

Cabinet

Agenda

Date: Monday, 22nd July, 2013
Time: 2.00 pm
Venue: Committee Suite 1, 2 & 3, Westfields, Middlewich Road,
Sandbach CW11 1HZ

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

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

1. **Apologies for Absence**

2. **Declarations of Interest**

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

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

In accordance with Procedure Rules Nos.11 and 35 a period of 10 minutes is allocated for members of the public to address the meeting on any matter relevant to the work of the meeting. Individual members of the public may speak for up to 5 minutes but the Chairman or person presiding 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 are not required to give notice to use this facility. However, as a matter of courtesy, a period of 24 hours' notice is encouraged.

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.

Contact: Paul Mountford, Democratic Services Officer
Tel: 01270 686472
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4. **Questions to Cabinet Members**

A period of 20 minutes is allocated for questions to be put to Cabinet Members by members of the Council. Notice of questions need not be given in advance of the meeting. 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. Where a question relates to a matter which appears on the agenda, the Leader may allow the question to be asked at the beginning of consideration of that item.

5. **Minutes of Previous Meeting** (Pages 1 - 12)

To approve the minutes of the meeting held on 24th June 2013.

6. **Congleton transport Infrastructure - Selection of Preferred Transport Solution (Key Decision Ref CE 13/14-13)** (Pages 13 - 26)

To consider a report seeking approval of the transport options to be taken forward for further appraisal using the Congleton Traffic Model.

7. **Crewe Deep Geothermal Energy Centre (Key Decision Ref 13/14-31)** (Pages 27 - 42)

To consider a report seeking approval to progress the Crewe Deep Geothermal Energy Project by approving in principle the use of a 1 hectare site at Leighton West, Crewe, owned by Cheshire East Council, to investigate the potential for Deep Geothermal Energy generation.

8. **Health Impact Assessment Policy (Key Decision Ref CE 13/14-33)** (Pages 43 - 52)

To consider a report on the introduction of a Health Impact Assessment Policy.

9. **Budget Setting Process 2014/2017** (Pages 53 - 76)

To consider a report seeking approval of the Council's Budget Setting Process for 2014/2017 onwards.

10. **Risk Management Policy Review** (Pages 77 - 92)

To consider an updated Risk Management Policy.

11. **Policy for the Allocation of Community Grants** (Pages 93 - 104)

To consider a report on the Policy for the Allocation of Community Grants 2013/14.

THERE ARE NO PART 2 ITEMS

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Cabinet**
held on Monday, 24th June, 2013 at The Capesthorne Room - Town Hall,
Macclesfield SK10 1EA

PRESENT

Councillor M Jones (Chairman)
Councillor D Brown (Vice-Chairman)

Councillors Rachel Bailey, J Clowes, J P Findlow, B Moran, P Raynes and
D Topping

Members in Attendance

Councillors Rhoda Bailey, G Baxendale, L Brown, S Gardiner, P Groves, J
Hammond, S Hogben, P Hoyland, B Livesley, P Mason, A Moran, B Murphy,
D Newton, A Thwaite, R West and S Wilkinson

Officers in Attendance

Kim Ryley, Lorraine Butcher, Suki Binjal, Heather Grimbaldston, Kevin
Melling, Mark Wheelton and Paul Mountford

Apologies

Councillor L Gilbert

18 DECLARATIONS OF INTEREST

There were no declarations of interest.

19 PUBLIC SPEAKING TIME/OPEN SESSION

Mrs Ann Thornber and Mrs Charlotte Peters Rock both spoke in support of
the Mountview Community Resource Centre, Congleton, asking that the
Cabinet resolve not to close the Centre.

20 QUESTIONS TO CABINET MEMBERS

Councillor S Wilkinson, Chairman of the Corporate Scrutiny Committee,
conveyed the Committee's wish to see greater attendance by Cabinet
Members and CMT officers at future meetings.

The Leader replied that he expected Cabinet Members and CMT officers
to attend scrutiny committees as and when required.

Councillor S Hogben asked which Cabinet Member would be responsible
for economic regeneration following the recent resignation of Councillor
Macrae.

The Leader replied that he would be making an announcement at the next Council meeting. In the meantime, the Council was forging ahead with regeneration.

21 MINUTES OF PREVIOUS MEETING

RESOLVED

That the minutes of the meetings held on 28th May and 10th June 2013 be approved as a correct record.

22 REVIEW OF SERVICES DELIVERED FROM MOUNTVIEW

Cabinet considered a report on the outcome of the recent review of services delivered from Mountview in Congleton.

The Portfolio Holder for Health and Adult Care announced that following the review and in the light of the consultation response, the Council would be retaining day care services at Mountview. This would allow more time to review provision locally. The Leader added that services at Mountview would be available to new users. A further report on respite care would be brought back to Cabinet. The Leader also referred to concerns being expressed nationally about the Care Quality Commission and commented that the Council would consider instigating its own care quality regime.

RESOLVED

That

- (1) with regard to respite services for older people, those with dementia and those with a learning disability, Cabinet approves the adoption of Option 1B in section 10.1 of the report – that ‘Mountview services continue for a defined period, whilst other facilities are secured locally in the Congleton area’;
- (2) the defined period cover a transitional arrangement while alternative care and support services (respite) for adults are explored in the market through a competitively tendered and block purchasing approach with independent sector care homes;
- (3) a further report be considered by Cabinet, when a contract has been secured for the provision of respite care from the private market; and
- (4) day care provision continue at Mountview, to be reviewed at a future date as the needs/choices of users change.

23 CONGLETON LINK ROAD - VIABILITY POSITION STATEMENT

Cabinet considered a report on the proposed Congleton Link Road between the A534 and A536.

The report sought approval to progress the design and development of the scheme and to develop a strategy for its phased delivery. The report also highlighted potential funding options.

RESOLVED

That Cabinet

- (1) notes the costs for the provision of a single carriageway link road between the A534 Sandbach Road to A536 Macclesfield Road are estimated to be in the region of £62m including land, fees and risk;
- (2) notes that land costs for the scheme are sensitive to the allocations proposed in the emerging Local Plan and that to minimise this risk the preferred route for the link road be reflected in the Local Plan Site Allocations document;
- (3) notes that contributions from the development proposed in the Draft Local Plan have the potential to raise up to £14m as part of a mixed funding strategy;
- (4) notes that substantial use of the Council's own resources is likely, in due course, to be required to both contribute to and 'forward fund' the delivery of the link road (or phases thereof) within the context of the anticipated revenues associated with future developer contributions and the estimated cost of the scheme;
- (5) notes that initial work has identified that a positive transport business case can be made for the overall scheme which can be used to support future funding bids;
- (6) notes that individual funding bids alone may be unlikely to deliver the full funding required to construct the entire link road and that a 'phased approach' to delivery is adopted;
- (7) notes that a phased delivery of the link road will require a consequential phasing of associated development in the Local Plan;
- (8) will continue to investigate options for a new link road between the A534 and A536 to support the potential adoption of a preferred route in the Local Plan;
- (9) will develop a funding strategy to evidence the scheme's financial affordability to the Council over the plan period and support future decisions on a preferred transport solution for Congleton; and
- (10) notes that the validity of the funding position and delivery strategy will be tested through the Local Plan inspection process.

24 ALCOHOL HARM REDUCTION AND MINIMUM UNIT PRICING

Cabinet considered a report on minimum unit pricing for alcohol across Cheshire and Warrington and the wider region.

The report suggested that progress towards reducing alcohol-related harm would be accelerated by supporting the introduction of a minimum price per unit of alcohol for Cheshire, Warrington and the wider North West region. It was recognised that this would be only one aspect of any comprehensive plan to reduce alcohol harm within the community and that there were other measures that could be considered.

RESOLVED

That Cabinet endorses

- (1) the principle of the introduction of a minimum unit price for alcohol across Cheshire and Warrington and the wider North West region; and
- (2) the pursuit of a byelaw supported by as many local authorities as possible, as well as active support and pursuit of the enactment of national legislation to implement a minimum unit price for alcohol, as part of a wider strategy to tackle alcohol harm.

25 PREFERRED DELIVERY MODEL FOR LEISURE, SPORT, PLAY AND DEVELOPMENT SERVICES

Cabinet considered a report on the benefits, implications and proposed approach to the creation of a new delivery vehicle for the Council's leisure facilities, sport, play and development services.

The report summarised the work of specialist leisure consultants FMG, who had been appointed to look at various company models and to evaluate and report back on a preferred model that would safeguard the scope and quality of the existing service, whilst achieving required efficiency savings as set out in the Council's three year plan.

The report sought Members' approval to set up a charitable trust (limited by way of guarantee), whereby the Council retained the freehold of the current physical assets.

RESOLVED

That Cabinet

- (1) notes the findings of the options appraisal and consultation exercise that have concluded that the most appropriate delivery model is that of a new charitable trust;

- (2) approves the formation of the Trust and the transfer of leisure services into it with an effective operational target date of 1st April 2014, with the trust being established by the end of the year (December 2013) at the latest;
- (3) gives delegated authority to the Head of Public Protection and Enforcement (SRO for the project), the Borough Solicitor and the Section 151 Officer (or the officers that are devolved those powers) to commence the detailed implementation of the Trust, in consultation with the Portfolio Holder and Leader of the Council (involving, but not being limited to, a progress report to Cabinet in October 2013), using the following actions and timetable:
- Start formal consultation with staff and Trade unions- July 2013-onwards
 - Development of a robust, detailed Business Plan, which includes an asset investment plan (for the Trust), performance specification and details of contract management- Oct 2013
 - Complete formation and registration with the Charities Commission- Nov 2013
 - Advertise intention to award contract – Nov 2013
 - Recruitment and appointment of a board of trustees (see 2.4 below) - Sept -2013
 - Recruitment and appointment of the Trust's Senior Management Board- Nov 2013
 - Complete condition surveys for all the buildings at cost of approximately £20k- Nov 2013
 - Commission the Pension Actuary to confirm cost of any bond - Approximately £5K - Aug 2013
 - Finalisation of staff transfer arrangements and related HR, insurance considerations; and operating procedures.- Dec 2013
 - Shadow Trust becomes operational- Dec- 2013
 - Enter into lease(s) for all facilities with the Trust on terms and conditions to be agreed by the delegated officers- Feb- March 2014
 - Novation of current joint use agreements and other service contracts March 2014

- Entering into pension admissions agreement and staff transfer agreement plus formal transfer of staff and services - April 2014

(4) agrees to nominate two elected members to serve as the Council's representatives on the Trust Board, subject to approval by full Council in July 2013.

26 COMMISSIONING CREWE CUMBERLAND LIFESTYLE CENTRE

Cabinet considered a report on the appointment of the preferred contractor to work in partnership with Cheshire East Council to deliver a new Lifestyle Centre in Crewe.

