		30	100		
Total		75,371	63,371	52,774	17,912

**PLACES AND ORGANISATIONAL CAPACITY
WASTE, RECYCLING & STREETSCAPE**

CAPITAL

Capital Programme 2013/2014 - 2015/2016

	Total Approved Budget	Prior Year Spend	Forecast Spend 2013/2014	Forecast Spend 2014/2015	Forecast Spend 2015/2016	Forecast Spend Funded by Borrowing %
	£000	£000	£000	£000	£000	
Ongoing Schemes						
Improvements to Congleton Park, Including Town Wood	104	64	40	0	0	
Waste, Recycling & Streetscape - Section106 Agreements	127	24	103	0	0	
Malkins Bank Play Area - Restoration / Improvements	41	1	40	0	0	
Total	272	89	183	0	0	

Capital Programme 2013/2014 - 2015/2016

	Total Approved Budget	Prior Year Spend	Forecast Spend 2013/2014	Forecast Spend 2014/2015	Forecast Spend 2015/2016	Forecast Spend Funded by Borrowing
	£000	£000	£000	£000	£000	%
Ongoing Schemes						
Highways & Transport Section 278 Agreements	776	556	210	9	0	0
Crewe Green Link Road (Council Funded Element)	1,300	800	500	0	0	100
Alderley Edge By-Pass Scheme Implementation	54,687	47,135	6,924	628	0	5
Badger Relocation	115	64	51	0	0	0
Alderley Edge Village enhancements	94	34	60	0	0	36
Bridge Maintenance Minor Works - Public Right of Way	114	94	20	0	0	100
Taylor Drive, Nantwich - Footway / Cycleway link	120	90	20	10	0	0
Crewe Rail Exchange - Redevelopments	5,274	1,256	4,018	0	0	0
Carbon Initiatives	2,000	1,381	619	0	0	100
Highways & Transport Section 106 Agreements	101	71	30	0	0	0
Local Sustainable Transport Fund	1,273	303	510	460	0	0
Integrated Transport Block - Local Transport Plan	5,489	0	2,281	3,208	0	0
Roads Maintenance Block - Local Transport Plan	15,975	0	8,227	7,748	0	0
Subtotal - Ongoing Schemes	87,318	51,784	23,470	12,063	0	
New Schemes						
<u>1.1 Investment in existing and new road infrastructure</u>						
1. Construction of Crewe Green Link Road South	19,000		1,200	8,800	9,000	2
2. Investment In Existing Road Infrastructure	22,280	0	11,485	10,795	0	90
3. Congleton Relief Road - Option Development	2,700	0	900	900	900	67
4. Poynton Relief Road - Option Development	1,100	0	600	500	0	50
5. Crewe Transformational Projects	1,300	0	650	650	0	100
Subtotal - New Schemes	46,380	0	14,835	21,645	9,900	
Total	133,698	51,784	38,305	33,708	9,900	

Details of New Schemes

1. Construction of Crewe Green Link Road South

Development and construction of the Crewe Green Link Road South, opening up the Basford East Strategic employment site. The proposal was approved at Cabinet on the 4th July 2011 and 20th August 2012.

2. Investment In Existing Road Infrastructure

The project will deliver a Borough wide programme of carriageway surface treatments including resurfacing, overlays and surface dressing and, where necessary, associated drainage and footway works that will restore the targeted roads to a high standard.

3. Congleton Relief Road - Option Development

To investigate a number of transport options on the A34 and A534 West and North of Congleton Town Centre. The proposal was approved at Cabinet on 17th September 2012.

4. Poynton Relief Road - Option Development

To develop a new protected route alignment for the scheme. The proposal was approved at Cabinet on 17th September 2012.

5. Crewe Transformational Projects

A key transport infrastructure project linked to enabling the delivery of the All Change for Crewe Regeneration Scheme.

**PLACES AND ORGANISATIONAL CAPACITY
COMMUNITY SERVICES**

CAPITAL

Capital Programme 2013/2014 - 2015/2016

	Total Approved Budget	Prior Year Spend	Forecast Spend 2013/2014	Forecast Spend 2014/2015	Forecast Spend 2015/2016	Forecast Spend Funded by Borrowing %
	£000	£000	£000	£000	£000	
Ongoing Schemes						
Nantwich Pool Enhancements	1,521	512	1,009	0	0	100
Residents Parking Schemes	245	170	75	0	0	43
Leisure Centre ICT Member Systems	200	100	100	0	0	100
Lifestyle Centre Refurb at Macclesfield Leisure Centre	115	105	10	0	0	100
Lifestyle Centre Refurb at Wilmslow Leisure Centre	75	65	10	0	0	100
Other Car Parking Improvements	180	152	28	0	0	100
CCTV - Infrastructure Rationalisation	150	35	65	50	0	100
Subtotal - Ongoing Schemes	2,486	1,139	1,297	50	0	
New Schemes						
<u>6.1 Develop new delivery model for leisure provision</u>						
1. Development of a Lifestyle Centre at Crewe Cumberland Arena	12,700	0	400	9,000	3,300	100
Subtotal - New Schemes	12,700	0	400	9,000	3,300	
Total	15,186	1,139	1,697	9,050	3,300	

Details of New Schemes

1. Development of a Lifestyle Centre at Crewe Cumberland Arena

The construction of a new all-inclusive leisure facility, modern family and adult social care provision and community facilities all in one location. This proposal was approved at Cabinet on 10th December 2012 and permission was given to progress the delivery of the Crewe Lifestyle Centre Scheme as set out in the business case by procuring a design and build contractor.

Capital Programme 2013/2014 - 2015/2016

	Total Approved Budget	Prior Year Spend	Forecast Spend 2013/2014	Forecast Spend 2014/2015	Forecast Spend 2015/2016	Forecast Spend Funded by Borrowing
	£000	£000	£000	£000	£000	%
Ongoing Schemes						
Town Centre Regeneration & Development Programme	2,848	2,704	144	0	0	30
Earl Road Handforth Feasibility	130	30	100	0	0	0
Parkgate - Regeneration	359	294	65	0	0	0
Choice Based Lettings	222	202	20	0	0	18
Affordable Housing Initiatives - Section 106 Holly Lodge	870	559	311	0	0	4
Housing Grants - Ex Macclesfield Borough Council - Section106	1,045	880	165	0	0	0
Social Housing Grants	601	557	44	0	0	2
Assisted Purchase Scheme - First Time Buyers	591	522	69	0	0	1
Tatton Park Programme	2,064	279	1,785	0	0	59
Rolling Programme						
Private Sector Assistance - Home repairs	1,336	776	300	260	0	0
Disabled Facilities Grants - Adaptations	1,814	1,200	614	0	0	54
Asset Management Programme	14,138	4,820	4,818	4,500	0	87
Farms Strategy - Restructure	3,380	356	756	756	1,512	
Office Accommodation Strategy	8,376	7,876	500	0	0	23
Regeneration & Development Programme	1,944	0	944	1,000	0	100
Tatton Park Investment	6,260	0	6,260	0	0	100
Housing Development	6,540	45	3,495	3,000	0	100
Subtotal - Ongoing Schemes	52,518	21,100	20,390	9,516	1,512	

Capital Programme 2013/2014 - 2015/2016

	Total Approved Budget	Prior Year Spend	Forecast Spend 2013/2014	Forecast Spend 2014/2015	Forecast Spend 2015/2016	Forecast Spend Funded by Borrowing
	£000	£000	£000	£000	£000	%
New Schemes						
<u>7.5 Maximise the benefits from the Corporate Landlord model</u>						
1. Assets Accelerated Disposals & Demolitions	500	0	500	0	0	100
<u>1.3 Investment to support business growth and regeneration</u>						
2. Economic Development & Regeneration - Physical Asset Development	300	0	300	0	0	100
3. Alderley Park Bio-Incubation Centre	1,000	0	1,000	0	0	100
Rolling Programme						
4. Asset Management Programme	3,000	0	0	0	3,000	100
5. Disabled Facilities Grant	786	0	786	0	0	12
Subtotal - New Schemes	5,586	0	2,586	0	3,000	
Total	58,104	21,100	22,976	9,516	4,512	

Capital Programme 2013/2014 - 2015/2016

Details of New Schemes

1. Assets Accelerated Disposals & Demolitions

Required for a disposal and demolition programme to improve potential sites for re-sale.

2. Economic Development & Regeneration - Physical Asset Development

Increase in resources to deliver the economic growth agenda.

3. Alderley Park Bio-Incubation Centre

A Joint Venture to establish and operate a BioScience Incubator centre for new and existing small businesses in the bioscience sector.
The proposal to support a £1m repayable loan was approved at Cabinet on 7th January 2013.

4. Asset Management Programme

Part of the rolling capital programme for capital works on the Authority's asset portfolio.

5. Disabled Facilities Grant

Grants that are awarded to individual applicants to allow them to adapt their homes for independent living and/or to reduce their need for social care.

Capital Programme 2013/2014 - 2015/2016

	Total Approved Budget	Prior Year Spend	Forecast Spend 2013/2014	Forecast Spend 2014/2015	Forecast Spend 2015/2016	Forecast Spend Funded by Borrowing
	£000	£000	£000	£000	£000	%
Ongoing Schemes						
Customer Access - Improvements	403	273	130	0	0	94
Radio Frequency ID (RFID) - Library self service machines	1,066	986	80	0	0	100
Subtotal - Ongoing Schemes	1,469	1,259	210	0	0	
New Schemes						
<u>6.3 Develop a new model for sustainable library services and community hubs</u>						
1. Development of a new Library Model	700	0	0	500	200	100
Subtotal - New Schemes	700	0	0	500	200	
Total	2,169	1,259	210	500	200	

Details of New Schemes

1. Development of a new Library Model

The project will design a range of target operating models for libraries that better enables the Council to deliver a library service, reflecting the scale of demand within different communities

Capital Programme 2013/2014 - 2015/2016

	Total Approved Budget £000	Prior Year Spend £000	Forecast Spend 2013/2014 £000	Forecast Spend 2014/2015 £000	Forecast Spend 2015/2016 £000	Forecast Spend Funded by Borrowing %
Ongoing Schemes						
Integrated Legal ICT System	60	55	5	0	0	100
Oracle Optimisation - Development of financial systems	3,960	2,809	824	327	0	48
Location Independent Workforce - Developing ICT facilities	8,571	700	3,400	3,131	1,340	100
Enable Citizens and Businesses - Technology improvements	1,197	100	287	450	360	100
Core System Stability - Maintenance of ICT	13,079	1,900	5,403	2,876	2,900	100
Superfast Broadband	41,646	364	20,499	20,383	400	1
Subtotal - Ongoing Schemes	68,513	5,928	30,418	27,167	5,000	
Total	68,513	5,928	30,418	27,167	5,000	
Funded By						
Prudential Borrowing		3,568	103	1,943	5,000	
Grants		43	31		0	
Capital Receipts		2,059	10,000	5,000	0	
Developer / Other Contributions		258	20,284	20,224	0	
Revenue Contributions		0	0	0	0	
Total		5,928	30,418	27,167	5,000	



Reserves Strategy

Page 299

2013/2016

Contents

Executive Summary119

1. Introduction 120

2. General Fund Reserves (Revenue) 123

3. Earmarked Reserves (Revenue) 130

4. Capital Reserves 134

5. Conclusion 135

Background Papers 136

Annex A ~ Protocols & Controls 137

Executive Summary

Cheshire East Council will maintain reserves for two main purposes:

1. to protect against risk, and;
2. to support investment

The Reserves Strategy presents information about the requirements to maintain adequate financial reserves and provides statements on the types of reserves and current and predicted balances.

This strategy is revised annually, in line with the process to determine the Council's Budget, and sets out a clear purpose for the holding of reserves, using risk assessments and setting out principles for the management of balances for the period 2013/2016.

The report follows guidance issued by the Chartered Institute of Public Finance & Accountancy ~ *LAAP Bulletin 55 – February 2003: Guidance Note on Local Authority Reserves and Balances*. Compliance with the guidance is recommended in the Institute's 2003 Statement on the Role of the Finance Director in Local Government and the regulatory framework and role of the Deputy S151 Officer are set out in **Annex A**.

This strategy represents the latest position, following a review of the balances previously held, to ensure they meet the needs of Cheshire East Council.

Christine Mann

**Finance Manager and Deputy S151 Officer
February 2013**

1. Introduction

Types of Reserves

1. When reviewing medium term financial plans and preparing annual budgets the Council considers the establishment and maintenance of reserves. Two types of Revenue Reserves will be held:

General Reserves (see Section 2)

This represents the non-ringfenced balance of Council funds. There are two main purposes of general reserves: firstly to operate as a **working balance** to help manage the impact of uneven cash flows and avoid unnecessary temporary borrowing, and; secondly to provide a **contingency** to cushion the impact of emerging events or genuine emergencies. The target level of reserves retained will be risk based. General Reserves must be adequate and will increase and decrease as follows:

Increasing General Reserves

- Planned repayment* as set-out in the Medium Term Financial Strategy, usually to recover to an adequate level in relation to a detailed risk assessment, or to prepare in advance for future risks or investment.
- Allocation of an *operating surplus* at the close of the financial year.

Decreasing General Reserves

- Planned draw-down* of reserves to create investment, and to counteract the possibility of over-taxing in any financial year.
- Allocation of an *operating deficit* at the close of the financial year.

Earmarked Reserves (see Section 3)

These provide a means of building up funds, for use in a later financial year, to meet known or predicted policy initiatives. Discipline is required around setting up and maintaining earmarked reserves, and this strategy sets out the Council's approach to this. Earmarked reserves will increase through decisions of the Council and will decrease as they are spent on specific intended purposes.

Assessing the Adequacy of Reserves

2. In order to assess the adequacy of unallocated general reserves when setting the budget, the Deputy S151 Officer will take account of the strategic, operational and financial risks facing the Authority. The Council will therefore adopt formal risk management processes. The Audit Commission Codes of Audit Practice make it clear that it is the responsibility of the audited body to identify and address its operational and financial risks, and to develop and implement proper arrangements to manage them, including adequate and effective systems of internal control. The financial risks will be assessed in the context of the Authority's overall approach to risk management.

3. There is a requirement for local authorities to include an Annual Statement of Governance with the Statement of Accounts. The Deputy S151 Officer will ensure that the Authority has put in place effective arrangements for internal audit of the control environment and systems of internal control, as required by professional standards.
4. Setting the level of general reserves is just one of several related decisions in the formulation of the medium term financial strategy and the budget for a particular year. Account will also be taken of the key financial assumptions underpinning the budget alongside a consideration of the Authority's financial management arrangements.
5. **Table 1** sets out the significant budget assumptions that are relevant when considering the adequacy of reserves, in addition to the issue of cashflow:

Table 1: Holding adequate reserves will depend on a number of key factors

Budget Assumptions	Financial Standing & Management
The treatment of inflation and interest rates	The overall financial standing of the Authority (including: level of borrowing, debt outstanding, Council Tax collection rates)
Estimates of the level and timing of capital receipts	The Authority's track record in budget and financial management including the robustness of the medium term plans
The treatment of demand led pressures	The Authority's capacity to manage in-year budget pressures
The treatment of planned efficiency savings / productivity gains	The strength of the financial information and reporting arrangements
The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments	The Authority's virement and end of year procedures in relation to budget under / overspends at authority and directorate level
The availability of other funds to deal with major contingencies and the adequacy of provisions	The adequacy of the Authority's insurance arrangements to cover major unforeseen risks

Source: CIPFA ~ LAAP Bulletin 55, 2003

6. These factors can only be assessed properly at local level. A considerable degree of professional judgment is required. The Deputy S151 Officer may choose to express advice on the level of balances in cash and / or as percentage of budget (to aid understanding) so long as that advice is tailored to the circumstances of the Authority for that particular year.
7. Advice will be set in the context of the Authority's process to manage medium term financial stability and not focus on short term considerations, although balancing the annual budget by drawing on general reserves may be a legitimate short term option. However, where reserves are to be deployed to finance recurrent expenditure this should be made explicit, and will occur only to pump prime investment and not to regularly support such costs. Advice will be given on the adequacy of reserves over the lifetime of the Medium Term Financial Strategy.
8. The current guidance requires the purpose, usage and the basis of transactions of earmarked reserves to be identified clearly. A review of the levels of earmarked reserves will be undertaken as part of annual budget preparation.

2. General Fund Reserves (Revenue)

Purpose

9. The purpose of general reserves is to minimise the possible financial impacts to the Authority from:
 - Emergencies.
 - In-year emerging issues.
10. The Finance Procedure Rules set the parameters for the use of general reserves.
11. The in-year use of general reserves requires Council approval and must not be used for any level of recurring spending unless that spending will be included in revenue budgets in the following financial year or a suitable payback period is agreed in advance.
12. In all cases the use of reserves should be approved by the Deputy S151 Officer.

Opening Balances

13. At 1st April 2013, it is anticipated that the Council will hold general reserves of £13.2m. This balance is calculated from:

Amount of General Fund Balance available for new expenditure (£11.4m)

(source: 2011/2012 Statement of Accounts)

adjusted for

The estimated impact of performance against the 2012/2013 Revenue Budget (£1.8m)

(source: 2012/2013 Third Quarter Review of Performance)

14. It is therefore important to note that there is scope for amendments. Financial performance in the final quarter may vary from the estimates in the Third Quarter Review of Performance Report, and figures are therefore still provisional at this stage.

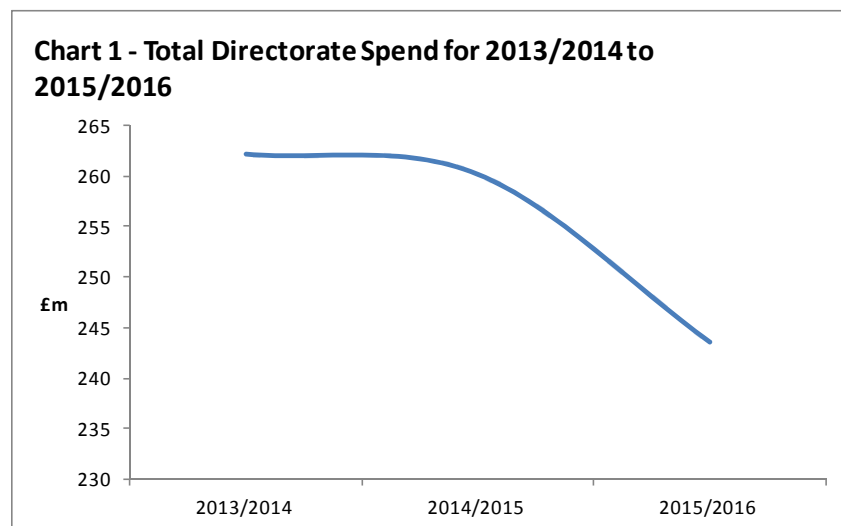
Estimated Movement in Reserves (2012/2013 onwards)

15. **Table 2** (overleaf) summarises the current estimated movements in general reserves from 2012 to 2016. This position makes a clear assumption that any recently identified in-year, or future, emerging financial pressures will be met from within the Council's funding envelope.
16. In addition the level of reserves needed will be assessed each year according to the risks facing the Authority (see Risk Assessment overleaf).

Table 2 - Reserves levels will be maintained in the medium term	2012/2013	2013/2014	2014/2015	2015/2016
	£m	£m	£m	£m
Estimated Balance @ 1st April	11.4	13.2	13.2	13.2
Estimated Impact of 2012/2013 Spending	1.8			
Planned Contribution to Reserves		0.0	0.0	0.0
Forecast General Reserves @ 31st March	13.2	13.2	13.2	13.2
Risk Assessed Minimum Level		13.2		

Source: Cheshire East Finance

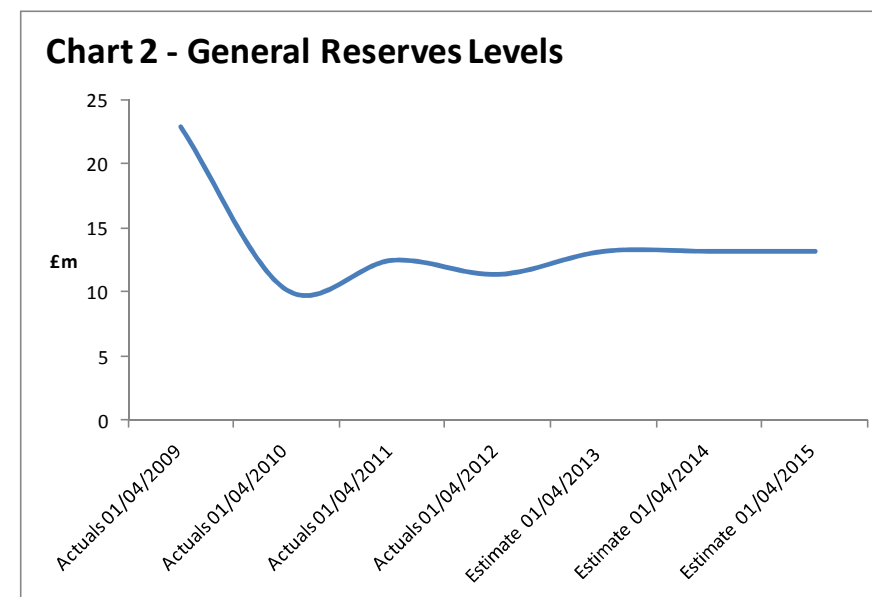
17. **Chart 1** shows how the medium term financial outlook reflects a reduction in real terms expenditure on Council Services.



18. Reducing expenditure over time will require up-front investment in change management that will sustain the financial resilience of the Council. For example reducing staffing numbers may require

expenditure on severance payments and automation of services may require investment in information technology.

19. Strategically the Council must therefore utilise short term funding to support change and not to build up reserves. Current reserves levels will therefore be maintained to protect the Council against risk and should only require amendment if risk materialises or to support short term cashflow issues.
20. **Chart 2** shows how Cheshire East Reserves were initially reduced to support large scale investment, but will now be stabilised over the medium term.



21. The level at which reserves are set for 2013/2014, reflects the aim of Cheshire East Council to match the Risk Assessed Minimum Level, ensuring reserves are adequate, and provide sufficient flexibility to manage short term cashflow.

General Fund Reserves - Risk Assessment

22. The risks facing each local area will vary, and in the case of Cheshire East, the impact of rising demand for services, the economic climate, emerging Government policies and pressure on public services to reduce overall expenditure are key issues. These present the potential for significant emerging risk.
23. The minimum target level of reserves is therefore quantified by a detailed risk assessment. This approach allows the Council to take account of the circumstances around current structural changes and economic circumstances.
24. Where specific financial liability has not been established, or where outcomes from emerging pressures cannot be detailed, the Council will assume a level of risk. This reduces the possibility that the Council will be exposed to excessive financial pressure in a single year by smoothing the impact on citizens.
25. Risks are categorised, and potential values are applied to them, this presents the potential exposure to financial risk. **Table 3** (overleaf) shows the risk areas and the level of reserves Cheshire East Council should retain to mitigate that risk. In each case the value of the risk retained has been calculated as a percentage of the potential impact. The percentage is based on the likelihood of the risk actually achieving that total impact in any year.
26. The level of risk in the Medium Term Financial Strategy has reduced from the 2012/2013 levels. This has occurred for a number of key reasons:
- Quarterly Reports of Performance have provided consistent forecasts on the closing/opening balance of reserves, reducing the risk that the 2013/2014 budget might open with a deficit.
 - The Medium Term Financial Strategy (December 2012) detailed significant re-basing of the Council's budget to reflect emerging pressures. The 2013/2014 budget has therefore been based very much on up to date robust figures, reducing the risk of overspending.
 - Investment in change management has been quantified and funding is built in to the Medium Term Plans, reducing the risk of change not being delivered in-year.
 - Development in the local area is being consulted upon through the Local Plan. This may improve funding levels for the Council in relation to Business Rate Retention, New Homes Bonus, and Community Infrastructure Levy however such impacts are prudently not factored in to the medium term finances at this stage.
 - Council Tax income, which provides the largest element of the Council's non-ringfenced funding, is predicted to remain static. Therefore this does not reflect the possibility of increases in Council Tax levels in future or further freeze grants from central government or additional changes to the way Council Tax is charged.
27. £13.2m remains a relatively prudent overall target for reserves at 5% of the net budget. This reflects the fact that there are still negative financial issues potentially facing the Council in the medium term, such as:
- Changes to the local government financial settlement may create funding deficits.
 - Some savings targets may need to be re-phased or revised following more detailed appraisal or consultation work.

- There is a significant pensions deficit which may need to be managed outside of the current medium term estimates. The next triennial valuation of the Cheshire Pension Fund will take place on 31 March 2013 with any changes to contribution levels taking effect from 1 April 2014.

28. It is also possible that a number of events could happen in a single year. Cheshire East Council could also be exposed to new unidentified risks. For this reason the analysis also contains a Strategic Reserve calculated as a percentage of gross expenditure (in this case 0.6%).

29. Risks will be included and managed using the following basic principles:

- a. The risk may impact within the medium term.
- b. Risks are potential one-off events.
- c. The risk will have genuine financial consequences.
- d. Mitigating actions will be in place to minimise the potential requirement for financial support.
- e. If a risk becomes 100% likely it will be allocated to earmarked reserves or included within appropriate Revenue Budget estimates.
- f. Emerging risks will be addressed from in-year surplus or virement before any request to allocate general reserves.

Table 3: A robust level of reserves is guided by an assessment of potential risks

Class of Risk	Knock on Effects	Effect on Budget / Mitigating Action	Risk Assessment
Health & Safety	Major loss of service	Increased cost to reduce further risk of breach / Robust risk assessments	£300,000
	Loss of income	Substantial disruption to income streams / Robust disaster recovery	
	Lost reputation	Cost of new advertising to regain confidence / Effective Communication Plans	
	Effect on recruitment	Additional advertising costs to attract staff / Employment options on standby	
Fire / Structural damage	Major loss of service	Premises not operational / Robust disaster recovery plan	£800,000
	Epidemic	High staff or resident sickness & absence costs / raise awareness of safety measures and introduce robust emergency response plans	
	Severe Weather	Additional staffing, transport and materials costs / robust emergency plans	
	Insurance claims create rising premiums or cost to insurance reserves	Budget growth to cover premiums or self insurance costs / Good claims management	

Class of Risk	Knock on Effects	Effect on Budget / Mitigating Action	Risk Assessment
Budget Pressures	<p>Opening Balances vary from current predictions</p> <p>Efficiency savings challenged by changing priorities, and reduced income from economic downturn and additional VR costs.</p> <p>Higher than anticipated Inflation arising in year</p> <p>Potential decrease in Council Tax collection rate</p> <p>Potential decrease in assumed Business Rates income</p>	<p>Impact on opening balances / apply prudent assumptions to opening balances</p> <p>Impact of 2012/2013 projected outturn / robust remedial plans and monitoring of progress</p> <p>In-Year emerging issues / Robust plans and monitoring of progress</p> <p>Increased inflation on contracts and services / contract management and robust remedial plans</p> <p>New payers unable to pay / debt recovery procedures</p> <p>Lower than forecast income or increased reliefs / robust assessment criteria</p>	£7,000,000
Legal costs	<p>Legal challenges to Council service delivery</p> <p>Data corruption and need to improve security</p>	<p>Court costs and Claims for compensation / clear processes and good workforce management</p> <p>ICT service days to repair, loss of service / robust security policies and firewalls</p>	£600,000
Industrial relations / External organisations	<p>Disruption to service and possible costs of arbitration/tribunal</p>	<p>Loss of income, costs of providing essential services or direct costs of resolution, reduced pay budget / emergency planning</p>	
Strategic Reserve		<p>Strategic/Emergency risk cover, potential further invest to save options and future pay and structure changes</p>	£4,500,000
OVERALL RISKS			£13,200,000
% of Net Revenue Budget			5.1%

Source: Cheshire East Finance

30. The outcome of this analysis has been to place an estimated total value on the range of risks that may arise and which are not covered by insurance. This is equivalent in total to **£13.2m**.

31. It should be noted that these risks reflect the net effect of issues relating to performance against the 2013/2014 Revenue Budget.

The key factors are:

- the capacity of the organisation to deliver proposed growth or achieve the proposed level of savings entirely,
- potential underachievement of cost reduction targets following consultation processes,
- demand for services rising above estimated trends,
- changes to Government settlements.

Adequacy of General Reserves

32. A duty of the Deputy S151 Officer is to comment on the adequacy of financial reserves (**see Annex A**).

33. The estimates contained within the medium term financial strategy must be sufficiently robust to achieve certainty that reserves are adequate. The Deputy S151 Officer will use information contained within the Reserves Strategy to comment specifically in the annual Budget Report on the adequacy of reserves.

3. Earmarked Reserves (Revenue)

Purpose

34. The purpose of earmarked reserves is:

- a. To prevent an uneven impact from policy options, by allowing balances to be set aside for future year expenditure.
- b. To set aside amounts for projects that extend beyond 1 year.

35. Once Earmarked reserves have been established by Cheshire East Council it is the responsibility of Chief Officers, in consultation with the Deputy S151 Officer, to ensure balances are spent in line with their purpose.

36. **Table 4** identifies the most commonly established earmarked reserves and the rationale behind why such reserves are created and maintained.

Table 4: All earmarked reserves should have a clear rationale

Category of Earmarked Reserve	Rationale
Sums set aside for major schemes, such as capital developments or asset purchases, or to fund major reorganisations.	Where expenditure is planned in future accounting periods, it is prudent to build up resources in advance.
Insurance reserves.	An Insurance Fund has been established to meet the potential costs of insurance excesses arising from claims in respect of fire and consequential loss, public and employer liability, and vehicles relating to both Cheshire East Council and the former Cheshire County Council.
Reserves of trading and business units.	Surpluses arising from in-house trading may be retained, or may have to be retained by statute to cover potential losses in future years, or to finance capital expenditure.
Reserves retained for service departmental use.	Increasingly, authorities have internal protocols that permit year-end surpluses at departmental level to be carried forward.
School Balances.	These are unspent balances of budgets delegated to individual schools.

Source: CIPFA ~ LAAP Bulletin 55, 2003

37. For each earmarked reserve held by Cheshire East Council there will be a clear protocol setting out:

- the purpose of the reserve,
- how and when the reserve can be used,
- procedures for the reserve's management and control,
- a process and timescale for review of the reserve to ensure continuing relevance and adequacy,
- clear indication of payback periods and approach (if applicable).

38. When establishing reserves, Cheshire East Council will ensure that it complies with the Code of Practice on Local Authority Accounting in the United Kingdom and in particular the need to distinguish between reserves and provisions.

39. The protocol for Cheshire East Council earmarked reserves is set out below. The Deputy S151 Officer will monitor adherence to these protocols. Details of each reserve will be held to demonstrate compliance with the protocols.

40. Earmarked Reserves will be:

- Set up by Full Council, on recommendation by the Deputy S151 Officer,
- Supported by a business case,
- Normally held for a maximum of 3 years, except where the business case justifies a longer retention,
- Subject to a minimum value, set initially at £60,000, unless the business case supports a lower level,
- Be reviewed at least annually.

41. Services may also carry forward balances in accordance with Financial Procedure Rules.

42. Earmarked reserves have the effect of transferring the tax burden across financial years as current taxpayers' funds are being used to support future years' spending. It is therefore recommended that Cheshire East Council's earmarked reserves are subject to annual review, at least as part of the budget-setting process to ensure that they are still appropriate, relevant and adequate for the intended purpose.

Opening Balances

43. At 1st April 2013 it is anticipated that the balances on existing earmarked reserves held by Cheshire East Council will be **£5.1m**. **Table 5** (overleaf) shows the position on each earmarked reserve.

44. The estimated position on the Insurance Reserve excludes the impact of an historic claim for additional contributions due to be received shortly from the administrators of Municipal Mutual Insurance. An element of risk for this has been reflected in the General Reserves risk assessment.

45. Over 90% of Earmarked Reserves balances in 2013/2014 relate to ongoing or longer term reserves, e.g. Insurance, Extra Care Housing.

Table 5: Earmarked Reserves that are statutory or essential have been retained for 2013/2014

Directorate / +Description	Opening Balance 1 April 2012 £000	Estimated movement to 31 March 2013 £000	Estimated Available Balances for 2013/14 £000	Reason / Use
CHILDREN & FAMILIES				
Long Term Sickness	150	-150	0	LTS Insurance Scheme, surplus premiums paid by schools ~ operated as a trading account
Education All Risks	50	-50	0	Carried forward surplus of insurance premiums paid by schools ~ operated as a trading account
ADULTS				
Extra Care Housing (PFI)	892	100	992	Surplus grant set aside to meet future payments on existing PFI contract which commenced in January 2009.
PLACES & ORGANISATIONAL CAPACITY				
Landfill Allowance Trading Scheme	0	0	0	Carried forward unused allowances to offset future years landfill usage
Streetscape	5	-5	0	Fixed Penalty notice income set aside to meet public realm improvements
Crewe Crematorium	191	-191	0	Mercury abatement income set aside to fund potential replacement cremators as per the capital programme.
Building Control	180	-50	130	Ring-fenced surplus (could be used to offset service deficit, if applicable)
Tatton Park	268	-42	226	Ring-fenced surplus on Tatton Park trading account
Economic Development Projects	263	-114	149	Support for town centres and economic development initiatives
Climate Change	67	-10	57	Renewable Energy project

Directorate / +Description	Opening Balance 1 April 2012 £000	Estimated movement to 31 March 2013 £000	Estimated Available Balances for 2013/14 £000	Reason / Use
Enabling Local Delivery	476	-309	167	Available to promote local delivery
Partnerships & Grants Support	92	0	92	Funding issued to groups who meet the Cheshire East Council's criteria. It is planned to use the reserve in 2013/2014.
CORPORATE SERVICES				
Invest-to-Save Projects	656	-656	0	Central reserve to support invest-to-save projects
Insurance Reserve	3,139	190	3,329	To settle insurance claims and manage excess costs.
CROSS SERVICE				
Service Manager carry forwards	813	-813	0	Specific funding for expenditure slipped against previous year's budget e.g Pay Harmonisation.
Totals	7,242	-2,100	5,142	

Source: Cheshire East Finance

4. Capital Reserves

46. Cheshire East Council retains a capital receipts reserve to finance future capital expenditure. This reserve is largely financed by capital receipts set aside on the disposal of land, buildings and other assets but can be supplemented from revenue reserves if required.
47. As reported in **Chapter 2** of the report (paragraphs 69 - 74) the application of £15m of capital receipts to repay capital expenditure that has taken place in previous years will reduce the balance of the reserve at 31st March 2013. Receipts generated in 2012/2013 will be fully applied to fund in year capital expenditure. In 2013/2014, Cheshire East Council is forecast to generate capital receipts of £10m which again will be fully applied to finance the capital programme. The reserve currently holds a balance of £0.8m relating to revenue funds set aside to finance future capital expenditure.
48. At 1st April 2013 it is anticipated that the balances on the existing reserve earmarked for capital purposes held by Cheshire East Council will be **£0.6m**. **Table 6** provides further detail on revenue funds set aside to fund capital expenditure.