The Centre would be based at the existing Cumberland Arena and would be opened in the Spring of 2015.

The value of the scheme had been budgeted at £12.7M which was included in the Council's Capital Programme. A procurement exercise had been completed through the Northwest Construction Hub Framework and after a mini-competition, Kier Construction were the Council's preferred Design and Build Contractor. A full Equality Impact Assessment and a Transport Assessment had been completed during the procurement phase.

At Members' request, the Leader undertook to consider options for a 25m or a 50m swimming pool at the Centre.

RESOLVED

That

- (1) Kier Construction be appointed as Design and Build Contractor to work in partnership with Cheshire East Council, and the officers be authorised to take all necessary action to work with the Contractor to deliver the new asset quickly; and
- (2) in order to expedite design 'sign-off', design authority be delegated to a task group consisting of the Project Board, Leader of the Council and the Portfolio Holder for Health and Adult Care.

27 2012/2013 FINAL OUTTURN REVIEW OF PERFORMANCE

Cabinet considered a report providing summary and detailed information on the Council's financial and non-financial performance at the final quarter of the 2012/2013 Financial Year. The report also requested approval for supplementary estimates.

The strength of remedial action in the final quarter of the financial year, together with better than expected service funding streams, had led to an

improvement of £5.8m in the overall outturn position since the third quarter review.

Councillor S Wilkinson, Chairman of the Corporate Scrutiny Committee, reported the comments of the Committee which had considered the outturn report at its meeting that morning. The Committee had been pleased to see the improved outturn position and increased reserves. However, the Committee had expressed concern at the use of £22.4m for remedial measures and hoped to see an improvement in future. In addition, the Committee wished future reports to mention any slippages. The Committee also felt that the report should make it clear as to which performance targets were set locally or nationally, and felt that with regard to performance indicator NI 157a (processing of planning applications) there were still issues for Cabinet to consider. Finally, the Committee had expressed its thanks to staff in achieving the reported outcomes in difficult circumstances.

The Leader acknowledged the Corporate Scrutiny Committee's comments and added his thanks to those staff involved in achieving the improved outturn position.

RESOLVED

That

(1) Cabinet notes:

- the Service revenue and capital final outturn positions (Section 1 of the report);
- the overall financial stability of the Council, and the impact on the Council's general reserves position (Section 2);
- the movements on earmarked reserves and the service manager carry forward proposals contained in the report (Section 2, paragraphs 135 to 137);
- the Council's invoiced debt position (Appendix 2);
- the delivery of the overall Capital Programme (Section 2, paragraphs 103 to 115 and Appendix 3);
- Reductions in the approved capital programme (Appendix 4)
- Supplementary Capital Estimates and Virements up to £250,000 In accordance with Finance Procedure Rules (Appendices 5a)
- the service performance successes achieved during 2012/2013, and consider issues raised in relation to underperformance against targets and how these will be addressed (Section 3).

- (2) Cabinet approves Supplementary Capital Estimates and Virements over £250,000 but under £1m in accordance with Finance Procedure Rules (Appendix 5b);
- (3) Cabinet recommends that Council approve Supplementary Capital Estimates and Virements over £1m in accordance with Finance Procedure Rules (Appendix 5c); and
- (4) Cabinet notes the comments of the Corporate Scrutiny Committee.

28 ACCESS TO PAYDAY LOAN WEBSITES THROUGH PUBLIC PCS IN LIBRARIES

Cabinet considered the introduction of a policy to block access to payday loan websites through public PCs in Cheshire East libraries and other Council buildings.

There had been significant recent media coverage regarding payday loan companies, with the Citizens Advice Bureau describing the payday loan industry as “out of control”, following claims of irresponsible lending and harassment. A report by the regulator, the Office of Fair Trading, had revealed “widespread irresponsible lending” in the industry. The proposed policy would enable the Council to take action to protect people from falling into a high interest debt trap and guide them towards affordable credit.

RESOLVED

That a policy be introduced to block access to payday loan websites through public PCs in public libraries and other Council buildings in Cheshire East.

29 IMPROVING THE COUNCIL'S APPROACH TO PROCUREMENT

The following matter had been deemed a key decision in that it was likely to involve significant savings. The date by which a decision was required had made it impracticable to include the matter on the Forward Plan. The Chairman of the Corporate Scrutiny Committee had been consulted in accordance with paragraph 54.6 of the Executive Arrangements and Cabinet Procedure Rules and had agreed that the making of the decision was urgent and could not reasonably be deferred.

Cabinet considered a proposal to engage consultants to support the Council in instilling a more robust approach to procurement.

Cheshire East Council currently operated a devolved approach to procurement supported by a small Strategic Procurement Team located in the Finance and Business Services Directorate. External Consultants, V4 Services, had been engaged to undertake an external health check of the

Procurement activity across the Council. The report summarised V4's findings and outlined their potential future involvement in helping to address some of the issues highlighted.

RESOLVED

That

- (1) V4 Services be re-engaged to support the Council to instil a more robust approach to procurement in anticipation of significant savings (between £1.85m and £4.5m being achieved on a fixed cost basis (£447k);
- (2) a monitoring process be instituted to ensure that the projected savings are achieved; and
- (3) the normal project management arrangements apply.

Prior to consideration of the next item, the Leader of the Council announced that the Interim Chief Executive, Kim Ryley, would be retiring at the end of the week. On behalf of all those present, the Leader thanked him for doing an excellent job.

The Leader also took the opportunity to introduce the new Chief Executive, Mike Suarez, and the new Interim Borough Solicitor and Monitoring Officer, Suki Binjal.

30 MAJOR CHANGE PROJECT 6.4 - DETERMINE FUTURE DELIVERY MODEL FOR WASTE MANAGEMENT SERVICES

Cabinet considered a report on a future delivery model for waste management services.

Following a service review earlier this year, the Council had identified a number of areas that would make significant contributions to future service delivery efficiencies, as set out in the report. This included a new approach to service delivery involving the creation of a wholly-owned company to manage the Council's waste collection and disposal needs.

The report was in four sections:

- Section A - Existing Service Efficiency Review
- Section B - Future Delivery Models
- Section C - Review of Depot Infrastructure
- Section D - Interim Residual Waste Disposal Options (This section contained exempt information and would be dealt with under Part 2 of the agenda)

RESOLVED

That

Existing Service Efficiency Review

- (1) Cabinet notes the findings of the service review that has highlighted the most appropriate areas for consideration (para 3.4, Section A of the report).
- (2) Cabinet approves the recommended plan and areas for delivery of the required efficiencies within the existing service (para 3.4, Section A).
- (3) Once the above have been approved, the responsibility for further development and implementation be delegated to the Head of Environmental Protection and Enhancement in conjunction with the Section 151 Officer, Monitoring Officer and Portfolio Holder for Environment, and is subject to the corporate project quality assurance process governed by the Executive Monitoring Board to ensure that the project is reviewed prior to any future implementation.

Future Delivery Model

- (4) Cabinet notes the findings of the options appraisal that has concluded the most appropriate future delivery model to be that of a wholly owned company encompassing an in-house collection service. (Section B).
- (5) Cabinet approves, in principle, the formation of the company shell and the further work required to define the most appropriate legal form of company.
- (6) Cabinet agrees to the establishment of a Shadow Board of Directors for the company and the Cabinet portfolio holder for Environment work with the Leader of the Council and Chief Executive to define the appointments of the Non-Executive Directors to the Shadow Board.
- (7) The Chief Executive and Monitoring Officer be given delegated authority to take forward the actions required to implement the recommendations and set up the Company shell, reporting back to Cabinet in October 2013 for endorsement of the new company (Section B).
- (8) Subject to agreement of 2.1 to 2.4 of Section B of the report, and with cognisance of delegation in 2.4 of the report, the responsibility for further development and implementation be delegated to the Head of Environmental Protection and Enhancement in conjunction with the Section 151 Officer, Monitoring Officer, Portfolio Holder for Environment and subject to the corporate project quality assurance process governed by the Executive Monitoring Board to ensure that the project is reviewed, prior to any future implementation.

Review of Depot Infrastructure

- (9) Cabinet acknowledges the need for new facilities within the North of the Borough along with the need for improvements to be made to existing facilities at Pyms Lane (Southern Depot) to accommodate current and future service needs.
- (10) The responsibility for further development, funding and future implementation be delegated to the Head of Environmental Protection and Enhancement in conjunction with the Section 151 Officer, Monitoring Officer and Portfolio Holder for Environment and be subject to the corporate project quality assurance process governed by the Executive Monitoring Board to ensure that the project is reviewed, prior to any future implementation.

31 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That pursuant to Section 100(A)4 of the Local Government Act 1972 the press and public be excluded from the meeting during consideration of the following item on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and the public interest would not be served in publishing the information.

32 MAJOR CHANGE PROJECT 6.4 - DETERMINE FUTURE DELIVERY MODEL FOR WASTE MANAGEMENT SERVICES - INTERIM RESIDUAL WASTE DISPOSAL OPTIONS

Cabinet considered a report on interim residual waste disposal options.

RESOLVED

That

Interim Residual Waste Disposal Options

- (1) Cabinet notes the findings of the costed options appraisal, financial implications and risks (Section D of the report, Para 3.4 to 3.5, 7.1 to 7.7 and Para 9.1 to 9.8) that concluded the most appropriate interim residual waste disposal solution;
- (2) Cabinet approves the recommended option for the interim waste disposal solution to be effective from April 2014 along with the offer to divert some residual waste away from landfill during 2013/14 as set out in Section D, Para 2.1;
- (3) once the above are approved, the responsibility for further development and implementation be delegated to the Head of

Environmental Protection and Enhancement in conjunction with the Section 151 Officer, Monitoring Officer and Portfolio Holder for Environment and be subject to the corporate project quality assurance process governed by the Executive Monitoring Board to ensure that the project is reviewed, prior to any future implementation;

- (4) Cabinet notes the update regarding the previously approved contract extensions for Garden Waste, Dry Recyclate Bulking and Dry Recyclate Haulage as set out in Section D, Para 2; and
- (5) the balance of the report and its recommendations be noted and approved.

The meeting commenced at 2.00 pm and concluded at 4.34 pm

M Jones (Chairman)

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	22 nd July 2013
Report of:	Head of Environmental Protection & Enhancement
Subject/Title:	Congleton transport Infrastructure – Selection of Preferred Transport Solution (Key Decision Ref CE 13/14-13)
Portfolio Holder:	Councillor David Brown, Strategic Communities

1.0 Report Summary

- 1.1 This report seeks formal Cabinet approval on the transport options to be taken forward for further appraisal using the Congleton Traffic Model.
- 1.2 In line with best practice DfT guidance, consideration is given to a "Preferred" option, a "Next Best" option and a "Low Cost" option.
- 1.3 The "Preferred" option has been identified based upon the scale of transport benefits it is likely to deliver against the endorsed objectives of the study and its key role in facilitating the successful delivery of the Local Plan housing and employment allocations within the Congleton area.
- 1.4 The need to consider a "Next Best" and a "Low Cost" option is a key component of major scheme development. It ensures that due consideration has been given to a range of solutions to produce evidence sufficiently robust to support the Business Case and decision making for the statutory processes and access to central Government funding allocations.

2.0 Recommendations

- 2.1 That Cabinet
- 2.2 endorse that the Preferred transport solution to be taken forward for further appraisal using the Congleton Traffic Model is a link road connecting the A534 Sandbach Road to the A536 Macclesfield Road;
- 2.3 endorse that the Next Best transport solution to be taken forward for further appraisal using the Congleton Traffic Model is a link road connecting the A54 Holmes Chapel Road to the A34 Manchester Road;
- 2.4 endorse that the Low Cost transport solution to be taken forward for further appraisal using the Congleton Traffic Model is on-line improvements on the A34;

- 2.5 note that to access certain funding streams, alternative options need to be considered; and
- 2.6 note that public consultation on detailed route options is planned for late 2013 / early 2014.

3.0 Reasons for Recommendations

- 3.1 To provide a detailed and robust evidenced base for the selection of a preferred transport solution that best addresses the study objectives.
- 3.2 To support any future statutory procedures and access to central and local funding allocations by evidencing that the full range of alternatives have been examined.

4.0 Wards Affected

- 4.1 Brereton Rural, Congleton East, Congleton West, Gawsworth, Odd Rode.

5.0 Local Ward Members

- 5.1 Brereton Rural – Cllr John Wray
Congleton East – Cllr David Brown, Cllr Peter Mason and Cllr Andrew Thwaite
Congleton West – Cllr Gordon Baxendale, Cllr Roland Domleo and Cllr David Topping
Gawsworth – Cllr Lesley Smetham
Odd Rode - Cllr Rhoda Bailey and Cllr Andrew Barratt

6.0 Policy Implications

- 6.1 Department for Transport best practice on scheme appraisal has been adopted as part of the decision making process.
- 6.2 The process adopted is also aligned with the statutory requirements of an Environmental Statement to consider alternative solutions.
- 6.3 The next stage of feasibility work will consider in further detail the Policy implications of the remaining solutions.

7.0 Financial Implications

- 7.1 This is an interim product / report of an approved feasibility study with funding in place from the Capital programme and Local Transport plan.
- 7.2 As identified in the June 24th Cabinet Paper, a funding strategy for the delivery of improved transport infrastructure within Congleton is under development.

8.0 Legal Implications

- 8.1 The Council's statutory duties and powers as Highway Authority under the Highways Act 1980 include developing highway policy, new works and scheme design. Section 62 provides a general power to improve highways and makes reference to specific powers and requirements later in the Act to undertake particular types of works. The Portfolio Holder decision on 15 April 2013 commenced the process to select a preferred option for improving the highway network for Congleton. Reference to use of the Department for Transport recommended best practice evidences that the Council's commitment to ensure proper process in the exercise of its powers and duties for this area of the Borough.

9.0 Risk Management Implications

- 9.1 This process, by taking a step by step objective assessment of all possible solutions minimises risk of future challenge to a preferred scheme by local objectors and statutory consultees.
- 9.2 The adopted process will also ensure that the Business Case for infrastructure improvement within Congleton is robust. This will help funding to be secured and minimise risks associated with deliverability.

10.0 Background

- 10.1 In April 2013 the Portfolio Holder approved the revised scheme objectives and the shortlist of 8 potential interventions to be taken forward for further consideration. These are listed in Table 1.

Table 1: Potential interventions approved by the Portfolio Holder in April 2013		
Contribution to objectives	Schemes	
Medium	1	Online improvements and widening of A34 Rood Hill, Clayton By-Pass, West Road and Holmes Chapel Road and junction improvements
	4	Isolated junction improvements to the: - A34 Rood Hill/A54 Rood Hill (sigs) - A34 Clayton Bypass/West Road/West Street (Rbt) - A34 West Road/A54 Holmes Chapel Road/A534 Sandbach Rd / A34 Newcastle Road (rbt)
	5	Network Management measures such as signal optimisation, MOVA, SCOOT
	6	Strategic signing strategy
	7	Traffic Management Strategy / Local signing strategy
	14	'Partial' Link Road connecting A534 Sandbach Road to Viking Way
	15	'Partial' Link Road connecting Viking Way to the A536

		Macclesfield Road
High	13	Link Road connecting A534 Sandbach Road to A536 Macclesfield Road

- 10.2 As part of the ongoing scheme development process, further analysis has been undertaken on each of the 8 shortlisted interventions to establish the most appropriate solutions to be taken forward for further appraisal using the Congleton Traffic Model. In line with DfT guidance these are generally termed the Preferred, Next Best and Lower Cost options.
- 10.3 The process adopted is illustrated in Appendix A and discussed in detail below.
- 10.4 A Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis has been undertaken on the 8 shortlisted interventions approved by the Portfolio Holder in April 2013. A SWOT analysis is a strategic planning method which can be used to inform decision making by allowing a clear comparison of each of the shortlisted interventions.
- 10.5 The SWOT analysis for each of the 8 shortlisted interventions is presented in Tables 2 to 7 in Appendix B.

11.0 SWOT Analysis Recommendations

- 11.1 The SWOT analysis has been used to clearly compare the shortlisted interventions. The results and recommendations made in respect of the SWOT analysis are presented in Table 8.

Table 8: SWOT Analysis Recommendations		
Intervention	Recommendation	Justification
(5) Network Management measures such as signal optimisation, MOVA, SCOOT	Not pursued any further.	The SWOT analysis clearly demonstrates that these interventions are unlikely to deliver the desired transport benefits within Congleton as set out within the scheme objectives.
(6) Strategic Signing Strategy		
(7) Traffic Management Strategy / Local signing strategy		
(14) 'Partial' Link Road connecting A534 Sandbach Road to Viking Way		
(15) 'Partial' Link Road connecting Viking Way to the A536 Macclesfield Road		
(1) Online improvements and widening of A34 Rood Hill, Clayton By-Pass, West Road and Holmes Chapel Road and junction improvements	It is recommended that these options are taken forward for detailed appraisal using the Congleton	The SWOT analysis shows that online improvements to the A34 corridor

Table 8: SWOT Analysis Recommendations		
Intervention	Recommendation	Justification
(4) Isolated junction improvements to the: - A34 Rood Hill/A54 Rood Hill (sigs) - A34 Clayton Bypass/West Road/West Street (Rbt) - A34 West Road/A54 Holmes Chapel Road/A534 Sandbach Rd / A34 Newcastle Road (rbt)	Traffic Model. At this early stage of scheme appraisal it is envisaged that online improvements would constitute a *low cost option	through Congleton do have potential to deliver some transport benefits and (subject to local engineering challenges) could be delivered at comparatively moderate cost and time scale.
(13) Link Road connecting A534 Sandbach Road to A536 Macclesfield Road	Notwithstanding deliverability and funding challenges it is recommended that this options is taken forward for detailed appraisal using the Congleton Traffic Model. At this early stage of scheme appraisal it is envisaged that this option would constitute the *Preferred Option based upon the likely transport benefits it would deliver and the potential to facilitate economic growth to the north of Congleton.	The SWOT analysis shows that the link road connecting the A534 Sandbach Road to A536 Macclesfield Road is likely to have the widest benefit to Congleton given the scheme objectives.
*Subject to detailed scheme appraisal using the Congleton Traffic Model.		

- 11.2 The SWOT analysis has been used to define a Preferred Option and a Low Cost option to be taken forward for further appraisal using the Congleton Traffic Model. It should be noted that these designations have been based upon appropriate and proportionate analysis for the current stage of scheme development and are subject to refinement following detailed appraisal.
- 11.3 It is recommended that the Next Best Option is defined based upon Preferred Option but with a reduced scope whilst still maximising potential transport benefits.

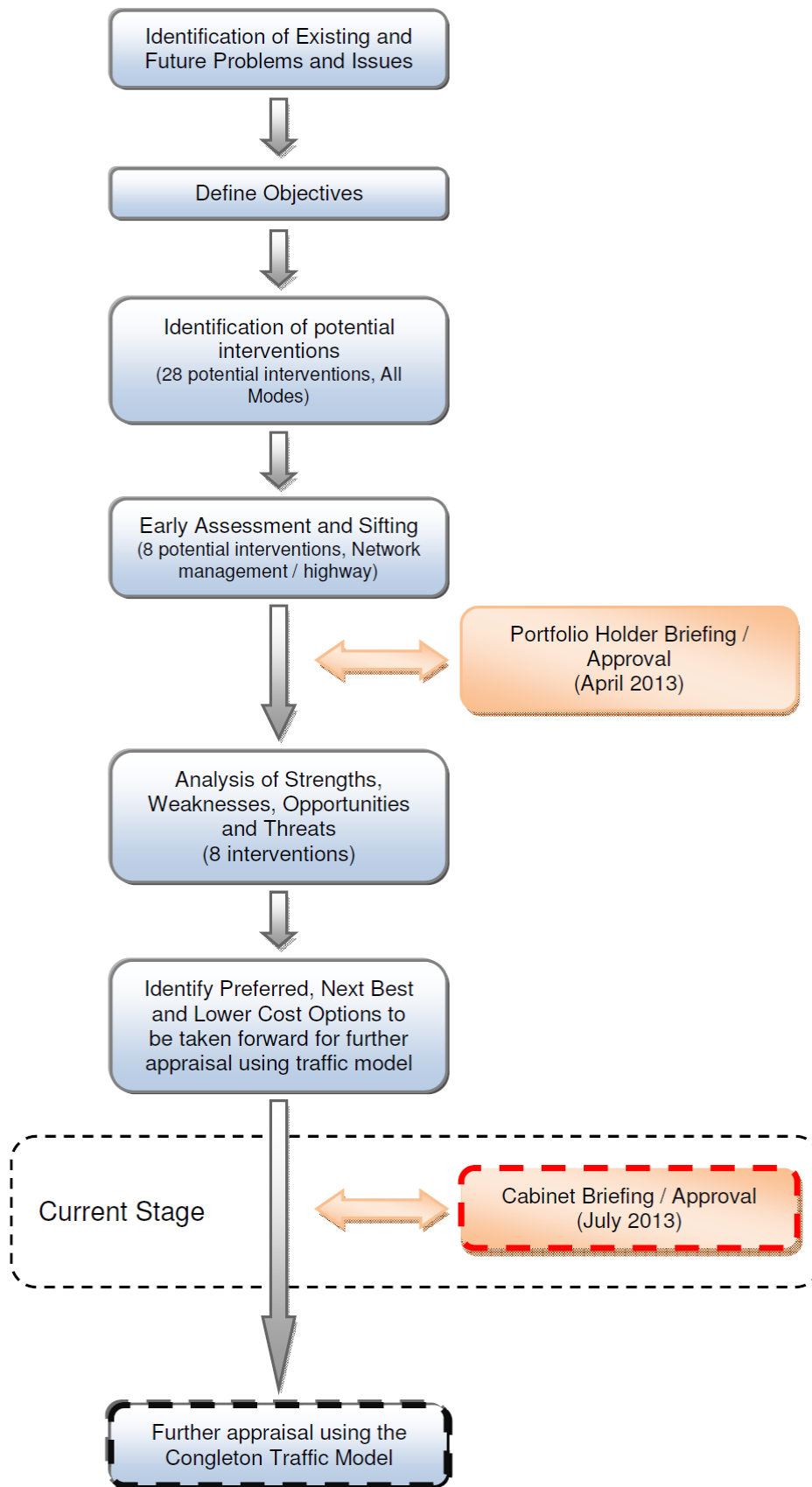
- 11.4 It is currently envisaged that a link road that connects the A54 Holmes Chapel Road to the A34 Congleton Road would provide an alternative route for traffic, whilst maximising future development prospects to the north of Congleton. Traffic relief within Congleton is unlikely to be as significant as a full link road that connects the A534 Sandbach Road to the A536 Macclesfield Road. However, this option would allow best use to be made of Sandy Lane and would not preclude the construction of an A534 Sandbach Road to A54 Holmes Chapel Road and the A34 Congleton Road to A536 Macclesfield Road (i.e. a full link road) at some time in the future.
- 11.5 Based upon the evidence currently available it is therefore recommended that a link road that connects the A54 Holmes Chapel Road to the A34 Congleton Road also be taken forward for further appraisal using the Congleton Traffic Model and be defined as the **Next Best Option**.
- 11.6 A plan showing the routes of the **Preferred, Next Best** and **Low Cost Options** is shown on attached Drawing No B1832001-08-H-016 Rev 0.