Table 6 - Revenue funds set aside to fund capital expenditure	Opening Balance 01-Apr-12 £000	Estimated movement 2012/2013 £000	Closing Balance 31-Mar-13 £000
Alsager Closed Landfill Site	80	0	80
Tatton Park:			
Farm Entrance	10	10	0
Office Accommodation	10	10	0
Stableyard Development	96	96	0
Farm Development	33	33	0
Assets Feasibility Study	28	28	0
Crewe LDF	3	3	0
Dalton House Air Conditioning Project	122	0	122
Harnessing Technology	400	0	400
Total	782	180	602

5. Conclusion

- 49. Overall Cheshire East Council is establishing reserves that match the minimum risk levels. This approach can be supported during the medium term and still allows for investment that will create sustainable levels of service.
- 50. This recognises local issues and allows the Deputy S151 Officer to comment favourably on the adequacy of reserves.
- 51. The maintenance of protocols around the use of balances improves control and increases openness in financial reporting and management. This approach assists with financial planning and increases understanding of Cheshire East Council's financial position. Reserves' positions will continue to be reviewed throughout the financial year.

Background Papers

CIPFA, Local Authority Accounting Panel: Bulletin 55, Local Authority Reserves & Balances (2003)

General Fund Reserves ~ Risk Assessment Working Papers 2012

Cheshire East Council - Final Accounts 2011/2012

Cheshire East Council Budget Report 2012/2013

Quarter Three Review of Performance 2012/2013

Annex A to Reserve Strategy

Protocol & Controls

The Existing Legislative/Regulatory Framework

Sections 32 and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

There are three significant safeguards in place that militate against local authorities over-committing themselves financially:

1. The balanced budget requirement.
2. Chief Finance Officers' S114 powers.
3. The External Auditor's responsibility to review and report on financial standing.

The balanced budget requirement is reinforced by section 114 of the Local Government Finance Act 1988 which requires the Chief Finance Officer to report to all the Authority's councillors if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the Authority will not have the resources to meet its expenditure in a particular financial year. The issue of a section 114 notice cannot be taken lightly and has serious operational implications. The Authority's full Council must meet within 21 days to consider the S114 notice and during that period the Authority is prohibited from entering into new agreements involving the incurring of expenditure.

While it is primarily the responsibility of the local authority and its Chief Finance Officer to maintain a sound financial position, External Auditors have a responsibility to review the arrangements in place to ensure that financial standing is soundly based. In the course of their duties External Auditors review and report on the level of reserves taking into account their local knowledge of the Authority's financial performance over a period of time. However, it is not the responsibility

of auditors to prescribe the optimum or minimum level of reserves for individual authorities or authorities in general.

The Role of the Chief Finance Officer

It is the responsibility of the Chief Finance Officer to advise local authorities about the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use. There is no statutory minimum.

Local authorities, on the advice of their Chief Finance Officers, are required to make their own judgements on the level of reserves taking into account all the relevant local circumstances. Such circumstances vary. A well-managed authority, for example, with a prudent approach to budgeting should be able to operate with a relatively low level of general reserves. There is a broad range within which authorities might reasonably operate depending on their particular circumstances.

Good Governance

It is important that Members take responsibility for ensuring the adequacy of reserves and provisions when they set the budget. CIPFA recommend that the respective roles of officers and Councillors in relation to reserves should be codified locally and given due recognition in the Constitutions. This codification should:

- state which council bodies are empowered to establish reserves
- set out the responsibilities of the Chief Finance Officer and Councillor – or group of Councillors – responsible for finance
- specify the reporting arrangements

A New Reporting Framework

The Chief Finance Officer has a fiduciary duty to local taxpayers, and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds.

The level and utilisation of reserves will be determined formally by the Council, informed by the advice and judgement of the Chief Finance Officer. To enable the Council to reach its decision, the Chief Finance Officer should report the factors that influenced his or her judgement and ensure that the advice given is recorded formally. Where the advice is not accepted this should be recorded formally in the minutes of the Council meeting.

CIPFA recommended that:

The Business Planning report to the Council should include a statement showing the estimated opening general reserve fund balance for the year ahead, the additional contribution to / withdrawal from balances, and the estimated end of year balance. Reference should be made as to the extent to which such reserves are to be used to finance recurrent expenditure this should be accompanied by a statement from the Chief Finance Officer on the adequacy of the general reserves and provisions in respect of the forthcoming financial year and the Authority's medium term financial strategy.

A statement reporting on the annual review of earmarked reserves should also be made at the same time to the Council. The review itself should be undertaken as part of the budget preparation process. The statement should list the various earmarked reserves, the purposes for which they are held and provide advice on the appropriate levels. It should also show the estimated opening balances for the year, planned additions / withdrawals and the estimated closing balances.

Annex 8 – Abbreviations

1.This annex provides details of the abbreviations used in the Report in alphabetical order.

Term	Meaning
BRRS	Business Rates Retention Scheme – a new system of funding being introduced from 1 st April 2013.
CSR	Comprehensive Spending Review 2010 – a major announcement in October 2010 in relation to Local Government funding levels for 2011/2012 to 2014/2015.
DCLG / CLG	Department for Communities and Local Government – the Government department responsible for supporting local government and communities.
DSG	Dedicated Schools Grant – grant received from Government to fund schools.
HR	Human Resources – one of the Council's corporate service areas.
ICT	Information and Communication Technologies – service responsible for technology at Cheshire East Council.
LACSEG	The Local Authority Central Spend Equivalent Grant
LSOA	Lower Super Output Areas - geographical areas, based on population size, each containing a minimum population of 1,000 people and on average (mean) around 1,500 people. There are 231 LSOAs in Cheshire East and 32,482 LSOAs in England.
NNDR	National Non Domestic Rates – the contribution to local authority costs by businesses. The rate is set by central Government.
PCC	Police and Crime Commissioner – the new arrangement for Commissioning Police Services.
PWLB	Public Works Loan Board – a Government agency providing loans to public bodies for capital works.
RSG	Revenue Support Grant – a new grant that forms part of the Business Rate Retention Scheme. The grant is given to local authorities by central Government.
SLE	Separate Legal Entity – a delivery model for delivering services in a different way.

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CHESHIRE EAST COUNCIL

COUNCIL

Date of Meeting:	28 th February 2012
Report of:	Finance Manager and Deputy Section 151 Officer
Subject/Title:	Council Tax 2013/2014 – Statutory Resolution

1.0 Report Summary

- 1.1 The Council, as a billing authority, is responsible for the billing and collection of Council Tax due from local taxpayers and must set the overall Council Tax level. This means that the authority also collects Council Tax income to cover not only its own services but also precepts set by other authorities.

The Council Tax levied is therefore made up of four elements:

- Cheshire East Borough Council element
- Parish Councils & Charter Trustees precepts
- Police & Crime Commissioner for Cheshire precept
- Cheshire Fire Authority precept

2.0 Decision Requested

- 2.1 To set the Council Tax for Cheshire East Council for the financial year 2013/2014, at £1,216.34, in accordance with the formal resolutions as shown in section 18 of the report.
- 2.2 To set the precept levy for Crewe Parish Council of £362,255.

3.0 Reasons for Recommendations

- 3.1 In accordance with the Local Government Finance Act 1992 as amended by the Localism Act 2011 the Council is required to set the amounts of the Council Tax for 2013/2014 for each of the categories of dwelling in the Council Tax area. This requirement is achieved by approving the statutory resolution shown in this report.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications including – Carbon Reduction - Health

- 6.1 None.

7.0 Financial Implications (Authorised by the Finance Manager and Deputy Section 151 Officer)

7.1 As covered in the report.

8.0 Legal Implications (Authorised by the Borough Solicitor)

8.1 As covered in the report.

9.0 Risk Management

9.1 The steps outlined in this report will address the main legal and financial risk to the Council's financial management in the setting of a legal Council Tax for 2013/2014.

10.0 Background

10.1 The Council Tax levied is made up of four elements as follows:

- the Council Tax Base for 2013/2014 - **Appendix A**.
- the statutory calculation required to arrive at the amount of Council Tax for each area in respect of Borough Council, Parish Council and Charter Trustees requirements - **Appendices B and C**.
- the precepts issued by Police & Crime Commissioner for Cheshire and Cheshire Fire Authority under Section 40 of the Act – sections 15 and 16 of the report.
- the statutory calculation of the aggregate of the Borough Council, Parish Council, Charter Trustees, Police & Crime Commissioner and Cheshire Fire Authority amount of Council Tax for each of the categories of the dwelling for each Council Tax area – **Appendix D**.

11.0 Council Tax Base

11.1 The Council Tax base, agreed at the Cheshire East Council meeting of 13th December 2012, is 137,122.19 for the year 2013/2014. A breakdown of the calculation by Parish and Charter Trustees area is shown in **Appendix A**.

12.0 General Fund Budget

12.1 On 4th February 2012 Cabinet recommended a General Fund Budget of £259,801,802. The budget is detailed in a separate report on the Council Agenda.

13.0 Cheshire East Borough Council Tax

13.1 The Council Tax Requirement for the Borough Council is £166,787,205.

- 13.2 The Band D Council Tax is therefore £1,216.34 (the requirement of £166,787,205 divided by the tax base of 137,122.19).

14.0 Parish Council and Charter Trustee Precepts

- 14.1 Each Parish Council and the Charter Trustees of Macclesfield have notified the Council with its precept requirement for the year. The total amount of these special items is £4,524,178 which produces an average Band D Council Tax of £32.99.
- 14.2 Cheshire East Council, as the principle authority, is proposing a precept of £362,255 on behalf of Crewe Parish Council. This is because the parish council does not formally come into being until April 2013 and therefore cannot set its own precept at this stage. This reflects the information contained within the Reorganisation Order.

15.0 Police & Crime Commissioner Precept for Cheshire

- 15.1 The precept demand issued by Police & Crime Commissioner is £21,008,491 which produces a Band D Council Tax of £153.21. This represents an increase of £2.99 (1.99%). The Police & Crime Commissioner has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwelling shown below:-

Valuation Bands							
A	B	C	D	E	F	G	H
102.14	119.16	136.19	153.21	187.26	221.30	255.35	306.42

16.0 Fire Authority Precept

- 16.1 The precept demand issued by Cheshire Fire Authority is £9,290,028 which produces a Band D Council Tax of £67.75. This represents an increase of £1.32 (1.99%). Cheshire Fire Authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwelling shown below:-

Valuation Bands							
A	B	C	D	E	F	G	H
45.17	52.69	60.22	67.75	82.81	97.86	112.92	135.50

17.0 Total Council Tax

The average Council Tax to be charged to taxpayers in Band D can be summarised as follows:

Element	Charge
	£
Cheshire East Borough Council	1,216.34
Average for Parish Councils and Charter Trustees	32.99
Average Local Council Tax	1,249.33
Police & Crime Commissioner	153.21
Cheshire Fire Authority	67.75
Total Council Tax	1,470.29

18.0 Formal Resolution

18.1 That it be noted that on 13th December 2012 the Council calculated the Council Tax base 2013/2014

(a) for the whole Council area as 137,122.19.

(b) for dwellings in those parts of its area to which a Parish precept relates as in the attached Appendices.

18.2 Calculated that the Council Tax requirement for the Council's own purposes for 2013/2014 (excluding Parish precepts) is £166,787,205.

18.3 That the following amounts be calculated for the year 2013/2014 in accordance with Sections 31 to 36 of the Act:

- a. £727,587,024 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
- b. £556,275,641 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- c. £171,311,383 being the amount by which the aggregate at 18.3(a) above exceeds the aggregate at 18.3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year.
- d. £1,249.33 being the amount at 18.3(c) above divided by the amount at 18.1(a) above, calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).

- e. £4,524,178 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act
- f. £1,216.34 being the amount at 18.3(d) above less the result given by dividing the amount at 18.3(e) above by the amount at 18.1(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
- g. Appendix A being the amounts calculated by the Council, in accordance with regulations 3 and 6 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its total council tax base for the year and council tax base for dwellings in those parts of its area to which one or more special items relate.
- h. Appendix B being the amounts given by adding to the amount at (f) above, the amounts of special items relating to dwellings in those parts of the Council's area mentioned above divided by in each case the appropriate tax base from Appendix A, calculated by the Council in accordance with Section 34(3) of the 1992 Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of the area to which one or more special items relate. (Band D charges for each Parish and Charter Trustees area).
- i. Appendix C being the amounts given by multiplying the amount at (h) above by the number which, in the proportion set out in Section 5(1) of the 1992 Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the 1992 Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands (Local charges for all Bands).
- j. Appendix D being the aggregate of the local charges in (i) above and the amounts levied by major precepting authorities, calculated in accordance with Section 30(2) of the 1992 Act (The total Council Tax charge for each band in each Parish and Charter Trustees area).

18.4 To note that the Police & Crime Commissioner and the Fire Authority have issued precepts to Cheshire East Council in accordance with section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as shown in sections 15 and 16 above.

- 18.5 Determine whether Cheshire East Council's basic amount of Council tax for 2013/2014 is excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.

19.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

Name:	Chris Mann
Designation:	Finance Manager and Deputy Section 151 Officer
Tel No:	01270 686229
Email:	christine.mann@cheshireeast.gov.uk

COUNCIL TAX - TAX BASE 2013/2014 - by parish and charter trustees area

	Tax Base
Acton, Edleston, Henhull	181.72
Adlington	594.57
Agden	66.32
Alderley Edge	2,582.29
Alpraham	181.76
Alsager	4,187.27
Arclid	116.75
Ashley	150.76
Aston-by-Budworth	180.93
Audlem	906.31
Barthomley	92.78
Betchton	249.39
Bickerton, Egerton	154.29
Bollington	2,949.15
Bosley	195.08
Bradwall	84.71
Brereton	559.17
Brindley, Faddiley	140.14
Buerton	209.25
Bulkeley, Ridley	198.89
Bunbury	603.65
Burland	272.61
Calveley	129.98
Chelford	604.99
Cholmondeley, Chorley	122.35
Cholmondeston, Wettenhall	190.99
Chorley	255.75
Church Lawton	856.15
Church Minshull	197.88
Congleton	9,292.11
Cranage	616.97
Crewe	12,506.95
Crewe Green	97.42
Disley	1,868.35
Dodcott-cum-Wilkesley	182.60
Doddington, Blakenhall, Bridgemere, Checkley-cum-Wrinehill, Hunsterson, Lea	297.64
Eaton	190.21
Gawsworth	798.42
Goostrey	1,049.45
Great Warford	440.51
Handforth	2,151.91
Hankelow	128.64
Haslington	2,295.83
Hassall	108.06
Hatherton, Walgherton	236.45
Haughton	97.61
Henbury	339.32
High Legh	881.83
Higher Hurdsfield	323.01
Holmes Chapel	2,365.64
Hough, Chorlton	840.77
Hulme Walfield & Somerford Booths	158.79
Kettleshulme	163.60
Knutsford	5,593.38
Little Bollington	83.67
Little Warford	35.97
Lower Peover	72.46
Lower Withington	301.24

	Tax Base
Lyme Handley	70.47
Macclesfield (The Charter Trustees of Macclesfield)	17,448.95
Macclesfield Forest / Wildboardclough	110.76
Marbury-cum-Quoisley, Norbury, Wirswall	251.14
Marton	109.88
Mere	429.52
Middlewich	4,345.13
Millington	105.84
Minshull Vernon, Leighton, Woolstanwood	1,832.78
Mobberley	1,427.46
Moston	176.16
Mottram St Andrew	386.02
Nantwich	4,963.04
Nether Alderley	383.33
Newbold Astbury-cum-Moreton	342.15
Newhall	350.38
North Rode	125.43
Odd Rode	1,873.22
Ollerton with Marthall	305.61
Over Alderley	212.45
Peckforton	68.65
Peover Superior	399.43
Pickmere	362.77
Plumley with Toft and Bexton	384.87
Pott Shrigley	144.41
Poynton with Worth	5,727.17
Prestbury	2,136.34
Rainow	587.28
Rope	808.71
Rostherne	80.13
Sandbach	6,367.43
Shavington-cum-Gresty	1,587.64
Siddington	181.39
Smallwood	291.38
Snelson	80.83
Somerford	183.74
Sound, Austerson, Baddiley, Baddington, Broomhall, Coole Pilate	427.91
Spurstow	185.13
Stapeley, Batherton	1,359.17
Stoke, Hurleston	142.99
Styal	361.98
Sutton	1,112.61
Swettenham	165.88
Tabley	207.33
Tatton	10.81
Twemlow	97.43
Wardle	52.45
Warmingham	109.74
Weston, Basford	980.82
Willaston	1,259.33
Wilmslow	10,956.14
Windle	94.24
Wistaston	2,941.93
Worleston, Poole, Aston Juxta Mondrum	266.61
Wrenbury-cum-Frith	427.07
Wybunbury	586.04
TOTAL TAX BASE	137,122.19

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COUNCIL TAX -BAND D PER PARISH AND CHARTER TRUSTEES AREA 2013/2014

	£
Acton, Edleston, Henhull	1,242.75
Adlington	1,230.64
Agden	1,227.20
Alderley Edge	1,262.81
Alpraham	1,237.25
Alsager	1,280.82
Arclid	1,230.90
Ashley	1,236.24
Aston-by-Budworth	1,221.87
Audlem	1,257.75
Barthomley	1,237.90
Betchton	1,232.38
Bickerton, Egerton	1,229.30
Bollington	1,271.34
Bosley	1,232.95
Bradwall	1,232.87
Brereton	1,253.90
Brindley, Faddiley	1,230.61
Buerton	1,231.39
Bulkeley, Ridley	1,233.94
Bunbury	1,242.02
Burland	1,225.51
Calveley	1,244.04
Chelford	1,232.54
Cholmondeley, Chorley	1,224.51
Cholmondeston, Wettenhall	1,225.76
Chorley	1,233.39
Church Lawton	1,225.10
Church Minshull	1,228.03
Congleton	1,282.90
Cranage	1,232.55
Crewe (The Charter Trustees of Crewe)	1,245.30
Crewe Green	1,247.13
Disley	1,273.25
Dodcott-cum-Wilkesley	1,243.72
Doddington, Blakenhall, Bridgemere, Checkley-cum-Wrinehill, Hunsterson, Lea	1,226.42
Eaton	1,239.47
Gawsworth	1,245.77
Goostrey	1,257.02
Great Warford	1,224.63
Handforth	1,255.84
Hankelow	1,242.77
Haslington	1,235.94
Hassall	1,234.85
Hatherton, Walgherton	1,225.05
Haughton	1,225.30
Henbury	1,235.50
High Legh	1,230.52
Higher Hurdsfield	1,231.82
Holmes Chapel	1,260.55
Hough, Chorlton	1,238.94
Hulme Walfield & Somerford Booths	1,216.34
Kettleshulme	1,262.18
Knutsford	1,243.69
Little Bollington	1,228.29
Little Warford	1,230.24
Lower Peover	1,235.79
Lower Withington	1,226.30