12.0 Access to Information

- 12.1 Further details relating to this report can be inspected by contacting the report writer:

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APPENDIX A Development Process



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APPENDIX B
SWOT Analysis

Table 2: SWOT	
(1) Online improvements and widening of A34 Rood Hill, Clayton By-Pass, West Road and Holmes Chapel Road and junction improvements	
(4) Isolated junction improvements to the: - A34 Rood Hill/A54 Rood Hill (sigs) - A34 Clayton Bypass/West Road/West Street (Rbt) - A34 West Road/A54 Holmes Chapel Road/A534 Sandbach Rd / A34 Newcastle Road (rbt)	
Strengths	Weaknesses
Makes best use of existing infrastructure	Capacity constrained by A34 river crossing.
Moderate cost.	Physical constraints along route limit opportunity for improvement e.g. property, highway boundary, structures etc.
Potential to be delivered in a relatively short time period.	Does not facilitate future development to the north of Congleton
Low impact upon the natural environment.	Only cope with limited future traffic growth.
Opportunities	Threats
Improved pedestrian and cycling facilities	May have limited impact upon existing traffic problems within Congleton as it does not provide an alternative route for through traffic.
Opportunity to secure moderate developer contributions at junctions that link development access roads.	Potential increase in severance along the A34
	Potential negative impact upon the A34 / A54 Rood Hill AQMA
	Public acceptability
	Political acceptability

Table 3: SWOT	
(5) Network Management measures such as signal optimisation, MOVA, SCOOT	
Strengths	Weaknesses
Makes best use of existing infrastructure	Likely to have a limited impact for a short period of time.
Low cost	Limited number of junctions may benefit.
Can be delivered in a short time period	Does not facilitate future development to the north of Congleton
Opportunities	Threats
Could be funded through developer contributions.	Standard approach to traffic management that would be required as a Do-Minimum. May therefore not be perceived as a realistic alternative.

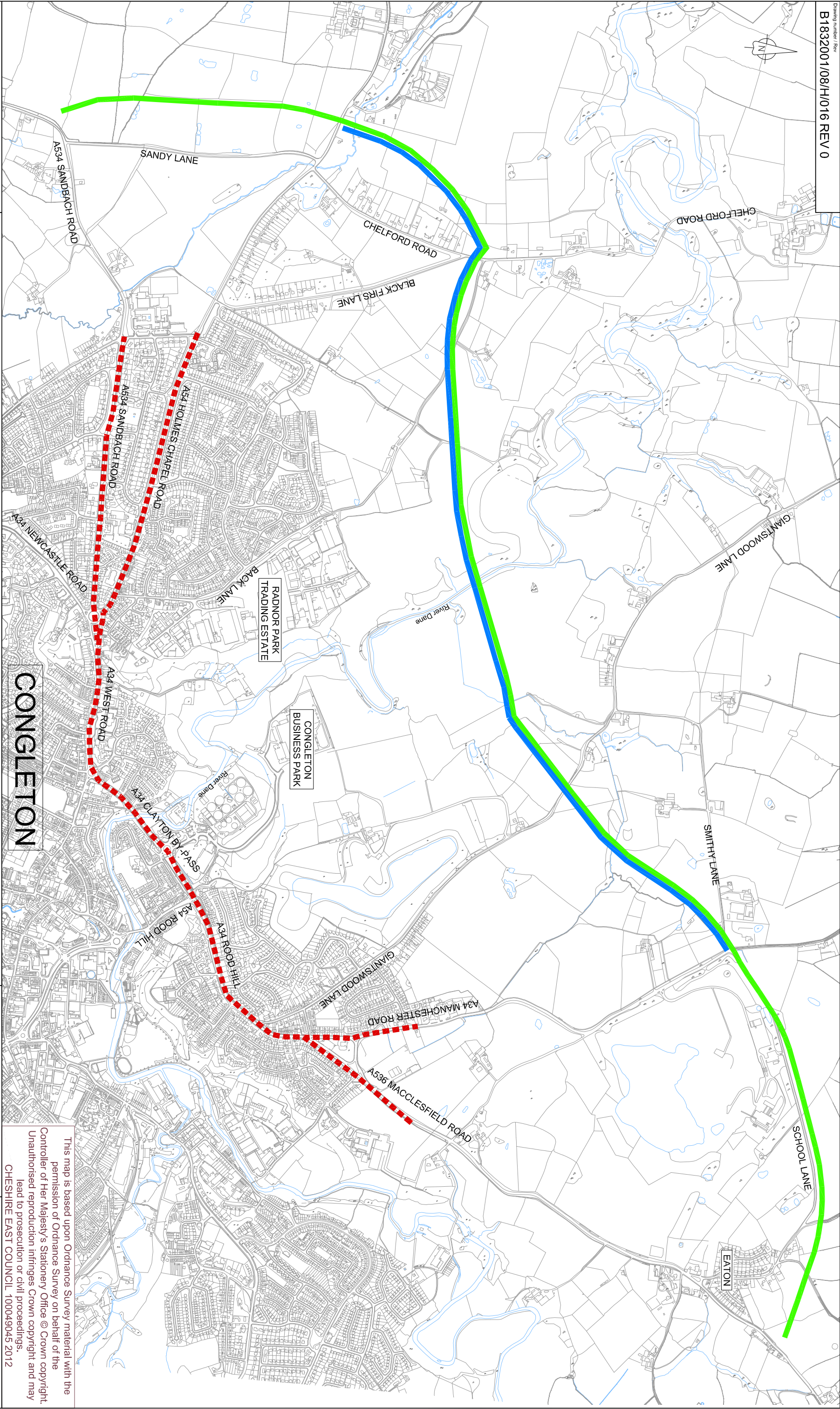
Table 4: SWOT	
(6) Strategic Signing Strategy	
(7) Traffic Management Strategy / Local signing strategy	
Strengths	Weaknesses
Makes best use of existing infrastructure	Likely to have limited impact upon traffic congestion within Congleton.
Low cost	Does not facilitate future development to the north of Congleton
Can be delivered in a short time period	
Opportunities	Threats
	Standard approach to traffic management that would be required as a Do-Minimum. May therefore not be perceived as a realistic alternative.
	Strategic signing would require third party support e.g. HA.

Table 5: SWOT	
(14) 'Partial' Link Road connecting A534 Sandbach Road to Viking Way	
Strengths	Weaknesses
Provides access to key development sites (Back Lane, Radnor Park and Congleton Business Park) from the M6 via the A534 and A54 in the west.	Likely to have limited impact upon existing traffic problems within Congleton as it does not provide an alternative route for through traffic.
	Potential to increase traffic on Back Lane and Viking Way.
Opportunities	Threats
Potential for significant developer contributions.	Development not taken forward.

Table 6: SWOT	
(15) 'Partial' Link Road connecting Viking Way to the A536 Macclesfield Road	
Strengths	Weaknesses
Provides access to key development sites (Back Lane, Radnor Park and Congleton Business Park) from the M6 via the A534 and A54 in the west.	Likely to have limited impact upon existing traffic problems within Congleton as it does not provide an alternative route for through traffic.
	Potential to increase traffic on Back Lane and Viking Way.
Opportunities	Threats
Potential for significant developer contributions.	Development not taken forward.

Table 7: SWOT	
(13) Link Road connecting A534 Sandbach Road to A536 Macclesfield Road	
Strengths	Weaknesses
Potential to remove a large proportion of traffic from Congleton.	Long implementation timescale.
Removal of traffic from AQMA	
Facilitate future economic growth via developments to the north of Congleton	
Potential to improve the built environment within Congleton through removal of strategic/through traffic from the town centre thus facilitating economic growth and inward investment.	
Opportunities	Threats
Potential for significant developer contributions.	High cost.
	Impact upon the natural environment to the north of Congleton.
	Potential impact upon properties along the line of the proposed link road.
	Removal of passing trade for local businesses.
	Potential increase in traffic on the A536 Macclesfield Road, A34 Congleton Road, A54 Holmes Chapel Road and the A534 Sandbach Road due to traffic reassigning to these routes.

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Notes:

Legend:

PREFERRED TRANSPORT SOLUTION

NEXT BEST TRANSPORT SOLUTION

LOW COST TRANSPORT SOLUTION

CONGLETON

Drawing title

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CONGLETON LINK ROAD

CONGLETON
TRANSPORT SOLUTIONS

Drawing status

FOR INFORMATION

Scale NTS @ A3 DO NOT SCALE

Jacobs No. B1832001 Client No.

Drawing number B1832001/08/H/016 Rev 0

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CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	22 nd July 2013
Report of:	Director of Economic Growth and Prosperity
Subject/Title:	Crewe Deep Geothermal Energy Centre
Portfolio Holder:	Leader / Cllr David Brown, Strategic Communities

1.0 Report Summary

- 1.1 This report seeks approval to progress the Crewe Deep Geothermal Energy Project by approving in principle the use of a 1 hectare site at Leighton West, Crewe, owned by Cheshire East Council, to investigate the potential for Deep Geothermal Energy generation.
- 1.2 The first stage of the project will undertake a feasibility study to test the overall benefits/risks of the opportunity and in particular carry out a site investigation and assess whether any planning and site specific or environmental health constraints might affect delivery and scope out the delivery which would be of optimum benefit to the Council and the local community.
- 1.3 Subject to the outcome of the feasibility study, the land will then be offered as a Joint Venture, lease opportunity or direct development to explore energy generation. Further full site appraisal and necessary planning consents will be taken forward through the most appropriate delivery model and will test the viability for a deep geothermal drilling site and associated district heating network.
- 1.4 The Council would benefit financially from future energy generation on the site and also be at the forefront of renewable energy generation utilising the natural assets of the Borough. The location of the site adjacent to Bentley and other employers, in addition to the proximity to wider residential communities means that this project may present major opportunities for wider benefits for employers and residents of Crewe in relation to energy costs and energy security.
- 1.5 The Council is seeking external grant funding to support the underwriting of risk. Although the project was unsuccessful in securing funding from Regional Growth Fund, other funding opportunities are being explored, including ERDF. This would greatly assist leveraging in private sector investment, therefore, giving greater confidence to potential developers. This model has been used successfully in France and Germany, where the geothermal energy industries are far more developed than in the UK.

- 1.6 With the potential to provide 100% of the heat requirement for Cheshire East, and as one of only six places in the UK suitable for geothermal energy, the resource in the Cheshire Basin is of national importance. By supporting the exploration of deep geothermal energy, the Council has a unique opportunity to be at the forefront of the growth of the geothermal industry in the UK.

2.0 Recommendations

2.1 Cabinet is requested to

1. support the selection of the Leighton West site as the preferred site, as described in Appendix 1;
2. note that a viability study will carry out a site investigation and assess whether any planning and site specific or environmental health constraints might affect delivery; the work will be funded by virement of existing budget as described in para. 7.1; and
3. delegate the decision on the route of delivery to the Portfolio Holder, Chief Executive and Director for Economic Growth and Prosperity.

3.0 Reasons for Recommendations

- 3.1 The project relates directly to the Council's key priority: *A growing and resilient local economy*. It is also prioritised in the Council's Three Year Plan:

- Outcome 2: *Cheshire East has a strong and resilient economy*,
- Outcome 4: *Cheshire East is a green and sustainable place*,
- Priority 1 (*Local Economic Development*), and
- Change Project 1.3 (*Investment to support business growth*).

- 3.2 Due to the high level of upfront investment at risk required for a deep geothermal drilling project (currently estimated to be £27m), the Council is not in a position to undertake the project directly. Instead, it has been identified that the Council could bring forward this project by leasing its land to a private developer or entering into a Joint Venture Agreement.

- 3.3 This enables the Council to take the first step to initiate the development of the geothermal industry in Cheshire East without the need for significant upfront financial investment.

4.0 Wards Affected

- 4.1 The Leighton West settlement covers the wards of Crewe St Barnabas, Leighton, and Wistaston. Whilst the drilling site will be located in Crewe St Barnabas ward, Leighton and Wistaston wards may also be affected due to their close proximity to the site.

5.0 Local Ward Members

- 5.1 Cllr Roy Cartlidge (Crewe St Barnabas), Cllr Derek Bebbington (Leighton), Cllr Margaret Simon (Wistaston), Cllr Jacqueline Weatherill (Wistaston).

6.0 Policy Implications

- 6.1 The project has the potential to secure significant new investment and jobs for Cheshire East, supporting the Council's key priority to achieve: *a growing and resilient local economy*. It is also prioritised in the Council's Three Year Plan:

- Outcome 2 (*Cheshire East has a strong and resilient economy*),
- Priority 1 (*Local Economic Development*), and
- Change Project 1.3 (*Investment to support business growth*).

- 6.2 The project also supports the Council's 'Ambition for All' Sustainable Communities Strategy (2010-2025) by promoting a step change in local production of energy from renewable sources.

7.0 Financial Implications

- 7.1 The project will require spending of £96,000 over 2 years in order to fund the advertising as part of the procurement process, specialist legal and procurement advice, and necessary site investigations into the feasibility of the scheme. As preparatory costs in relation to a potential capital development, it is suggested that they can be funded by virement from the feasibility study budget (i.e. part of the capital financing revenue budget); subject to approval to move forward on this initiative.

8.0 Legal Implications

- 8.1 The Council can rely upon the general power of competence provided by the Localism Act 2011 to investigate and exploit the opportunity of extracting geothermal energy from its own land.
- 8.2 It is proposed that a viability study be commissioned to report on both the suitability of the site and the appropriate route of delivery. This study will also identify the most effective legal and procurement mechanism by which to offer this new and unique opportunity to the market in order to secure best value for the Council from the opportunity.
- 8.3 Planning permission will need to be sought and granted (in addition to other permissions) in order that the land can be used for its intended purpose. Whilst it is noted that the planning application will be made by the intended provider, a public consultation will take place as part of that process.

- 8.4 It is understood that external public funding is being sought for this project. If funding is secured, the terms of funding will need to be reviewed and legal advice provided (in particular any repayment terms).
- 8.5 Further, if funding is being made available by a Council to a supplier then consideration must be given to whether there are any State Aid implications. State Aid may arise where the Council provides aid to selected undertakings (any entity which puts goods and services on the market) which has the potential to distort competition and effect trade between member states of the European Union. However, this advantage may be mitigated as the intention is to offer the opportunity to the market such that every provider is being offered the funding on the same terms.

9.0 Procurement Implications

- 9.1 Dependent on the outcomes of the viability study, it is likely that either a Restricted or Open procurement process will be undertaken in line with EU Procurement Law. On condition the service element of the contract can be specified, either of these procurement routes would be appropriate. The contract value needs to be determined and specified and under either the Restricted or Open process it must be noted that negotiation throughout the process is not permitted.
- 9.2 Subject matter experts will be required in order to inform any specification and tender process, and the up-front funding agreed takes this into account.
- 9.3 It is essential that as part of the process, no work is undertaken without a signed written contract being in place.
- 9.4 Other than a lease agreement, it may be necessary to form and include other conditions of contract which will need developing.

10.0 Planning Implications

- 10.1 The site at Leighton West has been identified in the Cheshire East Local Plan Development Strategy as a potential site for geothermal exploration. The site forms part of a larger Council-owned site to the north of Pym's Lane which is a preferred strategic site within the Development Strategy of the Cheshire East Local Plan. The proposals in the Development Strategy are now being refined in response to the consultation in January/ February 2013 with Councillors, and taking into account other appropriate evidence to prepare the submission version of the Local Plan Core Strategy later this year.
- 10.2 Whilst it is acknowledged that one delivery option is for the site to be leased, with the responsibility for obtaining planning permission transferred to the developer, there will be a reputational risk to the

Council as landowner if any barriers to development on the site are not fully investigated.

- 10.3 As such, there are a number of key planning considerations relating to this project, which require careful assessment, and it is recommended that early engagement is made with Development Management to provide full comprehensive pre-application advice. These will need to be held in addition to separate discussions concerning the wider masterplan for the Leighton Green site to inform the Cheshire East Local Plan Core Strategy.
- 10.4 The site identified on the masterplan is an old landfill site which was operational until the mid 1980's. The wider area around that site is also identified as former landfill, although the Council has less detailed records of this. It is understood that the old landfill was restored by means of a dilute and disperse method, and as such is unlikely to have been capped and potentially has a complicated gas regime.
- 10.5 Development on a landfill site is one of the most problematic development scenarios encountered and presents a high level of risk. It can potentially cause a range of significant problems/risks to the environment and human health which need to be fully assessed. This includes potential for disturbance of harmful substances; combustibility of fill material; emission of flammable/toxic gases (landfill gas); geotechnical problems creating unstable conditions for building/construction; problems with such things as odour, site drainage, and mobilisation of leachate into surrounding water resources such as the adjacent Leighton Brook. These factors could potentially present a major constraint, and extensive assessment to inform the feasibility of the scheme will be included in the viability study as part of the £96k requested, so as to understand the risks, and effect on the viability of the scheme.
- 10.6 Any development on this site will require planning permission. It is likely that the planning application will need to be accompanied by an Environmental Impact Assessment. In view of the complicated site constraints on this site, it is anticipated that a suite of environmental assessments will be required to inform the preparation of this planning application. These are likely to have significant time and cost implications, and some aspects such as protected species surveys, could be time constrained and need to be taken into account when the programme is developed. The timescales for obtaining planning permission is likely to be lengthy due to the complex nature of issues presented. A significant period of consultation will be required with internal and statutory consultees prior to preparing any planning application. Equally engagement with the local community will be required well in advance of any planning application being submitted. As the full site investigation has not yet been carried out, it cannot be guaranteed that planning permission will be granted.

- 10.7 It has been recommended that early feasibility assessments are carried out before going forward, in view of the history of landfilling and potential problems this could cause given the proposed end use. This will be carried out within the £96k budget identified.
- 10.8 It is likely that a range of other consents may be required from other statutory bodies such as Environment Agency, including groundwater investigation and abstraction licences. Early engagement with these parties has been established.
- 10.9 Aside from the potential issues arising from development on a landfill, key planning issues associated with the development of geothermal energy on this site include
- consideration of flood risk area directly to the north of the site and potential harm to the integrity of Leighton Brook culvert;
 - development close to the pylons on site;
 - significant noise and vibration impacts associated with drilling, and the operation of the generator/pumps 24 hours a day over 7 days a week, in view of the proximity of both existing and potential new sensitive receptors (if the adjacent land is developed);
 - potential for significant contamination of groundwater, the aquifer and nearby watercourses arising from the drilling process and operation of the energy system;
 - Need to understand the full geological and hydrological conditions on the site, along with method of water abstraction and circulation and the rate of hot water replenishment;
 - Ecological implications on the site and wider area from both construction and operational aspects of the scheme;
 - Potential highway and access implications, particularly associated with importation of substantial construction equipment such as drilling rigs.
 - Landscape and visual implications of the scheme, particularly given the use of drill rigs of 50m for a 3 month period. The need for suitable mitigation for sensitive receptors will be an important consideration
 - Impact on any above or below ground heritage assets
 - Specific impacts arising from the geothermal process such as risk of ground subsidence and potential seismic risks.
- 10.10 It is recommended that early engagement with consultees is undertaken as a priority.