	£
Lyme Handley	1,216.34
Macclesfield (The Charter Trustees of Macclesfield)	1,217.89
Macclesfield Forest / Wildboardclough	1,216.34
Marbury-cum-Quoisley, Norbury, Wirswall	1,236.25
Marton	1,243.64
Mere	1,230.31
Middlewich	1,282.68
Millington	1,227.68
Minshull Vernon, Leighton, Woolstanwood	1,223.43
Mobberley	1,216.34
Moston	1,250.40
Mottram St Andrew	1,230.59
Nantwich	1,311.58
Nether Alderley	1,250.51
Newbold Astbury-cum-Moreton	1,239.66
Newhall	1,223.48
North Rode	1,234.28
Odd Rode	1,256.81
Ollerton with Marthall	1,237.61
Over Alderley	1,225.75
Peckforton	1,227.26
Peover Superior	1,241.38
Pickmere	1,252.18
Plumley with Toft and Bexton	1,235.31
Pott Shrigley	1,241.27
Poynton with Worth	1,269.40
Prestbury	1,239.99
Rainow	1,233.37
Rope	1,230.84
Rostherne	1,241.30
Sandbach	1,273.16
Shavington-cum-Gresty	1,247.39
Siddington	1,230.12
Smallwood	1,224.92
Snelson	1,234.90
Somerford	1,254.44
Sound, Austerson, Baddiley, Baddington, Broomhall, Coole Pilate	1,223.35
Spurstow	1,226.74
Stapeley, Batherton	1,235.32
Stoke, Hurleston	1,230.91
Styal	1,238.99
Sutton	1,235.35
Swettenham	1,238.90
Tabley	1,227.19
Tatton	1,216.34
Twemlow	1,244.57
Wardle	1,235.41
Warmingham	1,241.85
Weston, Basford	1,230.57
Willaston	1,230.63
Wilmslow	1,237.81
Windle	1,216.34
Wistaston	1,233.51
Worleston, Poole, Aston Juxta Mondrum	1,225.72
Wrenbury-cum-Frith	1,226.25
Wybunbury	1,235.70

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LOCAL COUNCIL TAX (BOROUGH + PARISH AND CHARTER TRUSTEES)

	VALUATION BAND							
	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£	£	£	£	£	£	£	£
Acton, Edleston, Henhull	828.50	966.58	1,104.67	1,242.75	1,518.92	1,795.09	2,071.25	2,485.50
Adlington	820.42	957.16	1,093.90	1,230.64	1,504.12	1,777.60	2,051.06	2,461.28
Agden	818.13	954.49	1,090.84	1,227.20	1,499.91	1,772.63	2,045.33	2,454.40
Alderley Edge	841.87	982.18	1,122.50	1,262.81	1,543.44	1,824.06	2,104.68	2,525.62
Alraham	824.83	962.30	1,099.78	1,237.25	1,512.20	1,787.14	2,062.08	2,474.50
Alsager	853.88	996.19	1,138.51	1,280.82	1,565.45	1,850.08	2,134.70	2,561.64
Arclid	820.60	957.36	1,094.13	1,230.90	1,504.44	1,777.97	2,051.50	2,461.80
Ashley	824.16	961.52	1,098.88	1,236.24	1,510.96	1,785.68	2,060.40	2,472.48
Aston-by-Budworth	814.58	950.34	1,086.11	1,221.87	1,493.40	1,764.93	2,036.45	2,443.74
Audlem	838.50	978.25	1,118.00	1,257.75	1,537.25	1,816.75	2,096.25	2,515.50
Barthomley	825.26	962.81	1,100.35	1,237.90	1,512.99	1,788.08	2,063.16	2,475.80
Betchton	821.58	958.52	1,095.45	1,232.38	1,506.24	1,780.11	2,053.96	2,464.76
Bickerton, Egerton	819.53	956.12	1,092.71	1,229.30	1,502.48	1,775.66	2,048.83	2,458.60
Bollington	847.56	988.82	1,130.08	1,271.34	1,553.86	1,836.38	2,118.90	2,542.68
Bosley	821.96	958.96	1,095.95	1,232.95	1,506.94	1,780.93	2,054.91	2,465.90
Bradwall	821.91	958.90	1,095.88	1,232.87	1,506.84	1,780.82	2,054.78	2,465.74
Brereton	835.93	975.25	1,114.58	1,253.90	1,532.55	1,811.19	2,089.83	2,507.80
Brindley, Faddiley	820.40	957.14	1,093.87	1,230.61	1,504.08	1,777.55	2,051.01	2,461.22
Buerton	820.92	957.75	1,094.57	1,231.39	1,505.03	1,778.68	2,052.31	2,462.78
Bulkeley, Ridley	822.62	959.73	1,096.83	1,233.94	1,508.15	1,782.36	2,056.56	2,467.88
Bunbury	828.01	966.01	1,104.02	1,242.02	1,518.03	1,794.03	2,070.03	2,484.04
Burland	817.00	953.17	1,089.34	1,225.51	1,497.85	1,770.19	2,042.51	2,451.02
Calveley	829.36	967.58	1,105.81	1,244.04	1,520.50	1,796.95	2,073.40	2,488.08
Chelford	821.69	958.64	1,095.59	1,232.54	1,506.44	1,780.34	2,054.23	2,465.08
Cholmondeley, Chorley	816.34	952.39	1,088.45	1,224.51	1,496.63	1,768.74	2,040.85	2,449.02
Cholmondeston, Wettenhall	817.17	953.37	1,089.56	1,225.76	1,498.15	1,770.55	2,042.93	2,451.52
Chorley	822.26	959.30	1,096.35	1,233.39	1,507.48	1,781.57	2,055.65	2,466.78
Church Lawton	816.73	952.85	1,088.98	1,225.10	1,497.35	1,769.59	2,041.83	2,450.20
Church Minshull	818.68	955.13	1,091.58	1,228.03	1,500.93	1,773.83	2,046.71	2,456.06
Congleton	855.26	997.81	1,140.35	1,282.90	1,567.99	1,853.08	2,138.16	2,565.80
Cranage	821.70	958.65	1,095.60	1,232.55	1,506.45	1,780.35	2,054.25	2,465.10
Crewe	830.20	968.56	1,106.93	1,245.30	1,522.04	1,798.77	2,075.50	2,490.60
Crewe Green	831.42	969.99	1,108.56	1,247.13	1,524.27	1,801.41	2,078.55	2,494.26
Disley	848.83	990.30	1,131.78	1,273.25	1,556.20	1,839.14	2,122.08	2,546.50
Dodcott-cum-Wilkesley	829.14	967.34	1,105.53	1,243.72	1,520.10	1,796.49	2,072.86	2,487.44
Doddington, Blakenhall, Bridgemere, Checkley-cum-Wrinehill, Hunsterson, Lea	817.61	953.88	1,090.15	1,226.42	1,498.96	1,771.50	2,044.03	2,452.84
Eaton	826.31	964.03	1,101.75	1,239.47	1,514.91	1,790.35	2,065.78	2,478.94
Gawsworth	830.51	968.93	1,107.35	1,245.77	1,522.61	1,799.45	2,076.28	2,491.54
Goostrey	838.01	977.68	1,117.35	1,257.02	1,536.36	1,815.70	2,095.03	2,514.04
Great Warford	816.42	952.49	1,088.56	1,224.63	1,496.77	1,768.91	2,041.05	2,449.26
Handforth	837.22	976.76	1,116.30	1,255.84	1,534.92	1,814.00	2,093.06	2,511.68
Hankelow	828.51	966.60	1,104.68	1,242.77	1,518.94	1,795.12	2,071.28	2,485.54
Haslington	823.96	961.28	1,098.61	1,235.94	1,510.60	1,785.25	2,059.90	2,471.88
Hassall	823.23	960.44	1,097.64	1,234.85	1,509.26	1,783.68	2,058.08	2,469.70
Hatherton, Walgherton	816.70	952.81	1,088.93	1,225.05	1,497.29	1,769.52	2,041.75	2,450.10
Haughton	816.86	953.01	1,089.15	1,225.30	1,497.59	1,769.88	2,042.16	2,450.60
Henbury	823.66	960.94	1,098.22	1,235.50	1,510.06	1,784.62	2,059.16	2,471.00
High Legh	820.34	957.07	1,093.79	1,230.52	1,503.97	1,777.42	2,050.86	2,461.04
Higher Hurdsfield	821.21	958.08	1,094.95	1,231.82	1,505.56	1,779.30	2,053.03	2,463.64
Holmes Chapel	840.36	980.43	1,120.49	1,260.55	1,540.67	1,820.80	2,100.91	2,521.10
Hough, Chorlton	825.96	963.62	1,101.28	1,238.94	1,514.26	1,789.58	2,064.90	2,477.88
Hulme Walfield & Somerford Booths	810.89	946.04	1,081.19	1,216.34	1,486.64	1,756.94	2,027.23	2,432.68
Kettleshulme	841.45	981.69	1,121.94	1,262.18	1,542.67	1,823.15	2,103.63	2,524.36
Knutsford	829.12	967.31	1,105.50	1,243.69	1,520.07	1,796.45	2,072.81	2,487.38
Little Bollington	818.86	955.33	1,091.81	1,228.29	1,501.25	1,774.20	2,047.15	2,456.58
Little Warford	820.16	956.85	1,093.55	1,230.24	1,503.63	1,777.02	2,050.40	2,460.48
Lower Peover	823.86	961.17	1,098.48	1,235.79	1,510.41	1,785.03	2,059.65	2,471.58
Lower Withington	817.53	953.79	1,090.04	1,226.30	1,498.81	1,771.33	2,043.83	2,452.60
Lyme Handley	810.89	946.04	1,081.19	1,216.34	1,486.64	1,756.94	2,027.23	2,432.68
Macclesfield	811.92	947.25	1,082.57	1,217.89	1,488.53	1,759.18	2,029.81	2,435.78
Macclesfield Forest / Wildboarclough	810.89	946.04	1,081.19	1,216.34	1,486.64	1,756.94	2,027.23	2,432.68
Marbury-cum-Quoisley, Norbury								
Wirswall	824.16	961.53	1,098.89	1,236.25	1,510.97	1,785.70	2,060.41	2,472.50
Marton	829.09	967.27	1,105.46	1,243.64	1,520.01	1,796.37	2,072.73	2,487.28
Mere	820.20	956.91	1,093.61	1,230.31	1,503.71	1,777.12	2,050.51	2,460.62

LOCAL COUNCIL TAX (BOROUGH + PARISH AND CHARTER TRUSTEES)

	VALUATION BAND							
	BAND A £	BAND B £	BAND C £	BAND D £	BAND E £	BAND F £	BAND G £	BAND H £
Middlewich	855.12	997.64	1,140.16	1,282.68	1,567.72	1,852.76	2,137.80	2,565.36
Millington	818.45	954.86	1,091.27	1,227.68	1,500.50	1,773.32	2,046.13	2,455.36
Minshull Vernon, Leighton, Woolstanwood	815.62	951.55	1,087.49	1,223.43	1,495.31	1,767.18	2,039.05	2,446.86
Mobberley	810.89	946.04	1,081.19	1,216.34	1,486.64	1,756.94	2,027.23	2,432.68
Moston	833.60	972.53	1,111.47	1,250.40	1,528.27	1,806.14	2,084.00	2,500.80
Mottram St Andrew	820.39	957.12	1,093.86	1,230.59	1,504.06	1,777.52	2,050.98	2,461.18
Nantwich	874.38	1,020.12	1,165.85	1,311.58	1,603.04	1,894.51	2,185.96	2,623.16
Nether Alderley	833.67	972.62	1,111.56	1,250.51	1,528.40	1,806.30	2,084.18	2,501.02
Newbold Astbury-cum-Moreton	826.44	964.18	1,101.92	1,239.66	1,515.14	1,790.62	2,066.10	2,479.32
Newhall	815.65	951.59	1,087.54	1,223.48	1,495.37	1,767.25	2,039.13	2,446.96
North Rode	822.85	959.99	1,097.14	1,234.28	1,508.57	1,782.85	2,057.13	2,468.56
Odd Rode	837.87	977.52	1,117.16	1,256.81	1,536.10	1,815.40	2,094.68	2,513.62
Ollerton with Marthall	825.07	962.58	1,100.10	1,237.61	1,512.64	1,787.66	2,062.68	2,475.22
Over Alderley	817.16	953.36	1,089.55	1,225.75	1,498.14	1,770.53	2,042.91	2,451.50
Peckforton	818.17	954.53	1,090.90	1,227.26	1,499.99	1,772.71	2,045.43	2,454.52
Peover Superior	827.58	965.52	1,103.45	1,241.38	1,517.24	1,793.11	2,068.96	2,482.76
Pickmere	834.78	973.92	1,113.05	1,252.18	1,530.44	1,808.71	2,086.96	2,504.36
Plumley with Toft and Bexton	823.54	960.79	1,098.05	1,235.31	1,509.83	1,784.34	2,058.85	2,470.62
Pott Shrigley	827.51	965.43	1,103.35	1,241.27	1,517.11	1,792.95	2,068.78	2,482.54
Poynton with Worth	846.26	987.31	1,128.35	1,269.40	1,551.49	1,833.58	2,115.66	2,538.80
Prestbury	826.66	964.43	1,102.21	1,239.99	1,515.55	1,791.10	2,066.65	2,479.98
Rainow	822.24	959.29	1,096.33	1,233.37	1,507.45	1,781.54	2,055.61	2,466.74
Rope	820.56	957.32	1,094.08	1,230.84	1,504.36	1,777.88	2,051.40	2,461.68
Rostherne	827.53	965.45	1,103.38	1,241.30	1,517.15	1,792.99	2,068.83	2,482.60
Sandbach	848.77	990.23	1,131.70	1,273.16	1,556.09	1,839.01	2,121.93	2,546.32
Shavington-cum-Gresty	831.59	970.19	1,108.79	1,247.39	1,524.59	1,801.79	2,078.98	2,494.78
Siddington	820.08	956.76	1,093.44	1,230.12	1,503.48	1,776.84	2,050.20	2,460.24
Smallwood	816.61	952.71	1,088.82	1,224.92	1,497.13	1,769.33	2,041.53	2,449.84
Snelson	823.26	960.48	1,097.69	1,234.90	1,509.32	1,783.75	2,058.16	2,469.80
Somerford	836.29	975.67	1,115.06	1,254.44	1,533.21	1,811.97	2,090.73	2,508.88
Sound, Austerson, Baddiley, Baddington, Broomhall, Coole Pilate	815.56	951.49	1,087.42	1,223.35	1,495.21	1,767.07	2,038.91	2,446.70
Spurstow	817.82	954.13	1,090.43	1,226.74	1,499.35	1,771.96	2,044.56	2,453.48
Stapeley, Batherton	823.54	960.80	1,098.06	1,235.32	1,509.84	1,784.36	2,058.86	2,470.64
Stoke, Hurleston	820.60	957.37	1,094.14	1,230.91	1,504.45	1,777.99	2,051.51	2,461.82
Styal	825.99	963.66	1,101.32	1,238.99	1,514.32	1,789.66	2,064.98	2,477.98
Sutton	823.56	960.83	1,098.09	1,235.35	1,509.87	1,784.40	2,058.91	2,470.70
Swettenham	825.93	963.59	1,101.24	1,238.90	1,514.21	1,789.53	2,064.83	2,477.80
Tabley	818.12	954.48	1,090.83	1,227.19	1,499.90	1,772.61	2,045.31	2,454.38
Tatton	810.89	946.04	1,081.19	1,216.34	1,486.64	1,756.94	2,027.23	2,432.68
Twemlow	829.71	968.00	1,106.28	1,244.57	1,521.14	1,797.72	2,074.28	2,489.14
Wardle	823.60	960.87	1,098.14	1,235.41	1,509.95	1,784.49	2,059.01	2,470.82
Warmingham	827.90	965.88	1,103.87	1,241.85	1,517.82	1,793.79	2,069.75	2,483.70
Weston, Basford	820.38	957.11	1,093.84	1,230.57	1,504.03	1,777.49	2,050.95	2,461.14
Willaston	820.42	957.15	1,093.89	1,230.63	1,504.11	1,777.58	2,051.05	2,461.26
Wilmslow	825.20	962.74	1,100.27	1,237.81	1,512.88	1,787.95	2,063.01	2,475.62
Wincle	810.89	946.04	1,081.19	1,216.34	1,486.64	1,756.94	2,027.23	2,432.68
Wistaston	822.34	959.39	1,096.45	1,233.51	1,507.63	1,781.74	2,055.85	2,467.02
Worleston, Poole, Aston Juxta Mondrum	817.14	953.34	1,089.53	1,225.72	1,498.10	1,770.49	2,042.86	2,451.44
Wrenbury-cum-Frith	817.50	953.75	1,090.00	1,226.25	1,498.75	1,771.25	2,043.75	2,452.50
Wybunbury	823.80	961.10	1,098.40	1,235.70	1,510.30	1,784.90	2,059.50	2,471.40

TOTAL COUNCIL TAX

	VALUATION BAND							
	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£	£	£	£	£	£	£	£
Acton, Edleston, Henhull	975.81	1,138.43	1,301.08	1,463.71	1,788.99	2,114.25	2,439.52	2,927.42
Adlington	967.73	1,129.01	1,290.31	1,451.60	1,774.19	2,096.76	2,419.33	2,903.20
Agden	965.44	1,126.34	1,287.25	1,448.16	1,769.98	2,091.79	2,413.60	2,896.32
Alderley Edge	989.18	1,154.03	1,318.91	1,483.77	1,813.51	2,143.22	2,472.95	2,967.54
Alraham	972.14	1,134.15	1,296.19	1,458.21	1,782.27	2,106.30	2,430.35	2,916.42
Alsager	1,001.19	1,168.04	1,334.92	1,501.78	1,835.52	2,169.24	2,502.97	3,003.56
Arclid	967.91	1,129.21	1,290.54	1,451.86	1,774.51	2,097.13	2,419.77	2,903.72
Ashley	971.47	1,133.37	1,295.29	1,457.20	1,781.03	2,104.84	2,428.67	2,914.40
Aston-by-Budworth	961.89	1,122.19	1,282.52	1,442.83	1,763.47	2,084.09	2,404.72	2,885.66
Audlem	985.81	1,150.10	1,314.41	1,478.71	1,807.32	2,135.91	2,464.52	2,957.42
Barthomley	972.57	1,134.66	1,296.76	1,458.86	1,783.06	2,107.24	2,431.43	2,917.72
Betchton	968.89	1,130.37	1,291.86	1,453.34	1,776.31	2,099.27	2,422.23	2,906.68
Bickerton, Egerton	966.84	1,127.97	1,289.12	1,450.26	1,772.55	2,094.82	2,417.10	2,900.52
Bollington	994.87	1,160.67	1,326.49	1,492.30	1,823.93	2,155.54	2,487.17	2,984.60
Bosley	969.27	1,130.81	1,292.36	1,453.91	1,777.01	2,100.09	2,423.18	2,907.82
Bradwall	969.22	1,130.75	1,292.29	1,453.83	1,776.91	2,099.98	2,423.05	2,907.66
Brereton	983.24	1,147.10	1,310.99	1,474.86	1,802.62	2,130.35	2,458.10	2,949.72
Brindley, Faddiley	967.71	1,128.99	1,290.28	1,451.57	1,774.15	2,096.71	2,419.28	2,903.14
Buerton	968.23	1,129.60	1,290.98	1,452.35	1,775.10	2,097.84	2,420.58	2,904.70
Bulkeley, Ridley	969.93	1,131.58	1,293.24	1,454.90	1,778.22	2,101.52	2,424.83	2,909.80
Bunbury	975.32	1,137.86	1,300.43	1,462.98	1,788.10	2,113.19	2,438.30	2,925.96
Burland	964.31	1,125.02	1,285.75	1,446.47	1,767.92	2,089.35	2,410.78	2,892.94
Calveley	976.67	1,139.43	1,302.22	1,465.00	1,790.57	2,116.11	2,441.67	2,930.00
Chelford	969.00	1,130.49	1,292.00	1,453.50	1,776.51	2,099.50	2,422.50	2,907.00
Cholmondeley, Chorley	963.65	1,124.24	1,284.86	1,445.47	1,766.70	2,087.90	2,409.12	2,890.94
Cholmondeston, Wettenhall	964.48	1,125.22	1,285.97	1,446.72	1,768.22	2,089.71	2,411.20	2,893.44
Chorley	969.57	1,131.15	1,292.76	1,454.35	1,777.55	2,100.73	2,423.92	2,908.70
Church Lawton	964.04	1,124.70	1,285.39	1,446.06	1,767.42	2,088.75	2,410.10	2,892.12
Church Minshull	965.99	1,126.98	1,287.99	1,448.99	1,771.00	2,092.99	2,414.98	2,897.98
Congleton	1,002.57	1,169.66	1,336.76	1,503.86	1,838.06	2,172.24	2,506.43	3,007.72
Cranage	969.01	1,130.50	1,292.01	1,453.51	1,776.52	2,099.51	2,422.52	2,907.02
Crewe	977.51	1,140.41	1,303.34	1,466.26	1,792.11	2,117.93	2,443.77	2,932.52
Crewe Green	978.73	1,141.84	1,304.97	1,468.09	1,794.34	2,120.57	2,446.82	2,936.18
Disley	996.14	1,162.15	1,328.19	1,494.21	1,826.27	2,158.30	2,490.35	2,988.42
Dodcott-cum-Wilkesley	976.45	1,139.19	1,301.94	1,464.68	1,790.17	2,115.65	2,441.13	2,929.36
Doddington, Blakenhall, Bridgemere, Checkley-cum-Wrinehill, Hunsterson, Lea	964.92	1,125.73	1,286.56	1,447.38	1,769.03	2,090.66	2,412.30	2,894.76
Eaton	973.62	1,135.88	1,298.16	1,460.43	1,784.98	2,109.51	2,434.05	2,920.86
Gawsworth	977.82	1,140.78	1,303.76	1,466.73	1,792.68	2,118.61	2,444.55	2,933.46
Goostrey	985.32	1,149.53	1,313.76	1,477.98	1,806.43	2,134.86	2,463.30	2,955.96
Great Warford	963.73	1,124.34	1,284.97	1,445.59	1,766.84	2,088.07	2,409.32	2,891.18
Handforth	984.53	1,148.61	1,312.71	1,476.80	1,804.99	2,133.16	2,461.33	2,953.60
Hankelow	975.82	1,138.45	1,301.09	1,463.73	1,789.01	2,114.28	2,439.55	2,927.46
Haslington	971.27	1,133.13	1,295.02	1,456.90	1,780.67	2,104.41	2,428.17	2,913.80
Hassall	970.54	1,132.29	1,294.05	1,455.81	1,779.33	2,102.84	2,426.35	2,911.62
Hatherton, Walgherton	964.01	1,124.66	1,285.34	1,446.01	1,767.36	2,088.68	2,410.02	2,892.02
Haughton	964.17	1,124.86	1,285.56	1,446.26	1,767.66	2,089.04	2,410.43	2,892.52
Henbury	970.97	1,132.79	1,294.63	1,456.46	1,780.13	2,103.78	2,427.43	2,912.92
High Legh	967.65	1,128.92	1,290.20	1,451.48	1,774.04	2,096.58	2,419.13	2,902.96
Higher Hurdsfield	968.52	1,129.93	1,291.36	1,452.78	1,775.63	2,098.46	2,421.30	2,905.56
Holmes Chapel	987.67	1,152.28	1,316.90	1,481.51	1,810.74	2,139.96	2,469.18	2,963.02
Hough, Chorlton	973.27	1,135.47	1,297.69	1,459.90	1,784.33	2,108.74	2,433.17	2,919.80
Hulme Walfield & Somerford Booths	958.20	1,117.89	1,277.60	1,437.30	1,756.71	2,076.10	2,395.50	2,874.60
Kettleshulme	988.76	1,153.54	1,318.35	1,483.14	1,812.74	2,142.31	2,471.90	2,966.28
Knutsford	976.43	1,139.16	1,301.91	1,464.65	1,790.14	2,115.61	2,441.08	2,929.30
Little Bollington	966.17	1,127.18	1,288.22	1,449.25	1,771.32	2,093.36	2,415.42	2,898.50
Little Warford	967.47	1,128.70	1,289.96	1,451.20	1,773.70	2,096.18	2,418.67	2,902.40
Lower Peover	971.17	1,133.02	1,294.89	1,456.75	1,780.48	2,104.19	2,427.92	2,913.50
Lower Withington	964.84	1,125.64	1,286.45	1,447.26	1,768.88	2,090.49	2,412.10	2,894.52
Lyme Handley	958.20	1,117.89	1,277.60	1,437.30	1,756.71	2,076.10	2,395.50	2,874.60
Macclesfield	959.23	1,119.10	1,278.98	1,438.85	1,758.60	2,078.34	2,398.08	2,877.70
Macclesfield Forest / Wildboardclough	958.20	1,117.89	1,277.60	1,437.30	1,756.71	2,076.10	2,395.50	2,874.60
Marbury-cum-Quoisley, Norbury								
Wirswall	971.47	1,133.38	1,295.30	1,457.21	1,781.04	2,104.86	2,428.68	2,914.42
Marton	976.40	1,139.12	1,301.87	1,464.60	1,790.08	2,115.53	2,441.00	2,929.20
Mere	967.51	1,128.76	1,290.02	1,451.27	1,773.78	2,096.28	2,418.78	2,902.54

TOTAL COUNCIL TAX

	VALUATION BAND							
	BAND A £	BAND B £	BAND C £	BAND D £	BAND E £	BAND F £	BAND G £	BAND H £
Middlewich	1,002.43	1,169.49	1,336.57	1,503.64	1,837.79	2,171.92	2,506.07	3,007.28
Millington	965.76	1,126.71	1,287.68	1,448.64	1,770.57	2,092.48	2,414.40	2,897.28
Minshull Vernon, Leighton, Woolstanwood	962.93	1,123.40	1,283.90	1,444.39	1,765.38	2,086.34	2,407.32	2,888.78
Mobberley	958.20	1,117.89	1,277.60	1,437.30	1,756.71	2,076.10	2,395.50	2,874.60
Moston	980.91	1,144.38	1,307.88	1,471.36	1,798.34	2,125.30	2,452.27	2,942.72
Mottram St Andrew	967.70	1,128.97	1,290.27	1,451.55	1,774.13	2,096.68	2,419.25	2,903.10
Nantwich	1,021.69	1,191.97	1,362.26	1,532.54	1,873.11	2,213.67	2,554.23	3,065.08
Nether Alderley	980.98	1,144.47	1,307.97	1,471.47	1,798.47	2,125.46	2,452.45	2,942.94
Newbold Astbury-cum-Moreton	973.75	1,136.03	1,298.33	1,460.62	1,785.21	2,109.78	2,434.37	2,921.24
Newhall	962.96	1,123.44	1,283.95	1,444.44	1,765.44	2,086.41	2,407.40	2,888.88
North Rode	970.16	1,131.84	1,293.55	1,455.24	1,778.64	2,102.01	2,425.40	2,910.48
Odd Rode	985.18	1,149.37	1,313.57	1,477.77	1,806.17	2,134.56	2,462.95	2,955.54
Ollerton with Marthall	972.38	1,134.43	1,296.51	1,458.57	1,782.71	2,106.82	2,430.95	2,917.14
Over Alderley	964.47	1,125.21	1,285.96	1,446.71	1,768.21	2,089.69	2,411.18	2,893.42
Peckforton	965.48	1,126.38	1,287.31	1,448.22	1,770.06	2,091.87	2,413.70	2,896.44
Peover Superior	974.89	1,137.37	1,299.86	1,462.34	1,787.31	2,112.27	2,437.23	2,924.68
Pickmere	982.09	1,145.77	1,309.46	1,473.14	1,800.51	2,127.87	2,455.23	2,946.28
Plumley with Toft and Bexton	970.85	1,132.64	1,294.46	1,456.27	1,779.90	2,103.50	2,427.12	2,912.54
Pott Shrigley	974.82	1,137.28	1,299.76	1,462.23	1,787.18	2,112.11	2,437.05	2,924.46
Poynton with Worth	993.57	1,159.16	1,324.76	1,490.36	1,821.56	2,152.74	2,483.93	2,980.72
Prestbury	973.97	1,136.28	1,298.62	1,460.95	1,785.62	2,110.26	2,434.92	2,921.90
Rainow	969.55	1,131.14	1,292.74	1,454.33	1,777.52	2,100.70	2,423.88	2,908.66
Rope	967.87	1,129.17	1,290.49	1,451.80	1,774.43	2,097.04	2,419.67	2,903.60
Rostherne	974.84	1,137.30	1,299.79	1,462.26	1,787.22	2,112.15	2,437.10	2,924.52
Sandbach	996.08	1,162.08	1,328.11	1,494.12	1,826.16	2,158.17	2,490.20	2,988.24
Shavington-cum-Gresty	978.90	1,142.04	1,305.20	1,468.35	1,794.66	2,120.95	2,447.25	2,936.70
Siddington	967.39	1,128.61	1,289.85	1,451.08	1,773.55	2,096.00	2,418.47	2,902.16
Smallwood	963.92	1,124.56	1,285.23	1,445.88	1,767.20	2,088.49	2,409.80	2,891.76
Snelson	970.57	1,132.33	1,294.10	1,455.86	1,779.39	2,102.91	2,426.43	2,911.72
Somerford	983.60	1,147.52	1,311.47	1,475.40	1,803.28	2,131.13	2,459.00	2,950.80
Sound, Austerson, Baddiley, Baddington, Broomhall, Coole Pilate	962.87	1,123.34	1,283.83	1,444.31	1,765.28	2,086.23	2,407.18	2,888.62
Spurstow	965.13	1,125.98	1,286.84	1,447.70	1,769.42	2,091.12	2,412.83	2,895.40
Stapeley, Batherton	970.85	1,132.65	1,294.47	1,456.28	1,779.91	2,103.52	2,427.13	2,912.56
Stoke, Hurleston	967.91	1,129.22	1,290.55	1,451.87	1,774.52	2,097.15	2,419.78	2,903.74
Styal	973.30	1,135.51	1,297.73	1,459.95	1,784.39	2,108.82	2,433.25	2,919.90
Sutton	970.87	1,132.68	1,294.50	1,456.31	1,779.94	2,103.56	2,427.18	2,912.62
Swettenham	973.24	1,135.44	1,297.65	1,459.86	1,784.28	2,108.69	2,433.10	2,919.72
Tabley	965.43	1,126.33	1,287.24	1,448.15	1,769.97	2,091.77	2,413.58	2,896.30
Tatton	958.20	1,117.89	1,277.60	1,437.30	1,756.71	2,076.10	2,395.50	2,874.60
Twemlow	977.02	1,139.85	1,302.69	1,465.53	1,791.21	2,116.88	2,442.55	2,931.06
Wardle	970.91	1,132.72	1,294.55	1,456.37	1,780.02	2,103.65	2,427.28	2,912.74
Warmingham	975.21	1,137.73	1,300.28	1,462.81	1,787.89	2,112.95	2,438.02	2,925.62
Weston, Basford	967.69	1,128.96	1,290.25	1,451.53	1,774.10	2,096.65	2,419.22	2,903.06
Willaston	967.73	1,129.00	1,290.30	1,451.59	1,774.18	2,096.74	2,419.32	2,903.18
Wilmslow	972.51	1,134.59	1,296.68	1,458.77	1,782.95	2,107.11	2,431.28	2,917.54
Wincle	958.20	1,117.89	1,277.60	1,437.30	1,756.71	2,076.10	2,395.50	2,874.60
Wistaston	969.65	1,131.24	1,292.86	1,454.47	1,777.70	2,100.90	2,424.12	2,908.94
Worleston, Poole, Aston Juxta Mondrum	964.45	1,125.19	1,285.94	1,446.68	1,768.17	2,089.65	2,411.13	2,893.36
Wrenbury-cum-Frith	964.81	1,125.60	1,286.41	1,447.21	1,768.82	2,090.41	2,412.02	2,894.42
Wybunbury	971.11	1,132.95	1,294.81	1,456.66	1,780.37	2,104.06	2,427.77	2,913.32

COUNCIL MEETING – 28 FEBRUARY 2013**ITEM 18 – RECOMMENDATION FROM CABINET: BECOMING A
“STRATEGIC COUNCIL” – REVIEW OF MANAGEMENT ROLES AND
RESPONSIBILITIES****Extract from the Minutes of the Cabinet Meeting on 4 February 2013****145 BECOMING A "STRATEGIC COUNCIL" - REVIEW OF MANAGEMENT
ROLES AND RESPONSIBILITIES**

Consideration was given to a report of the Interim Chief Executive setting out proposals for significant changes in the current roles and responsibilities of managers at all levels within the organisation, as a key element of establishing a new operating model for the Council, to support an ambitious programme of service transformation and to reduce costs and provide better value-for-money for local people.

The report set out the process and timetable for implementing the required management changes over the next six months, and sought Members' approval for the authority to proceed immediately with the Management Review, on the basis set out in the report, so that its benefits could start to be realised as quickly as possible.

RESOLVED

That Council be recommended to:

1. Approve that the Interim Chief Executive, in consultation with the Leader of the Council and his Cabinet Portfolio Holders, be authorised to start, with immediate effect, the proposed Management Review and the phased process of selection for appointment to new management posts in the Council's revised organisational structure, on the basis and timetable set out in this report;
2. Note the need for planned complementary action on the wider implications of the introduction of the new operating model for the Council, in terms of collaborative working with other local commissioners and providers of public services, as well as the development of the Council's Localism initiative; and
3. Agree that further reports on these initiatives be brought forward for Members' consideration in due course.

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CHESHIRE EAST COUNCIL

Cabinet

Dates of Meeting:	4 February 2013
Report of:	Interim Chief Executive
Subject/Title:	Becoming a “Strategic Council” – Review of Management Roles and Responsibilities

1 Purpose of the Report

- 1.1 This report sets out proposals for significant changes in the current roles and responsibilities of managers at all levels within the organisation, as a key element of establishing a new operating model for the Council, to support our ambitious programme of service transformation and our drive to reduce costs and provide better value-for-money for local people.
- 1.2 The report sets out the process and timetable for implementing the required management changes over the next six months, and seeks Members’ approval for the authority to proceed immediately with the Management Review, on this basis, so that its benefits can start to be realised as quickly as possible.