11.0 Risk Management

- 11.1 The fact that the site is on a former landfill, means that there are significant potential constraints to development. Therefore, there is a reputational risk to the Council if such constraints of the site are not fully investigated and made known to any potential developer. As part of the initial feasibility work, a site investigation and viability study will be carried out to ensure that the constraints on the site do not make it too technically difficult to develop.

- 11.2 Whilst a lease arrangement has been identified as one option for delivery, there is a risk that this option might not offer best value for the Council. The initial viability study will appraise all options to ensure that best value is secured.

12.0 Background and Options

- 12.1 Geothermal Energy has been exploited in the UK since the first usage of the Bath hot springs by the Romans, and is already a well established part of the energy supply mix in similar geological settings in Germany, France, Japan, Indonesia and the USA.
- 12.2 Geothermal energy is widely regarded as a sustainable, renewable and reliable source of heat and energy, with little or no visual, noise or air quality impact once in place.
- 12.3 In 2012, a report by global engineering firm Sinclair Knight Merz, entitled 'Geothermal Energy Potential in Great Britain and Northern Ireland', identified the Cheshire Basin as one of only six places in the UK with the potential to supply heat and electricity from geothermal resources. Subsequent data shows that there is potentially enough renewable energy in the Cheshire Basin to supply more than 100% of the heat requirement in Cheshire East. This is underpinned by the work of the British Geological Society which identifies the area around Crewe and Sandbach as the most geologically viable in the Cheshire Basin.
- 12.4 As such, a potentially suitable site on Council-owned land has been identified at Leighton West. The site has the unique characteristic of being in a geologically viable location, as well as having significant potential heat loads (users) in close proximity. Soft market testing has identified significant interest from potential nearby heat loads based on a desire for renewable energy sources and reduced energy bills.
- 12.5 The site at Leighton West has been identified in Local Plan Development Strategy as a potential site for geothermal exploration. The site is part of a larger Council-owned site to the north of Pym's Lane which forms part of a much larger preferred strategic site within the Development Strategy of the Cheshire East Local Plan. The proposals in the Development Strategy are now being refined in response to the consultation in January/ February 2013 with Councillors, and taking into account other appropriate evidence to prepare the submission version of the Local Plan Core Strategy later this year.
- 12.6 It is the aspiration of the Council that this site will provide renewable heat and possibly power for local use, to potentially include new housing developments and significant local employers in the vicinity of the site, subject to planning permission and necessary licences.

- 12.7 Five additional sites have been identified which are in Council ownership and which could be suitable for geothermal exploration. It is envisaged that by proving the viability of the technology in the Cheshire Basin, this initial project in Crewe will be the first step in the development of a new geothermal industry in Cheshire East.
- 12.8 Geothermal energy in the Cheshire Basin takes the form of Hot Sedimentary Aquifers. Therefore, in order to exploit the resource, boreholes would need to be drilled to approximately 4000m to access water a temperature of up to 100°C. This water would then be pumped to the surface and used directly as a heat supply, or to produce steam to power turbines for electricity production. The works needed to carry out this drilling and supply would fall to the developer and not the Council.
- 12.9 Whilst geothermal energy is a well established industry elsewhere, it is currently under-developed in the UK with only one project currently active, in Southampton. Further information on the Southampton scheme can be found at <http://www.southampton.gov.uk/s-environment/energy/Geothermal/>. Whilst an innovative scheme in the 1980s, the Southampton project was on a much smaller scale to the proposed scheme in Crewe, with drilling only going to 1500m. There is recognition in government and across the industry that the lack of schemes more recently is due to the high level of financial risk involved and due to the lack of a flagship project to prove the viability of the resource here in the UK. Public sector intervention is, therefore, needed to act as a catalyst to the development of the industry.
- 12.10 The potential development of the land at Leighton West as a geothermal energy centre could form a key part of the Council's wider regeneration in Crewe under the All Change for Crewe Programme. It is an aspiration, based on experiences at similar sites worldwide, that development at the site could directly create in the region of 60 new jobs and this number could multiply linearly as more sites are developed. In Germany, the equivalent industry has created 9000 new jobs in 10 years.
- 12.11 It is an aspiration of the Council that the creation of such a new industry, which is novel within the UK market, will also help to diversify and strengthen Crewe's employment base, offering a new sector for Crewe's workforce to expand in to and be employed by, making Crewe more robust against future manufacturing contraction or other economic shocks.
- 12.12 Following analysis of similar projects worldwide, it is possible that the project will also make a significant contribution to reducing carbon emissions in Cheshire East, particularly from industrial and residential heating. It is an aspiration of the Council that the project could save up to 8000 tonnes of carbon every year.
- 12.13 Potential routes for delivery which have been appraised are a lease model and a joint venture model. Under the Joint Venture Model the

Council would enter into Joint Venture Agreements with a drilling provider to release geothermal energy, and an energy company to provide the utility supply to end users. An appraisal of the different options can be found at Appendix 2.

- 12.14 As part of the £96k funding requested, external expertise will be commissioned to carry out a detailed viability study (legal, procurement and financial) of identified delivery options, in order to identify the best way forward for the Council. This viability study will carry out a full site investigation and also assess whether any planning constraints on the site might affect delivery.
- 12.15 A site investigation is key as whilst it is acknowledged that if the site is leased, with the responsibility for obtaining planning permission transferred to the developer, the landowner could still have responsibilities for such matters as legal agreements tied to the grant of planning permission which also need to be taken into account.
- 12.16 The project business case has passed through the Council's project management system and has been supported by both TEG (30th May 2013) and EMB (21st June 2013).

13.0 Access to Information

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

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Appendix 1 - Site Assessment

The Knutsford and Sandbach Basin area stretches some significant length through the Cheshire East Local Authority area and beyond. The BGS surveys and additional subsequent work identifies that two locations have the most potential for geothermal energy. To the North there is a particularly deep area of the trench under Sandbach where the underlying valley is up to 4400m deep, and in the South Crewe reaches around 3800m deep (averaging 3300m), with the potential for slightly deeper pockets.

In understanding the potential for geothermal energy and drilling requirements, a site of approximately 1 ha is required, that is some distance from surrounding houses to minimise disruption, but is also close to major heat loads such as industrial premises or hospitals that require continual energy and heat.

The nature of geothermal energy means that the water supply is continual, and therefore, so is the heat and electricity that result. This means that in order to maximise the use of this energy, the end user needs to have a stable and ongoing requirement for the energy to be commercially viable. Therefore, geothermal energy companies look to establish arrangements with manufacturers, public buildings and similar premises that have a continual need for heat and for significant amounts of it.

Whilst geothermal energy can provide heating to residential properties, this is considered ancillary to the main operation as people tend to heat their homes only for short periods (before work and after work), and only during winter months, and so in comparison to somewhere like a hospital, which has a continual 24/7 365 day need for a stable temperature, any supply arrangements for less than 800 homes tend not to be viable or of enough commercial interest to companies to invest in.

In order to look at potential sites, the Council undertook a screening and assessment of potential sites. A long list of Strategic Development Sites was taken from the emerging Local Plan, on the basis that these sites are identified as being major growth and development areas, and were assessed against the criteria set out below. This does not exclude other sites from being considered for geothermal energy production, but allows the Council to focus on key sites where deliverability is expected following the testing through the Local Plan process.

Therefore, in looking across Cheshire East at opportunities for geothermal energy, prime sites are areas that meet the following criteria;

1. Are within the Cheshire Basin and particularly in Crewe or Sandbach where sufficient heat to generate electricity exists,
2. Is within the Councils ownership in order to keep sufficient control over the sensitivities of the scheme,
3. Have 1ha or more of land that can be used to develop the site,
4. That any such site is sufficiently away from residential properties to minimise any perceived issues,
5. Have 1 to 3 existing nearby users who require significant levels of heat and / or electricity on a constant basis around which a business model can be constructed,
6. Is sufficiently close to new residential development (planned or underway) to allow use of the residual heat, but also noting point 3 above,
7. Has sufficient room for expansion should the initial boreholes be successful,
8. Be in line with existing and forthcoming Planning Policies, therefore excluding areas such as Green Belt, Conservation Areas and adjacent to Listed Buildings.

SITE	MEETS CRITERIA	DOES NOT MEET CRITERIA	NOTES
Crewe Town Centre	1, 3, 5, 6, 7	2, 4, 8	Too close to residential properties, and limited room to expand.
West Street/ Dunwoody Way	1, 3, 4, 6, 7, 8	2, 5	Not significant users in the area.
Basford East	1, 3, 4, 6, 7, 8	2, 5	Potential for geothermal energy once development commences and need is established.
Basford West	1, 3, 4, 6, 7, 8	2, 5	Potential for geothermal energy once development commences and need is established.
Leighton West	1, 2, 3, 4, 5, 6, 7, 8		Fits all criteria.
The Triangle (Crewe)	1, 3, 4, 6, 7, 8	2, 5	Potential for geothermal energy once development commences and need is established.
East Shavington	1, 3, 4, 6, 7	2, 5, 8	Disturbance from drilling may impact sensitive areas.
Crewe Rail Exchange	1, 2, 3, 4, 5, 6	7, 8	Not sufficient land for expansion and potential impact on railway from drilling.
Macclesfield Town Centre	3, 5, 6, 7	1, 2, 4, 8	Too close to residential properties, and limited room to expand.
South Macclesfield Development Area	2, 3, 4, 5, 6, 7, 8	1	Is not within sufficiently hot area.
Land between Congleton Road and Chelford Road	3, 4, 5, 6, 7, 8	1, 2	Is not within sufficiently hot area.
Land East of Fence Avenue	3, 4, 5, 7, 8	1, 2, 6	Is not within sufficiently hot area.
Twyfords	3, 4, 5, 7, 8	1, 2, 6	Is not within sufficiently hot area.
Former MMU Campus	3, 4, 5, 7, 8	1, 2, 6	Is not within sufficiently hot area.
Radway Green	3, 4, 5, 6, 7, 8	1, 2	Is not within sufficiently hot area.
Back Lane and Radnor Park	3, 4, 5, 6, 7, 8	1, 2	Is not within sufficiently hot area.
Congleton Business Park Extension	3, 4, 5, 6, 7, 8	1, 2	Is not within sufficiently hot area.
Giantswood Lane to	3, 4, 5, 6, 7, 8	1, 2	Is not within sufficiently

Manchester Road			hot area.
Manchester Road to Macclesfield Road	3, 4, 5, 7, 8	1, 2, 6	Is not within sufficiently hot area.
Handforth	3, 4, 5, 7, 8	1, 2, 6	Is not within sufficiently hot area.
Parkgate Extension	3, 4, 5, 7, 8	1, 2, 6	Is not within sufficiently hot area.
North West Knutsford	3, 4, 5, 7, 8	1, 2, 6	Is not within sufficiently hot area.
Brooks Lane	3, 4, 5, 7, 8	1, 2, 6	Is not within sufficiently hot area.
Glebe Farm	3, 4, 5, 7, 8	1, 2, 6	Is not within sufficiently hot area.
Mid Point 18 Extension	3, 4, 5, 7, 8	1, 2, 6	Is not within sufficiently hot area.
Kingsley Fields	3, 4, 5, 6, 7, 8	1, 2	Is not within sufficiently hot area.
Snow Hill	3, 4, 5, 7, 8	1, 2, 6	Is not within sufficiently hot area.
Stapley Water Gardens	3, 4, 5, 7, 8	1, 2, 6	Is not within sufficiently hot area.
Land Adjacent to Junction 17 of the M6, South East of Congleton Road	3, 4, 5, 6, 7, 8	1, 2	Is not within sufficiently hot area.
Former Albion Chemicals	3, 4, 5, 7, 8	1, 2, 6	Is not within sufficiently hot area.
Adlington Road	3, 4, 5, 7, 8	1, 2, 6	Is not within sufficiently hot area.
Land at Royal London	3, 4, 5, 7, 8	1, 2, 6	Is not within sufficiently hot area.
Wardle Employment Improvement Area	3, 4, 5, 7, 8	1, 2, 6	Is not within sufficiently hot area.
Handforth East	2, 3, 4, 5, 6, 7, 8	1	Is not within sufficiently hot area.
South East Crewe	1, 3, 4, 5, 6, 7, 8	2	Potential for geothermal energy once development commences and need is established.
Coppenhall East and Maw Green	1, 3, 4, 6, 7, 8	2, 5	Council owns substantial areas at Maw Green, but less than 50% of the site
Parkers Road	3, 4, 5, 7, 8	1, 2, 6	Is not within sufficiently hot area.
Warmingham Lane	3, 4, 5, 7, 8	1, 2, 6	Is not within sufficiently hot area.
Midpoint 18 (Phase 3)	1, 3, 4, 5, 7, 8	2, 6	Potential for geothermal energy once development

			commences and need is established.
Sandbach South West	1, 3, 7, 8	2, 4, 5, 6	Is too close to existing residents and does not have sufficiently high heat loads to be viable.
Former Fisons	3, 7, 8	1, 2, 4, 5, 6	Is not within sufficiently hot area, nor has end users or heat loads.

Within the Councils strategic development sites and asset portfolio the site that best meets all of these requirements would be Leighton in Crewe. This site is within the Council's ownership in the prime location for heat and potentially electricity; is over 20ha in size with much of the site over 200m from nearby residential properties; is adjacent to major industrial users with other industry nearby (all of whom consume significant amounts of energy and heat); is part of plans to deliver significant levels of new housing and is identified as a strategic development site in the emerging Local Plan. Therefore, of the available sites, Leighton West is the prime candidate to take forward for geothermal energy production.

Appendix 2 - Crewe Deep Geothermal Energy Centre Options for Delivery

The Council has undertaken significant research into the potential delivery models available for this project. Once sufficiently hot water has been reached, the borehole has been judged successful, and providing that end user agreements are in place, the financing of such a scheme can be relatively straightforward, as the provider can evidence a need, the ability to meet the need, and the existing of funding to meet the initial outlay through Renewable Heat Incentive (RHI) payments and the sale of the energy.

However, in the first instance, a £10m fund is required to drill the initial boreholes. This is thought not to be a viable option for a local authority and, therefore, initial market testing has been carried out with a variety of geothermal companies to understand alternative business models and financing required to deliver such a scheme. In summary, for the provision of geothermal energy on the Council's own land, there look to be four primary delivery models available:

0. **Do nothing** – The Council does not proceed with Geothermal Energy. The Council does not invest any money in to the scheme but is also unable to benefit from potential income from the site. A geothermal industry (the equivalent of which in Germany employs 9000 people) will not be established in Cheshire East.
1. **A Joint Venture Model without Utility Provision (JV)** – The Council enters into a Joint Venture with a drilling provider to release geothermal energy and an energy company to provide the utility supply to end users. This would take a considerable amount of time to procure a partner company and would require significant upfront investment from the Council of over £7m in order to gap fund the initial drilling works and infrastructure. If the drilling operator cannot locate the aquifer or the water is not sufficiently hot enough, then the Council will be jointly exposed and will risk losing its upfront cost without any return.
2. **A Joint Venture Model with Utility Provision (JVUP)** – The Council enters into a Joint Venture with a drilling provider to release geothermal energy, but then creates its own energy supply company (ESCO) to supply this energy to end users. This route would also require significant upfront investment from the Council to gap fund the initial drilling and infrastructure. Alongside this, as Council will have to set up an ESCO and put in place arrangements to run this separate company for up to 25 years. This will require staffing and resources in order to operate, and could take up to 2.5 years to establish. To the best of the Council's research, such a delivery route has not been undertaken in the UK or wider EU as other organizations have instead looked for a quicker and more appropriate delivery route. As with option1, if the drilling operator cannot find the aquifer or the water is not sufficiently hot enough, the Council will be jointly exposed and will risk losing its upfront cost without any return.
3. **A Lease Arrangement without Utility Provision (LA)** – The Council leases an area of its land to a drilling provider to release geothermal energy and allows for a private arrangement to be developed between the end user and the provider regarding energy supply (with or without a third party). As a landlord and not a provider, the income to the Council is smaller when compared to other models. However, it requires a much shorter procurement process which would significantly speed up delivery. Beyond the procurement exercise and its corporate responsibilities as a land owner, the Council has no further obligation, requirement or outlays. It simply receives a guaranteed income for the area of land. All

investment made by the private sector is at their own risk and the Council has no exposure should sufficient water temperatures not be achieved.

4. **A Lease Agreement with Utility Provision (LAUP)** – The Council leases an area of its land to a drilling provider to release geothermal energy, but then creates its own energy supply company (ESCO) to supply this energy to end users. As the majority controller of energy resulting from this operation, the Council can take a significant share of the profits from the energy supply. However, such a model may not be attractive to the wider market and so the Council may find difficulty in attracting the right partner to such a deal. The Council will have to set up an ESCO to supply the energy, and then put in place arrangements to run this separate company for up to 25years. This will require staffing and resources and comes with substantial reputational risk. This route would also require the Council to fund the development of energy supply infrastructure which would cost in the region of £5m as a single year upfront cost. As with Options 1 and 2, if the drilling operator cannot locate sufficient water temperatures, the Council will be jointly exposed and will risk losing it's up front cost without any return.

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	22 nd July 2013
Report of:	Corporate Manager Health Improvement
Subject/Title:	Health Impact Assessment Policy (Key Decision Ref CE 13/14-33)
Portfolio Holder:	Cllr Janet Clowes, Health and Adult Care

1.0 Report Summary

- 1.1 The Health and Adults Social Care Policy Development Group has been considering the introduction of a Health Impact Assessment Policy. This would allow the Authority to make more effective judgements on the health and wellbeing implications of decisions being made and drive better health outcomes allowing the Authority to improve the health of its residents.
- 1.2 The Policy Development Group has referred the attached draft Health Impact Assessment Policy (Appendix One) to Cabinet for consideration for adoption.

2.0 Recommendations

- 2.1 That the Health Impact Assessment Policy be endorsed and adopted.
- 2.2 That Cabinet authorise Officers to take all necessary actions to implement the Policy.

3.0 Reasons for Recommendations

- 3.1 Health Impact Assessments will help to ensure that decisions on policies, programmes and developments take into account the health impact. A key reason for developing the use of health impact assessment is to add value to the policy and decision making processes thus resulting in better decisions in terms of their potential contribution to improving health or negative health impacts. It will also help to identify further opportunities to address cross-cutting issues such as health and to contribute to reducing inequalities in health.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

5.1 All

6.0 Policy Implications

- 6.1 Good health is related to good quality housing and developments, well designed streets and neighbourhoods, good transport systems, opportunities to experience leisure and cultural services, and access to activities and green spaces. These factors are known as the wider determinants of health and if they are considered at the planning and design stage can improve physical and mental health of the population. Health Impact Assessments are important tools in determining the potential benefits of a development, and negative impacts that might occur.
- 6.2 In addition Health Impact Assessments can be undertaken as budget decisions are made, strategies are developed and policy proposals drafted. By incorporating them into the fabric of the Authority's decision making they help to ensure that health and wellbeing are central to all that the Council does.

7.0 Financial Implications

- 7.1 There are no direct financial consequences in relation to this report.
- 7.2 What we know nationally is that Local Authority finances are undergoing significant changes as part of the Government's overall deficit reduction programme. The overall, grant funding is still expected to reduce, but will vary depending on economic levels, which are more unpredictable at a local level. There is no doubt that funding for Councils will further reduce significantly over the next five years, and is likely to continue to reduce beyond this timeframe to 2020.
- 7.3 Further work is required by the Council to develop proposals to address financial pressures and the Budget Report sets out a framework including continuously reviewing management levels and staffing structures, its own services and also the value for money achieved in its commissioning of services in the wider market. Health Impact Assessment may prove useful tools in helping make judgements on such key decisions.

8.0 Legal Implications

- 8.1 It is lawful for the Authority to take such assessments into account. Under the Amsterdam Treaty 1997 HIAs are encouraged but not compulsory within the EU. They will assist in demonstrating the Authority's commitment to its strategic role under the Social Care Act 2012 and NHS Act 2006 S12(b).

- 8.2 Health Impact assessment does not have the statutory basis of the Equality Act 2010 S149. It cannot replace the need to have regard to the public sector equality duties though it may go some way toward fulfilling them, it is therefore important that detailed consideration of Equality Duties is fully encompassed within the combined assessment.
- 8.3 If the policy is adopted, HIAs must be applied consistently across the Authority; we would be open to challenge if HIAs were applied in some instances but not in other similar ones.

9.0 Risk Management

- 9.1 The introduction of a Health Impact Assessment Policy will require Officers to undertake or ensure that external stakeholders undertake Rapid Impact Assessments (RIA) for major developments, policies, programmes and business decisions. Where the RIA indicates potential significant impact a full health impact assessment will be required. This will add an additional layer of work that will need to be planned for by Officers.