2 Recommendations

Cabinet is asked to recommend to Council that:

- 2.1 The Interim Chief Executive, in consultation with the Leader of the Council and his Cabinet Portfolio Holders, be authorised to start, with immediate effect, the proposed Management Review and the phased process of selection for appointment to new management posts in the Council’s revised organisational structure, on the basis and timetable set out in this report.
- 2.2 The need for planned complementary action on the wider implications of the introduction of the new operating model for the Council, in terms of collaborative working with other local commissioners and providers of public services, as well as the development of the Council’s Localism initiative, be noted, and that further reports on these initiatives be brought forward for Members’ consideration in due course.

3 The Lessons from Lyme Green

- 3.1 Some years ago, many local authorities changed their management structures to absorb a large number of largely autonomous service departments into larger groupings. The Council’s current structure of two Directorates, each led by a Strategic Director for People and Placed-based services, respectively, is a product of those changes and is now quite common in other local authorities, (in both Staffordshire and Shropshire, for example). Such an approach had

several advantages, not least in terms of reducing the number (and hence the cost) of senior managers needed to run the organisation.

- 3.2 However, such structures still tended to group services on the basis of their different professional expertise, and this did not foster joined-up multi-disciplinary approaches to complex issues or projects, which required the co-ordinated input of a range of different professionals. Indeed, such structures frequently created artificial and impermeable barriers between related functions, which prevented holistic solutions and which led to duplication of activity and inefficiency. As a result, the loyalty of managers and staff remained predominantly to their professional grouping, rather than to the Council more widely as a single entity.
- 3.3 The investigation into the failings of the Council's Lyme Green development project has exposed serious weaknesses in our organisational culture, which are a product of these separate professional "silos" in our current management structure. These have sometimes caused confusion, poor decision making, and inefficiency, because it was not always clear who had authority to act and who was accountable ultimately for the success or failure of particular initiatives.
- 3.4 Increasingly, the outcomes desired from the Council's activities, in terms of improving the quality of life of local people, require our staff from different services to work together as a team, and to create joint solutions to complex challenges. However, there are times, under our current structures, where the relationships between the different professionals involved are strained. As a result, there can be lack of clarity about what is required and a lack of proper care and diligence over the procedures for achieving success, because staff do not personally "own" the outcomes involved and focus only on their own part of the process.
- 3.5 Consequently, at times, communication between Council services can be poor, and uncertain lines of reporting in our multi-tiered management hierarchy has sometimes led to poor management of risk. Also, as a result of how the Council is currently structured, necessary technical advice is sometimes neither sought nor taken at key stages, with wrong assumptions being made as a result. One unwelcome product of our present structures has been the unintended creation of an organisational culture in which key decisions and judgments are sometimes insufficiently challenged, with staff being too reactive or lacking the confidence to do this effectively, within what should be a mutually supportive environment and a framework of shared goals.
- 3.6 In the light of new government policy and legislative changes, together with the major ongoing squeeze on resources for public services, many local authorities are reconsidering their core purposes and priorities, and are reviewing the organisational form and structures they need to work effectively and efficiently in very different ways in future. The lessons from the Lyme Green project, coupled with the significant challenges involved in delivering the Council's ambitious service transformation plan, mean that it is similarly a good time for us to make changes in our management roles and responsibilities, to ensure

that they are “fit for purpose” over the next few years, as a key element of moving to a new operating model for the Council.

3.7 No single model of a “modern” 21st century local council has yet emerged from the present large scale changes and experimentation going on in many local authorities. But a number of councils are basing their new approach on moving to create a “hard” organisational split between their service commissioning and their service provider functions, not least as a more “mixed economy” of local providers is developing to deliver public services in more cost-effective ways in future. This move towards seeing “strategic commissioning” as the core purpose of the Council has a number of attractions for us at this time, not least because it helps us rethink the way we work and make necessary changes to the way that local public services are delivered in Cheshire East, if we are to retain the range and quality of provision that local people want within the more limited resources available to us in future.

3.8 The benefits of structuring ourselves and our management roles around such a split include that it will:

- provide greater choice for local people;
- make it easier for us to access opportunities for new sources of funding and income to benefit local people;
- increase public value and social capital, by unlocking resources within local communities;
- reduce potential or perceived conflict of interest for council managers and Members;
- provide greater objectivity and a wider, more strategic place-shaping approach;
- enable service transformation because providers are more able to deliver new and more innovative approaches, free from the normal council constraints;
- allow greater efficiency by grouping contracts and integrating provision around outcomes;
- support greater effectiveness by focussing not on standard services, but on joined up approaches to early intervention and prevention – reducing preventable and unnecessary demand and cutting costs;
- move to a system of “payment by results”, transfer (some) financial risk to providers, and encourage them to deliver outcomes that provide financial returns to the Council;
- encourage both greater collaboration and greater competition between providers (as appropriate);
- stimulate economic growth, by creating more local (sustainable) jobs;
- make all public service providers more accountable to local people.

3.9 It is for these reasons that I am recommending that we make this the basis of the Council’s new operating model. The later sections of this report explain the concept of strategic commissioning in more detail, and set out the implications of such a change for both elected Members and for the future roles and responsibilities of our managers. The report also comments on the process and

timetable for completing our planned management review over the next six months, to achieve the benefits of this timely fresh approach within the Council's operations, and in the wider context of our increasingly important collaborative working with local partner organisations.

- 3.10 Such changes, therefore, need to be designed also to take forward the next stage of our "Localism" agenda and the introduction of "Community Budgets". They will help us create more resilient and self sufficient local communities, which reduce unnecessary demand on public services, by involving local people more actively and directly in our commissioning processes and decisions in future, as well as in terms of our residents assisting us in the "co-production" of local services.

4 Strategic Commissioning – Our New Operating Model

- 4.1 The landscape under which local public services are designed, purchased and delivered is changing rapidly under new Government policy and legislation. The Coalition Government's emphasis on "Localism" means that, where services and facilities cannot be run directly by local communities themselves, a new range of commissioners will ensure that local needs, preferences and aspirations are met and that service providers are more accountable to local people.
- 4.2 These changes are already taking place, with the recent election of the first Police and Crime Commissioners, the creation of Clinical Commissioning Groups for health and wellbeing services, and the transfer of Directors of Public Health to become statutory officers of local authorities and be accountable to their Chief Executive. To ensure the alignment of all key public services locally, it is essential, therefore, that the Council changes the way it operates and is structured to also become a strategic commissioning body.
- 4.3 In this context, "strategic commissioning" is the process of identifying and prioritising local needs and, by stimulating and managing a diverse local market of high quality reliable providers, meeting those needs in the most cost-effective way. This approach recognises that the public's priority is to receive effective, good value local services, and that this matters more to them than who provides that service. In practice, however, the Commissioner will still be held accountable by local people for both service quality and reliability, as well as for its outcomes.
- 4.4 Strategic Commissioning is about getting costs down by doing things differently and using innovative new approaches to the way in which services are delivered, that achieve the desired outcomes for local people. Strategic Commissioning is not about simply reducing costs through acquiring cheaper provision or about traditional outsourcing, as it can be used to get the best also from inhouse services, from joint ventures between the Council and other providers, and from new delivery vehicles such as Social Enterprises or Staff Mutuals.
- 4.5 On this basis, a "Strategic Council" is one that is able to capture, leverage and disperse **all** available local funds and resources, in line with its strategic

ambitions and goals for its local communities, as part of its “place shaping” role. The Council, however, cannot do this alone, and will need to work closely with other local commissioners of public services (for health and wellbeing, community safety – including the Fire and Rescue Service, Ambulance Service and Probation Service – and for local business support, as well as with Town and Parish Councils, who might also be service providers as well as commissioners). The Council will also need closer working relationships with the private sector and with the voluntary and community sector in Cheshire East, as part of its local “market making” role (see Appendix 1 attached).

- 4.6 Strategic Commissioning is not an end in itself. Rather it is a quicker way of transforming traditional forms of local service delivery and, where done well, of creating greater “public value” from more limited public funds in the future. At its best, commissioning is a different way of thinking about service design and how local people can get what they want, by realigning and targeting scarce resources. In essence, it is a practical “change management” tool, to transform public services on the basis of a new dialogue and relationship with local people (see Appendix 2 attached). It is about “doing more for less” in the more complex environment in which local councils now find themselves.

5 “Market Making” and the Changing Role of Elected Members

- 5.1 Strategic Commissioning strengthens the role of elected Members, as it must begin and end with councillors’ democratic relationship with local residents, who should have a stronger voice and input into commissioning decisions in future. Members will need to ensure that what is commissioned really reflects the priorities and preferences of our local communities, and that they are able to facilitate putting the necessary changes in place quickly. Members will also play a pivotal role in managing residents’ expectations about what “affordable” and sustainable public services will look like in the future.
- 5.2 Under this proposed new operating model, Members will have a crucial role to play in both directing the Council’s commissioning process and in subjecting it to democratic oversight and scrutiny. Members will drive and influence commissioning decisions:
- Strategically – through policy, agreed outcomes, and prioritisation decisions (in Policy Development Groups, Cabinet and full Council); and
 - Locally – through the engagement and empowerment of local communities in the commissioning of services and in their local delivery.
- 5.3 Members will, of course, also seek to influence and align the decisions of other commissioning bodies in Cheshire East, as well as at sub-regional and regional levels. Our arrangements for strategic partnership will need to be reviewed and improved, so that they bring all commissioners of local public services together on a regular basis, to ensure they plan complementary and coherent approaches, based on a single “pot” of local public funding, and the efficient integration of related elements of service delivery at community level, such as health and social care provision or enforcement and community safety activities, for example (see Appendix 3 attached).

- 5.4 Similarly, to gain the maximum benefits of this approach for local people, our local governance arrangements under the current Local Area Partnerships also need to be reviewed and improved, as part of transforming the way in which joined-up services are provided, in collaboration with Town and Parish Councils and other local providers. We have recently opened up a fresh dialogue on this with those partners.
- 5.5 The Council has also recently anticipated the need for such a change in its revamped Scrutiny arrangements. These now provide for examination of the effectiveness of all the main local commissioners of public services, and of the success of new forms of integrated and less fragmented service delivery at local community level, in terms of more desired outcomes to improve quality of life for local people.
- 5.6 Members role in actively developing a more diverse local “market” of providers of public services will be pivotally important to the success of our proposed new operating model. The Council’s “market making” role will involve a more dynamic focus on:
- attracting new partners, venture capital and investment;
 - creating a new framework of local supply chains/pipelines (through the LEP);
 - attracting a diverse range (across sectors) of high quality providers;
 - building the capacity of the local Voluntary and Community Sector, and of local businesses to take a greater share of the local market;
 - “seed funding” new enterprises;
 - promoting the creation of new community-owned micro businesses;
 - establishing new delivery vehicles, and fostering a willingness by staff to adapt to these (social enterprises, staff mutuals, JVs etc);
 - putting in place new funding models (eg payment by results); and
 - facilitating greater public engagement in service commissioning and delivery.
- 5.7 There are several potential barriers to our success in making these changes quickly, and overcoming these will be an early priority for the senior staff appointed to changed roles in the proposed new management structure for the Council. Indeed, we need to start by developing or acquiring greater commercial capability and capacity in our commissioners. We will need also to urgently improve our procurement, tendering and contracting arrangements. In future, our commissioning decisions need to be based on a better ability to collate, analyse, and actively use data from providers and from customer intelligence. We will also want to place priority on appropriate development training for elected Members, so that they can take up their new roles with confidence. The new operating model will not work properly, however, if we fail to put in place quickly the new management structures and ways of working (both internally and externally) needed to support it.

6 **Changed Management Roles and Responsibilities in the Proposed New Operating Model**

6.1 If we are to learn the lessons from our experience with the Lyme Green project, our review of management roles and responsibilities needs to be guided by a set of clear principles, which are applied consistently across the Council, and needs to ensure that form follows function, rather than simply reflecting outmoded structures based on professional groupings. Our current structure of two large “Directorates” for People and Place based services respectively, each headed by a Strategic Director, has served its time, and needs to be rethought to deliver the full benefits of moving to become a Strategic Council.

6.2 These guiding principles should include:

- each management post will have clear, individual accountabilities for a group of related “functions” (requiring fewer senior posts overall), to achieve agreed outcomes and integrated solutions;
- each manager will have a larger span of control, with a minimum of five direct reports in each case;
- the structure will be less hierarchical, with significantly fewer management tiers, and with authority based on the particular outcomes and project priorities in each case;
- statutory accountabilities are clearly designated and provided for in the new organisational “core” of the Council;
- each management post will be accountable for delivery of agreed outcomes in their functional area across the whole organisation (and beyond, in terms of collaborative working with other partner bodies), including through people who are not directly line managed by them;
- the emphasis (in senior management roles particularly) will be on the leadership of change, the engagement of staff, and the acquisition and display of high order commercial and entrepreneurial skills;
- formal authority will be devolved so that assessments and decisions can be taken and executed where they need to be made, as close to the frontline as possible, in order to produce better performance and more speedy and responsive action;
- the role of “corporate support services” is to facilitate and support frontline service change and innovation, within an effective framework of identified and well-managed risk;
- the clear expectation of consistent and visible compliance with agreed values and behaviours, as part of a new organisational culture and as a catalyst for change;
- the effective securing, organisation and deployment of all (collective) resources, in ways which increase “public value” in securing priority outcomes for local people, as part of a single “Team Cheshire East” approach;
- every role exists to enable delivery of the objectives and added value of the whole organisation, from the perspective of our local residents and communities;
- management roles enable local people and our partners to interact with us easily and effectively; and

- common processes and tasks are done in one way, by one team, without duplication elsewhere or hand-offs to others, both internally and externally, with quality assurance at both the beginning and the end.

6.3 Applying these principles is more straightforward in an organisational structure where there is a clear “hard” split between commissioner and provider roles, as is being proposed here. In effect, we will put in place a different organisational structure, based on a single “core”, integrated multi-disciplinary team, which drives strategic commissioning activities and the democratic decision making processes of the Council. These “core” functions should represent no more than 10% of the Council’s resources (ie about 400 staff), with the remaining 90% being directed to maintain essential frontline services (see Appendix 4 and 5 attached).

6.4 However, to be effective, this “core” structure will need to contain sufficient expertise in key areas, and we will need to quickly augment and enhance both our capacity and capability in strategic planning, programme and performance management, risk management and internal audit, customer insight, research and intelligence, and in commissioning, procurement and contract management (in a more commercial environment in future). On this basis, our new organisational “core” will need to include:

- “place shaping” – strategy and policy development, infrastructure investment, transparency and accountability, relationship management, partnership and influence, and citizen engagement;
- lead commissioners for all functions and activities, including our outcomes framework and “market making” activities;
- area/locality based commissioners for local/community based services;
- flexible support teams – function specialists and experts, procurement and contract specialists, project management, administrative support, performance oversight and intervention;
- core corporate enabling and transition support functions;
- support for Corporate Governance and Democratic decision making processes;
- all our statutory roles (Head of Paid Service, Section 151 and Monitoring Officers, DCS and DASC, DPH etc);
- Strategic communications to ensure “brand strength” for the Council, as both a service provider and a commissioner.

6.5 This report seeks to define and provide an outline design for our future commissioning “core”, and to put in place the transitional arrangements to create it, over the next 12-18 months, as we separate and redefine our relationship with our provider functions, as well as set up new contracts and put in place new vehicles for service delivery (see Appendices 4 and 5 attached).

6.6 On this basis, the need for two Strategic Directors, each overseeing a large grouping of professional silos with relatively few links between them to promote joint working, is replaced by a single Director of Strategic Commissioning for all Council services and activities, supported by a single, integrated team of appropriate commissioning experts and the statutory postholders for Children’s

and Adults' social care, and for Public Health services. The scope and impact of such a senior post is significant enough to warrant a salary of about £130K a year.

- 6.7 Alongside this, a second new senior post of Chief Operating Officer will be responsible for all the “core” strategic and business support functions of the Council, together with service standards and the performance of all the providers (including inhouse service teams) used by the Council, and its partners where such provision is delivered on a joint or integrated basis. Depending on the professional background of the postholder, they would also undertake the statutory role of either Monitoring Officer or Section 151 Officer, for which a 10% salary supplement would be payable. The COO would also lead a small corporate support team of Managers for the following functions:

Finance (who would also undertake the statutory role of Section 151 Officer if not covered by the COO);
Commercial Strategy, Business Innovation and Performance;
Organisational Development; and
Democratic Services and Governance.

To attract the right calibre of applicant, the annual salary of the post of COO will need to be in the region of £110-120K, (including the salary supplement for statutory responsibilities). Although the posts of Corporate Support Managers are a single tier, their levels of responsibility will differ, and this will be reflected in the appropriate spot salary in the range of £70-90K – see paragraph 6.11 below).

- 6.8 This new senior management structure would have the immediate effect of clarifying individual accountabilities and reducing the number of senior posts required, whilst enhancing strategic leadership across the whole organisation, so that it functions holistically, as a single entity. Functional leadership will be provided by a smaller number of Heads of Service, as related activities are grouped together in the new management structure to reflect the priorities set out in our new Council Plan. Depending on the particular responsibilities involved in each case, spot salaries for these posts will fall also in the range of £70-90K. These functional groups will include:

- Economic Growth and Prosperity
- Public Protection and Enforcement
- Environmental Protection and Enhancement
- Early Intervention and Prevention
- Independent Living
- Safeguarding of Vulnerable Children and Adults

- 6.9 There will be a similar fresh emphasis on locality working, which will be co-ordinated and developed by a new Head of Service post, to devolve and integrate a wide range of service delivery and activities, and to develop more resilient and self sufficient local communities, which reduce unnecessary demand on public services. This revamped approach would be based on an overt fresh dialogue with local residents about striking a more appropriate

balance between citizens' rights and their responsibilities (to themselves, their families and those they care for, their neighbours and their wider local community), and the expectation that everyone has capabilities that can help reduce long term dependency and support working together on shared goals.

- 6.10 Operational management in the new structure would be undertaken at the level of specialist "technical" teams or units (including former support functions such as ICT, HR and Legal Services). These managers will have clear direct personal accountability for meeting specified service standards and outcomes, but with greater freedom to operate within those requirements, and with payment or funding based on results in achieving agreed targets.

(Some Heads of Service, other managers and specialist staff will need to undertake both commissioning and operational roles temporarily, during the period of transition to completion of the new structure, but will move to one or the other of those roles at the end of the process, depending on their particular skills and our organisational needs. This would have the effect of further reducing the overheads costs relating to Service Heads, without detriment to operational management, as our commissioning expertise is enhanced.)

- 6.11 In all cases, managers would be required to display a high calibre of skill and ability in leading, engaging and motivating staff through major service transformation; in building capacity and capability, and in identifying, developing and coaching talent; as well as in empowering frontline staff to deliver effectively and efficiently; and for dealing with complexity, uncertainty and risk. The intention is for all the new management posts to attract a single inclusive "spot" salary within the range applicable to their tier, depending on their particular responsibilities. In addition, the intention is to design and put in place an appropriate performance pay element, where a proportion of the salary could be held back if performance was not consistently exemplary.
- 6.12 The new roles and responsibilities will be based also on the assumption that senior postholders will actively foster and develop extensive collaborative working relationships, operating confidently beyond their formal authority in spheres of activity outside the Council, at Borough, sub regional, regional and national levels, as required.
- 6.13 Our 3 Year Financial Strategy is based on reducing the cost of our management overheads by about 25%, to protect frontline jobs and services, with cumulative savings of £5 million a year by Year 3. This new management structure is the main way in which these savings will be delivered. The 3 Year Financial Plan further protects funding for the frontline, by providing for the costs associated with these management changes to be met from one-off funding in our Budget Plan.
- 6.14 In this context, the focus of the Council shifts to brokering, facilitating, supporting and empowering, as well as to prevention and early intervention, rather than simply being on providing or procuring services. The role of local elected Members also changes, to place greater emphasis on Community Leadership and "Social Entrepreneurship", to build capability and capacity

within local communities (social capital), as councillors become “Cabinet Members in their own Wards”.

7 The Change Process – Implementing the New Management Structure

7.1 The changes to existing management roles and responsibilities will need to be undertaken in three phases, because it entails a process of top-down displacement of current postholders, as follows:

- Phase 1 all senior posts (49 in total) with salaries of £55K+ a year – to be completed by Easter 2013;
- Phase 2 all posts with salaries of £30K+ a year – to be completed by July; and
- Phase 3 all frontline team leaders and supervisors – to be completed by September.

7.2 In effect, although it will be “business as usual” until appointments have been made in each of these phases, all current management posts are to be deleted from the Council’s staffing structure, and postholders will need to apply for, and be formally assessed on their suitability for, newly established posts with revised roles and responsibilities. Selection for these new roles will be undertaken in the following sequence:

- assessment of job fit (based on current role and responsibilities);
- assessment ringfenced to a group of managers where there is more than one suitable candidate for a new role; and
- internal selection before seeking external recruitment.

7.3 Each of our current managers will have the benefit of a personal dialogue (on the options available) and support. Where appropriate to the particular appointment being made, new programmes of training and development will be provided to assist those involved to take on the new or expanded roles and responsibilities with confidence. Where individuals are displaced by this process, support will be provided to redeploy them into suitable alternative employment, either in the Council or elsewhere, (though this is often more difficult for staff at this level and it might not be possible to avoid compulsory redundancy in some cases).

7.4 The appointment to the post of Director for Strategic Commissioning and for those posts with statutory roles will be for determination by elected Members, who will have some involvement also in confirming selection decisions for other appointments to senior posts in Phase 1. A dedicated HR support team will be set up to oversee and co-ordinate the process, assisted by a limited, cost-effective input from external experts to ensure objectivity and fairness in the assessment and selection process, to support the managers involved in the review and to avoid the risk of challenge or appeals from those staff involved.

7.5 The management review will also encompass related personal assistants, secretarial, and administrative support posts. No changes to current posts will be made, however, until the new senior manager appointments have been

made and the support needs for these new positions have been determined. It is expected that, as for the management posts involved, there will be scope for rationalisation and efficiency savings from these support roles also, which will contribute to the Review's overall savings target set out in our Medium Term Financial Strategy.

- 7.6 Detailed Job Outlines and Person specifications for the new roles will be drawn up quickly, subject to Member approval of these proposals, so that the change process can start as soon as possible.

HR Considerations

- 7.7 A dedicated HR support team will be set up to oversee and co-ordinate the process, assisted by a limited, cost-effective input from external experts to ensure objectivity and fairness in the assessment and selection process, and to avoid the risk of challenge or appeals from those staff involved.
- 7.8 Arrangements for the implementation of the structure, as outlined above, are appropriate in the circumstances and in accordance with the Council's existing practices.
- 7.9 The outlined proposals have been the subject of consultation with the extended management team over recent weeks and the detail within this report has been shared with the joint Trade Unions.

Legal Considerations

- 7.10 Whilst specific legal advice may be needed once the proposals contained in this report are worked up in more detail, there are no apparent legal obstacles to the proposals.

Financial Considerations

- 7.11 The 3 Year Financial Strategy forecasts an overall reduction in funding to Cheshire East Council. In order to protect frontline services it is therefore prudent to target savings at corporate overheads. One potential risk from reducing overheads is the associated reduction in organisational capacity to manage change and react to customer demands. However, this risk is mitigated within the report by providing a strategic approach that develops clearer roles and responsibilities in a reduced management structure.
- 7.12 The financial forecasts in this report are robust and have been factored in to the Budget Report 2013/2016. Savings from management reductions are forecast to exceed £5M by 2015/2016, with the bulk of savings being achieved in 2013/2014. The associated costs of reducing senior staff can be funded from one-off income sources in 2013/2014 & 2014/2015.
- 7.13 The most evident risks come from potential delays in implementing such a large scale change, which would then not achieve the savings targets, and a potential knock-on effect on other Council Change Programmes. Briefings and

roadshows with key staff have been carried out already, and there is sufficient clarity in the revised structure that these risks should not materialise in a way that could de-stabilise any of the current medium term forecasts.

8 The Need for Wider Changes and Potential Problem Areas

8.1 To obtain maximum benefit from this proposed new operating model for the Council, several other key steps will need to be taken over the next 6-12 months:

- establish a new forum for all Cheshire East commissioners (a “Public Service Board” meeting twice a year), to align strategies, key decisions and resource allocation across all local public services;
- agree and share widely our new Strategic Commissioning Policy and priorities – linked to our key objectives of economic growth and resilient local communities (see Appendix 6 attached);
- provide guidance, training and support to elected Members (and officers) on their new roles in the (strategic and local) commissioning process;
- develop more effective local governance arrangements to enhance or replace Local Area Partnerships, in order to integrate service provision locally and establish “community budgets”;
- complete the work underway on our strategic outcome targets and measures, and improve our intelligence about the “dynamics” of our local communities, to inform our commissioning decisions;
- formally open dialogue with the local voluntary and community sector, and with the local business sector, to invite new providers, partners and investors into the local market place; and
- create (through the LEP) a new local supply chain framework, including the formation of new community-based micro-businesses, to boost our local economy;
- set up new delivery vehicles to enable inhouse services to compete in the local market place and to create local jobs; and
- develop a communications plan to improve public understanding of and support for these changes.

8.2 In terms of Risk Management, action will need to be taken quickly also to deal with potential problem areas and obstacles or barriers to realising the benefits of these changes. These include:

- tensions or lack of alignment between the decisions of different public service commissioners now operating in Cheshire East or between the strategic and local levels of commissioning;
- lack of a clear and consistent understanding of our commissioning process for our staff or partners;
- lack of innovation in service design and delivery (if we fall into the trap of simply commissioning out of date approaches from new providers);
- failure to reduce costs (if commissioning raises public expectations rather than reducing demand on public services);
- the local market is slow to respond effectively to newly created provider opportunities;

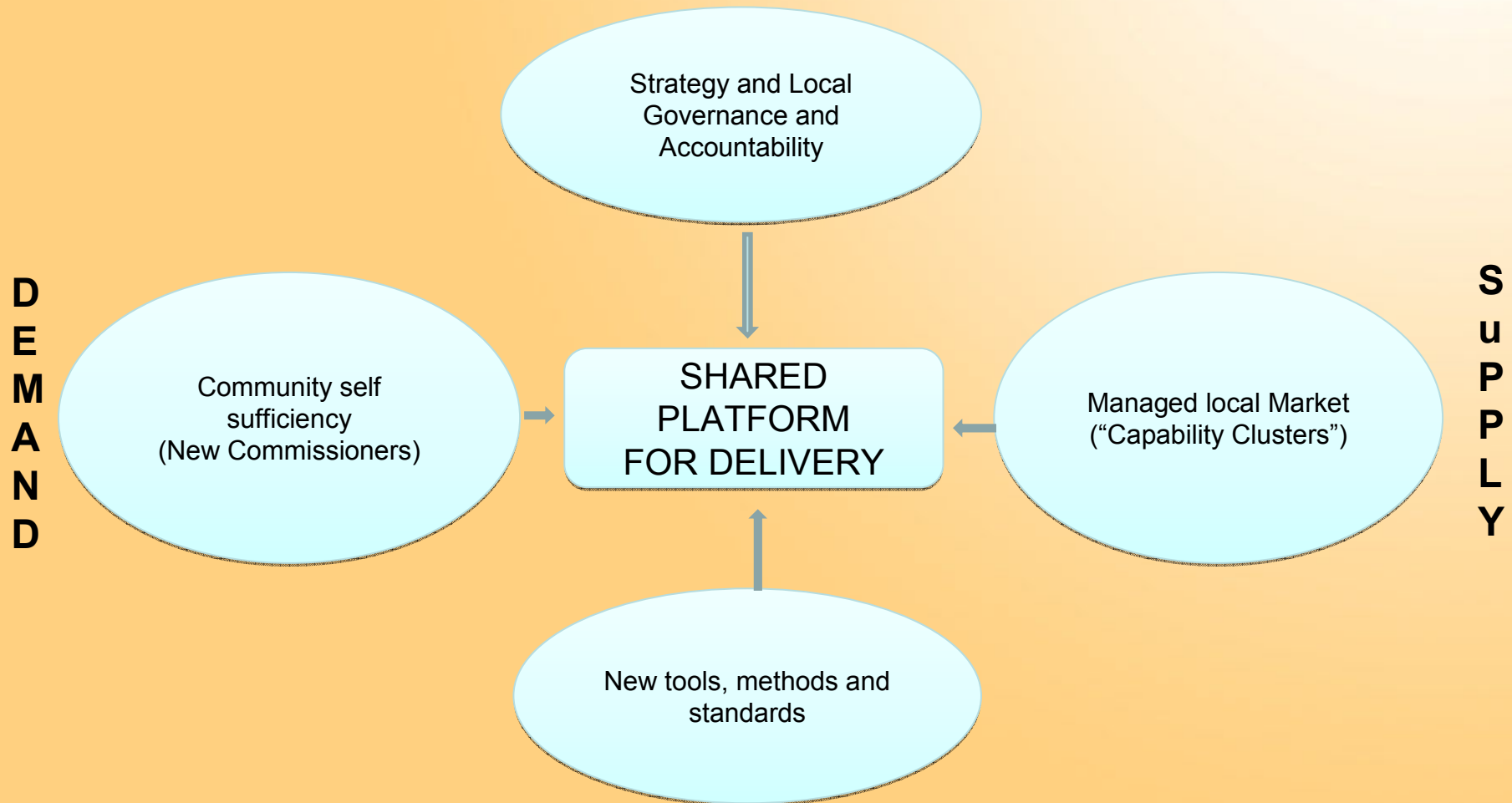
- there is insufficient appetite for risk and ineffective management of it; and
- the public fail to understand the benefits of the Strategic Council model and the new emphasis on our “place shaping” role, rather than simply on being a monolithic service provider.

Kim Ryley
Interim Chief Executive
01270 686018
kim.ryley@cheshireeast.gov.uk

THE STRATEGIC COUNCIL

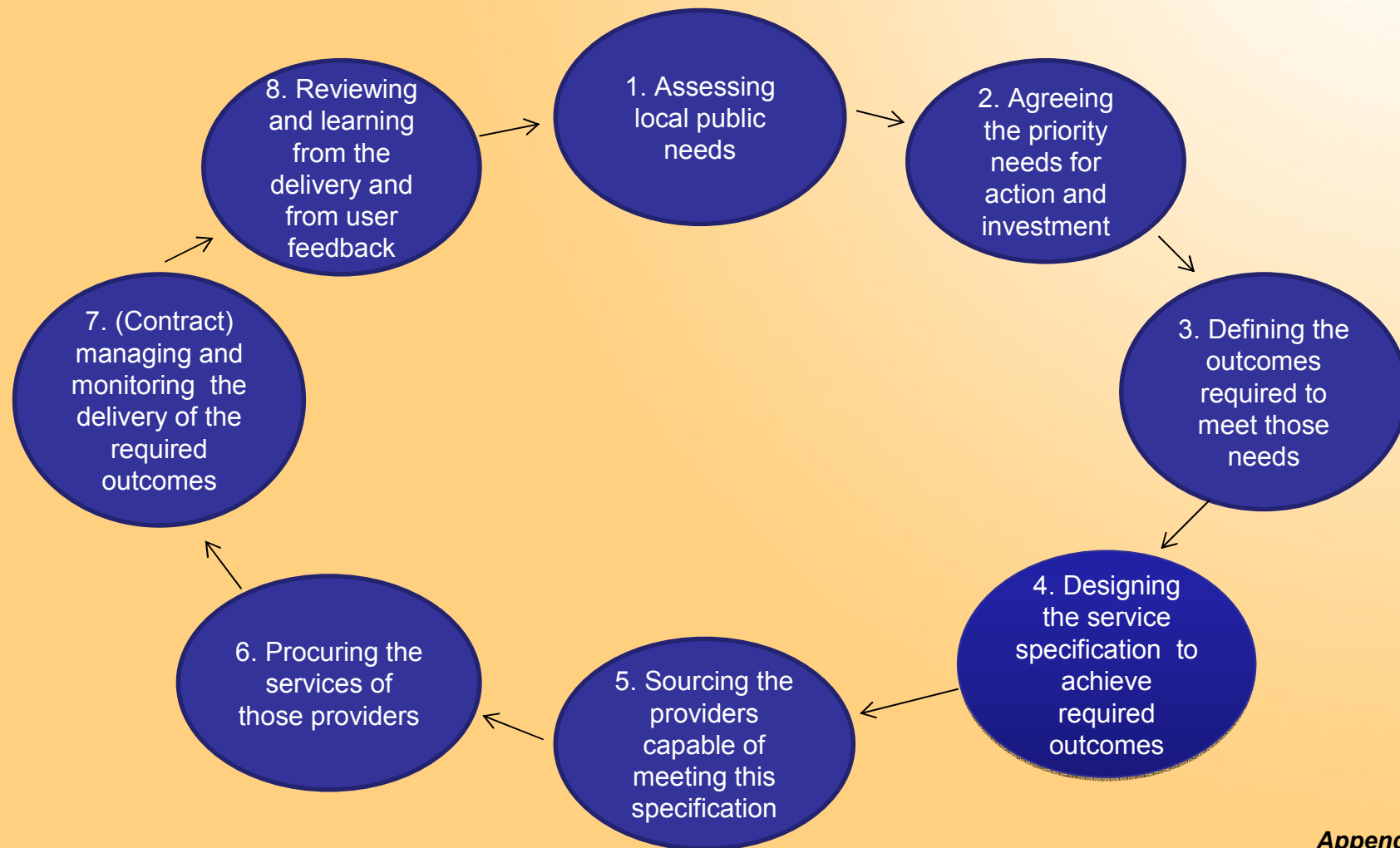


LEADERSHIP TRUST AND ENGAGEMENT

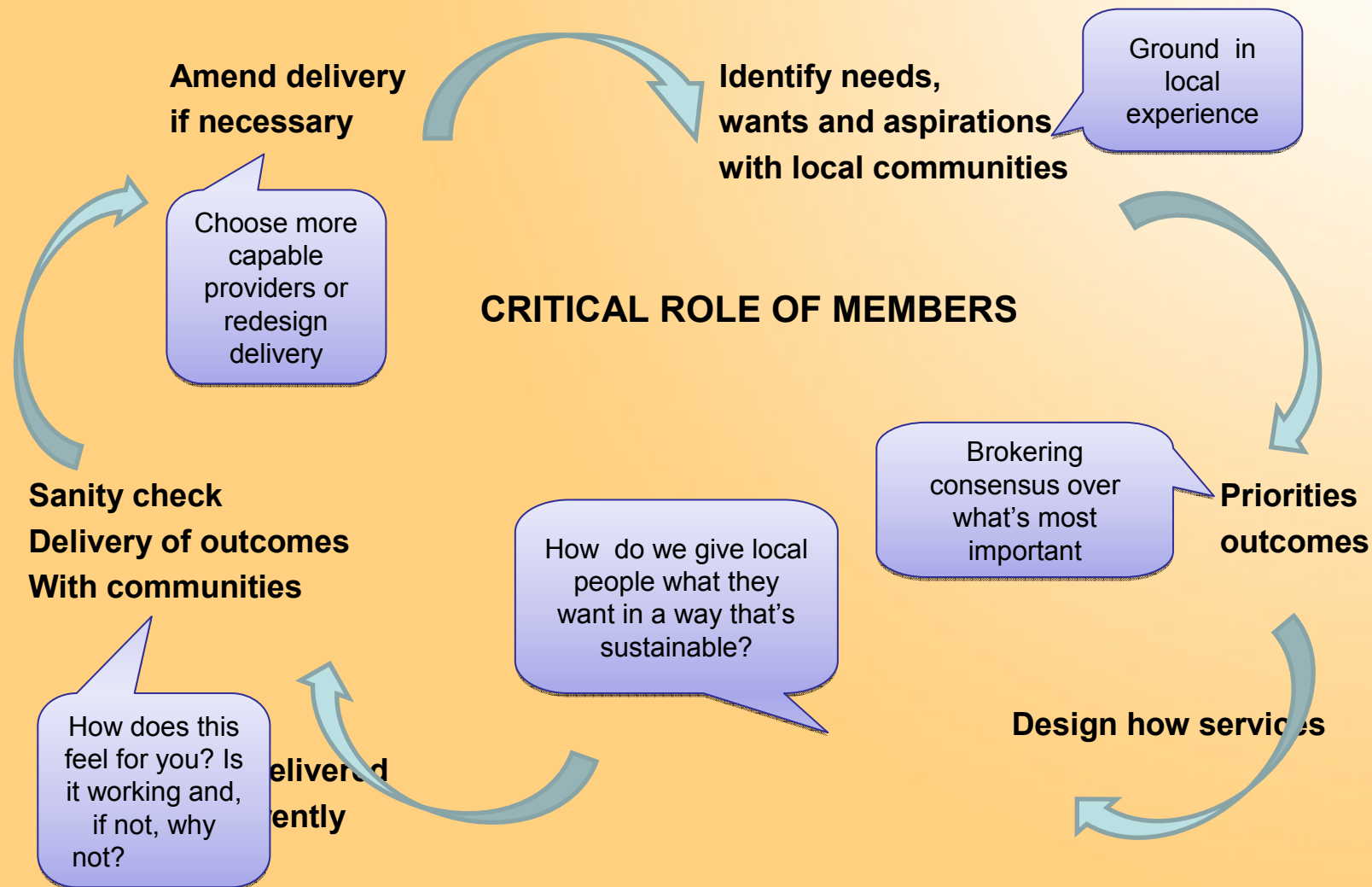


NEW FUNDING SOURCES AND NEW DELIVERY VEHICLES

The Strategic Commissioning Cycle



Why the Members' role is critical

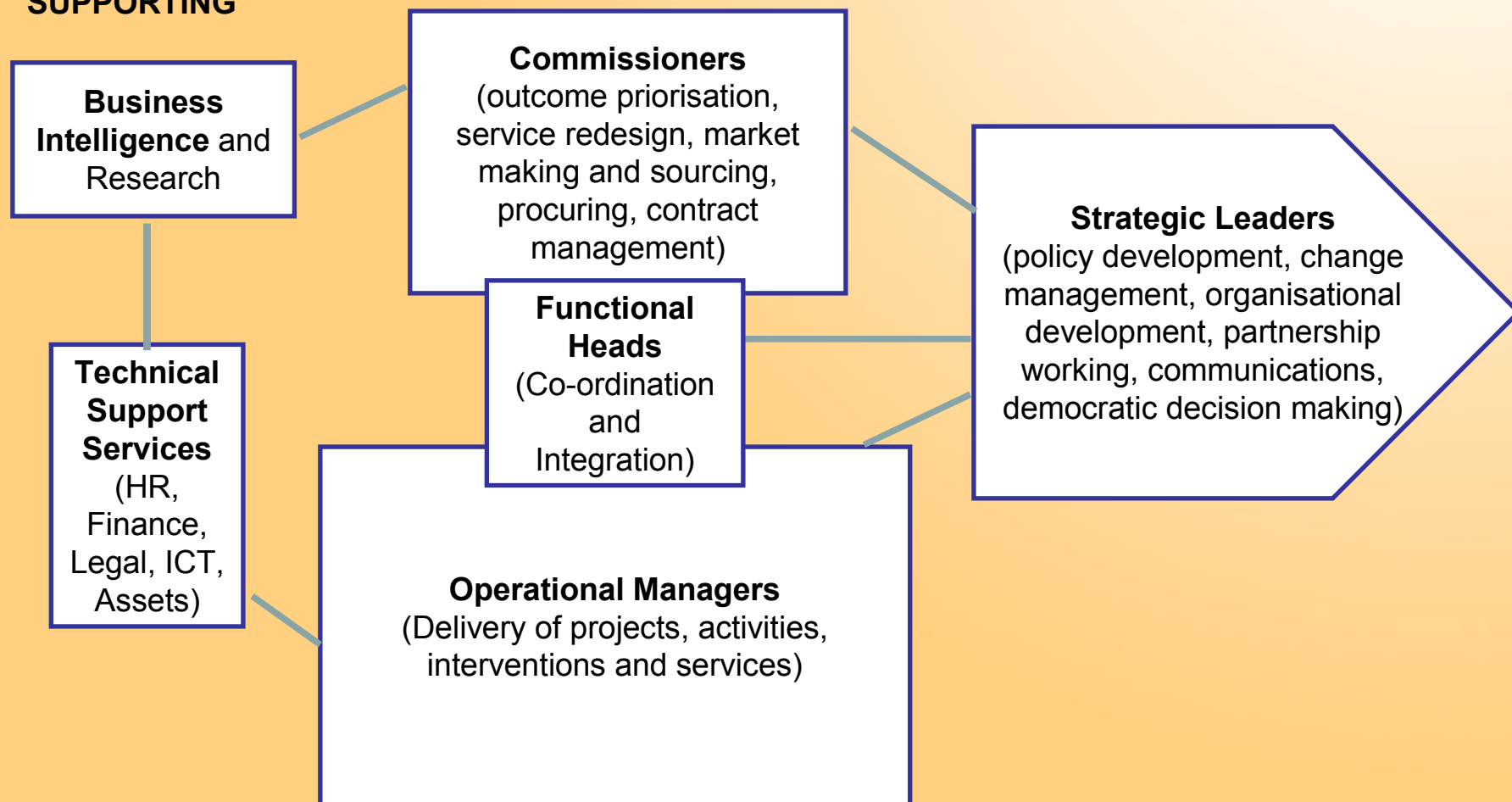


The New Operating Model

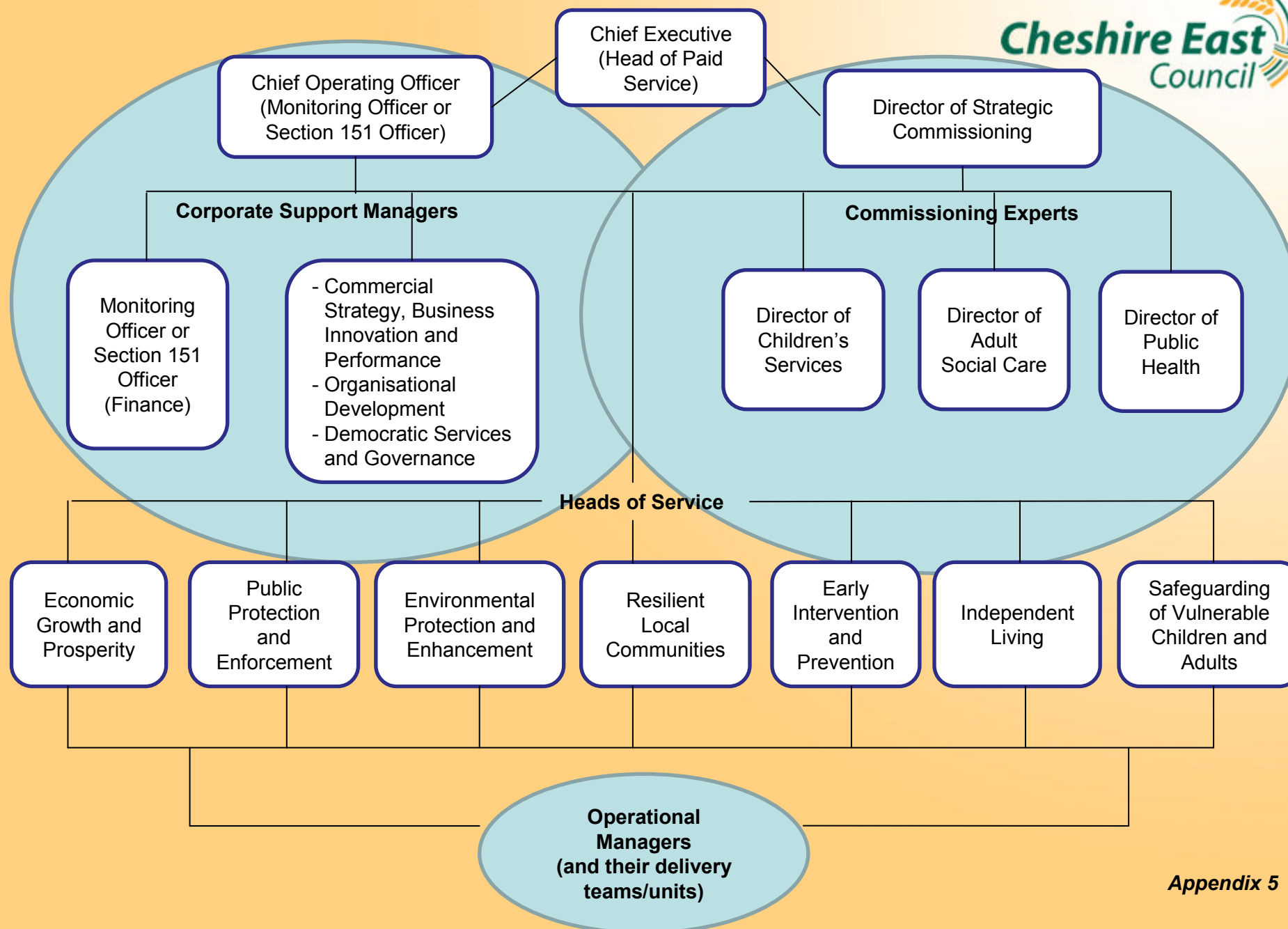
**DRIVING AND
SUPPORTING**

DOING

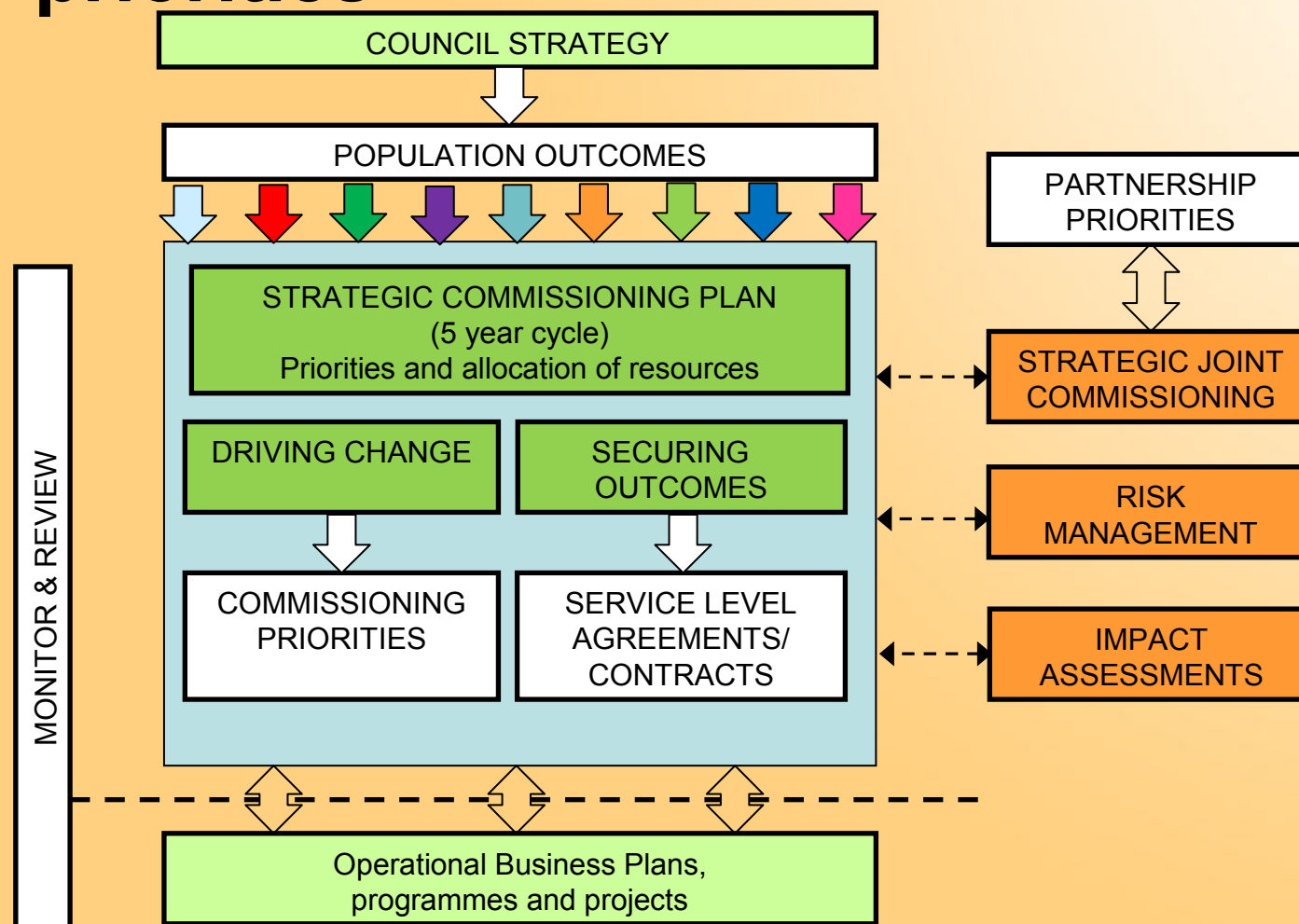
LEADING



The Council's new Corporate "Core"



Commissioning – setting our priorities



COUNCIL – 28 FEBRUARY 2013**NOTICES OF MOTION****Submitted to Council in Accordance with Procedure Rule 12****THANK YOU TO COUNCIL STAFF****Submitted by Councillor David Topping and Seconded By Councillor Michael Jones**

This Council thanks all those staff who worked long, unsocial hours during the recent spell of adverse weather to ensure that traffic kept flowing on the Council's road network. Their hard work and commitment clearing and gritting roads kept Cheshire East moving. Particular praise should be paid to the work undertaken to clear and grit pavements around a wide range of key locations across the Borough; these included hospitals, doctor's surgeries, old people's homes and shops. The same staff have also been responding to the very wet conditions that we have been experiencing; which have resulted in frequent flooding events across the Borough.

The Council's thanks also go to our local supply chain and to farming contractors who provided an invaluable service in working to keep our more rural communities open for business.

Tribute should also be paid to our refuse crews, who braved the adverse weather to provide as normal a service as they could, to all of the Council's travelling staff who ensured that, as far as possible, business continued as normal during the adverse weather and to our Customer Services team who over this difficult period have continued to advise and help our residents.

LOAN SHARKS AND CREDIT UNIONS**Submitted by Councillor Sam Corcoran and Seconded by Councillor Michelle Sherratt**

Cheshire East Council:

Notes and welcomes the UK-wide campaign to end 'legal loan sharking'.

Believes that the lack of access to affordable credit is socially and economically damaging. Unaffordable credit is causing a myriad of unwanted effects such as poorer diets, colder homes, rent, council tax and utility arrears, depression (which impacts on job seeking behaviour) and poor health.

Further notes that unaffordable credit is extracting wealth from the most deprived communities.

Believes it is the responsibility of all levels of government to try to ensure affordable credit for all, and therefore pledges to use best practice to promote

financial literacy and affordable lending. This will help to ensure that wealth stays in the local economy.

Pledges to promote credit unions in Cheshire East, community-based co-operative organisations offering access to affordable credit and promoting saving, to all members of the community.

Will work to make credit union payroll deduction facilities available to council staff to facilitate easy access to local credit unions and support saving for people in the area.

Calls on the government to introduce caps on the total lending rates that can be charged for providing credit.

Calls on the government to give local authorities the power to veto licences for high street credit agencies where they could have negative economic or social impacts on communities.

PLANNING COMMITTEE UPDATE REPORTS

Submitted by Councillor David Brickhill and Seconded by Councillor Michael Jones

In connection with the proceedings of the Strategic Planning Board on 30th January, when the following late update papers were produced after publication of the agenda for the meeting:

Update 1 containing 14 pages on 23rd at 11.42 including the Parish Council's response prompted by Councillor Hogben

Update 2 containing 18 pages on 25th at 17.22

Update 3 containing 12 pages, on 29th at 18.24

All of which led to delays in the business of the Board and a deferment. This Council calls upon officers and the Committee to ensure that:

- Update papers which are issued after publication of the agendas for planning meetings should be produced without delay prior to the meeting in question.
- Where it is necessary for update papers to be brought to the attention of Members within the five working days before planning meetings, the application in question should only be determined where:
 - The officers advise that it is necessary to do so in view of the urgency of the matter; and
 - Members of the Committee/Board agree that they and the public have had sufficient time to absorb the information in question; but
- That in other cases, the Committee/Board should resolve to defer consideration of the application in question.

LYME GREEN

Submitted by Councillor Brendan Murphy and Seconded by Councillor Lloyd Roberts

Council resolves that the Designated Independent Person's report should be published unless there is well-founded legal advice to the contrary.

STRATEGIC HOUSING LAND AVAILABILITY ASSESSMENT

Submitted by Councillor David Brown and Seconded by Councillor Michael Jones

This Council welcomes the recent decision to approve the 2013 Strategic Housing Land Availability Assessment, and supports its use to evidence a 5 year housing supply wherever appropriate.

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