10.0 Background and Options

- 10.1 The Health and Adults Social Care Policy Development Group has spent some time considering the merits of Health Impact Assessments and how they are used by other Authorities. Following a workshop held in June it was agreed that a draft Policy would be circulated electronically for the PDG to consider and this was reviewed and commented upon at the meeting of the PDG on 4th July, with a final draft being agreed.
- 10.2 The 'Fair Society, Healthy Lives: Strategic Review of Health Inequalities in England post 2010', led by Michael Marmot recommended the need to 'create and develop healthy and sustainable places and communities (Policy Objective E). To achieve this outcome, local areas need to integrate planning, transport, housing and health policies to address the social determinants of health.
- 10.3 The Public Health White Paper 'Healthy Lives, Healthy People' (department of Health 2010) reinforced this approach and laid out the Government's aspiration to 'support local areas with streamlining planning policy that aligns social, economic, environmental and health priorities in one place'. Evidence is growing that demonstrates the links between the environment, spatial planning and their potential impact on mental health and wellbeing, coronary heart disease, obesity, respiratory disease and some injuries. There are many opportunities to improve outcomes and reduce health inequalities.
- 10.4 Health is determined not only by access to quality healthcare services and lifestyle choices but also by the social and economic conditions in which people live. Policies which make up the Local Development Framework (and in future the Local Plan) are critical in this regard. For example transport policies can promote active travel through

supporting walking and cycling; shifting away from a common dependence on car use, thus building physical activity into daily life.

- 10.5 However, there are obviously positive and negative influences of transport and competing agendas in today's more environmentally aware society. Motorised transport is both a source of injury, physical inactivity, air and noise pollution, whilst being an enabler of access to work, education, social networks and services.
- 10.6 There is recognition of the various factors that can affect health, such as housing, employment, transport, access to fresh food and individual lifestyle behaviours and the different levels of influence that can be brought to bear from and on individuals, communities and neighbourhoods to see policy changing for a greater public health impact.
- 10.7 Health Impact Assessments allow these complex interrelationships to be considered as decisions are being made, and the potential positive benefits or negative impacts identified. Informed decisions can then be made.
- 10.8 Whilst very important for decision making around major developments, health impact assessments are relevant when considering budget decisions to invest in or decommission services, during the development of strategy or policy proposals, and for many other business decisions being made within the Council. For this reason the Policy Development Group recommends that:

The Cheshire East Health Impact Assessment Policy requires all new and revised strategies, policies and business decisions to undergo Rapid Impact Assessment. If significant issues are identified, a more detailed Health Impact Assessment will be carried out, the nature of which depends on the impacts identified.

- 10.9 Discussions within the PDG have highlighted examples such as planning decisions, changes of use of premises, strategy development, and decisions to commission or decommission services. The phrase 'business decisions' has been included to try to encompass this range of activity

11.0 Access to Information

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

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Cheshire East Council

Health Impact Assessment Policy 2013 – 2016

Draft V3
4/07/2013

1. Introduction

1.1 The World Health Organisation (WHO) for the European Region has agreed a common policy framework 'Health 2020' with the aim of 'significantly improving the health and wellbeing of populations, reducing health inequalities, strengthening public health and ensuring people-centred health systems that are universal, equitable, sustainable and of high quality.

1.2 The move to localism in England, the reforms to the NHS and the emphasis on local public health as a function of local government are all well aligned with the principles of 'Health 2020'. The 2010 Public Health white paper, 'Healthy Lives, Healthy People, reiterates the Marmot Review's social determinant approach to health inequalities following the publication of 'Fair Society, Healthy Lives'. There is a strong emphasis on local public health leadership of an inter-sectoral approach to health and wellbeing, and on the integration of the NHS, social care and public health within local health and wellbeing systems. Local government has a key role to play and will provide the strong leadership needed to ensure that people's health and well-being will be at the heart of everything local councils do.

1.3 Addressing the wider determinants of health, as well as more behaviour focused interventions, will be essential if we are to narrow the gap between those with the best and worst health in Cheshire East and achieve better health outcomes. Life expectancy is 10.0 years lower for men and 6.3 years lower for women in the most deprived areas of Cheshire East than in the least deprived areas.

1.4 Local government has moved from a focus on delivering services to a much wider role of shaping local places. Having taken on the key role in promoting economic, social and environmental wellbeing at the local level, it is ideally placed to adopt a wider health and wellbeing role.

2. Scope

2.1 Improving the health of the people of Cheshire East is a priority. Health Impact Assessments (HIA's) will help us achieve the outcomes of the Councils three year plan, the Health and Wellbeing Strategy, Clinical Commissioning Groups priorities and the Public Health and Social Care Outcomes Frameworks.

2.2 There is a need for collective effort with all organisations contributing to achieve better health outcomes and the need to tackle underlying factors which lead to poor health such as poor housing, poor education and unemployment. There is

also potential for the sectors to improve health and prosperity for the population and to reduce health inequalities.

2.3 HIAs will help to ensure that decisions on policies, programmes and developments take into account the health impact. A key reason for developing the use of health impact assessment is to add value to the policy and decision making processes thus resulting in better decisions in terms of their potential contribution to improving health. It will also help to identify further opportunities to address cross-cutting issues such as health and to contribute to reducing inequalities in health.

3. Opportunities to improve health and wellbeing

3.1 A holistic approach is needed, joining-up action across the authority and beyond institutional boundaries to deliver cross-cutting objectives. The local authority will ensure that all policies contribute to improving health, in line with the WHO 'Ottawa Charter' and that Health Impact Assessments are used on a regular basis as part of policy and decision making processes.

4 Definition of HIA

4.1 Health impact assessment has been defined in a number of ways. One such definition is:

'Any combination of procedures or methods by which a proposed policy or program may be judged as to the effects it may have on the health of a population'

A more detailed definition is:

'A methodology which enables the identification, prediction and evaluation of the likely changes in health risk, positive and negative, (single or collective), of a policy, programme, plan or development action on a defined population. These changes may be direct and immediate or indirect and delayed.'

4.2 The overall aim of health impact assessment is to provide a means of ensuring that the potential impact on health is taken into account as part of the decision making process for policies, programmes and other developments. Health impact assessment may be applied to a policy, a programme or a single project. It may be applied to an issue as large and complex as welfare policy or transport policy, or an issue as small as a local planning or licensing application.

4.3 Health impact assessment may be applied at a variety of levels; for example, at international level by bodies such as the European Commission or the World Health Organisation; at national level by national governments or national organisations and at local level by local authorities, health authorities and by non-government organisations.

5. Screening or Rapid Impact Assessment (RIA)

5.1 Screening involves a quick review of possible health impact of a policy or proposal. Screening should include:

- Who may be affected by the proposal
- What determinants of health may be affected
- What further evidence is needed to inform the recommendations

Screening will assist the decision to undertake a full HIA.

6. Different types of Health Impact Assessment

6.1 There are three types of health impact assessment; each depends on when the assessment is undertaken:

- prospective
- retrospective
- concurrent

6.2 **Prospective** health impact assessment looks at some policy; programme or project not yet implemented and attempts to predict the consequences. These predictions are based on theory and on experience of similar decisions in the past. If sufficient knowledge has been gained of the size of health effects associated with different levels of health determinants, it may be possible to make quantified predictions. Prospective health impact assessment can be partially validated by seeing if predictions of consequences in the near future turn out to be correct.

6.3 **Retrospective** health impact assessment looks at the consequences of some policy, programme or project already implemented or of some unplanned event that has occurred. It asks what have been the consequences. Understanding of the nature and magnitude of effects on health for use in prospective health impact assessment may be derived from such studies.

6.4 In **concurrent** health impact assessment, the consequences of the policy, programme or project are monitored as they are implemented. It may allow activity to mitigate any negative effects to be undertaken promptly. Its main use is where consequences are expected but where their nature is uncertain.

6.5 Frequently, single proposals may be too small to generate significant effects on their own but the total effect of many such small proposals may create a major impact.

6.6 Health impact assessment needs to be developed as an approach which can be adopted and used by individuals who are involved in decision making processes at a variety of levels. All those involved will need to develop their knowledge and skills. One of the early contributions it can make is to change the culture among

policy and decision makers so that they become more aware of health as an issue which is relevant across policy areas. Other ways in which it could assist decision making include:

- Identifying factors - harmful or beneficial - that would not otherwise have been identified;
- Quantifying the magnitude of harmful and beneficial impacts more precisely than could otherwise have been done;
- Clarifying the elements of trade-offs in policy making by better identification and description of the elements involved, and their interrelationships;
- Allowing better mitigation of harmful impacts or enhancement of beneficial impacts;
- Making the decision making process more transparent and helping to inform it -particularly in policy areas where the relevance of health is not immediately apparent -leading to increased participation by stakeholders.

6.7 The need to reduce health inequalities has been clearly demonstrated in the Marmot Review (2010) (*Fair Society, Healthy Lives*). Social determinants are one of the main mechanisms driving health inequalities.

6.8 Local authorities have ample experience of the reality of health inequalities in their communities. Many of the social determinants fall within their ambit, so they can take strategic action to prevent inequalities across a number of functions, such as housing, economic and environmental regeneration, strategic planning, education, children and young people's services, fire and road safety.

7. Links to other impact assessments

7.1 There are a number of impact assessments carried out as part of policy making and planning. These include economic assessment, environmental impact assessment, sustainability appraisal, equality impact assessment, assessment of effect on families, assessment of effect on law and order and many more. There is a clear need to reconcile and combine these various assessment processes to reduce the burden on policy makers and make any trade-offs between different development areas explicit. This has led to growing interest in integrated assessments, or at least integrated assessment screening, which includes environment, health, equality, economic and other impacts as appropriate. Including health within integrated assessment can ensure it is considered as part of a wider framework and reduce duplication of assessment. The Rapid Impact Assessment or HIA screening checklist can be used to screen for impacts on both health and equality and diversity.

8. Policy Statement

8.1 The Cheshire East Health Impact Assessment Policy requires all new and revised strategies, policies and business decisions* to undergo Rapid Impact Assessment. If significant issues are identified, a more detailed Health Impact Assessment will be carried out, the nature of which depends on the impacts identified.

* Business decisions include for example:

- Major planning developments (more than 12 houses)
- Change of use of premises
- Commissioning or decommissioning of services
- Licensing applications
- Capital developments
- Regeneration proposals
- Submission of external funding bids

but this list is not exclusive.

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 22nd July 2013
Report of: Interim Chief Operating Officer
Subject/Title: Budget Setting Process 2014/2017
Portfolio Holder: Councillor P Raynes, Finance

1.0 Report Summary

- 1.1 This report seeks approval of the Council's Budget Setting Process for 2014/2017 onwards.
- 1.2 In February 2013 the Council approved:
- The Medium Term Financial Strategy Report from the Leader of the Council setting out the Council's priorities.
 - The Council's Budget Report 2013/2016 setting out how the priorities would be funded.
- 1.3 The Budget Report will be subject to annual update as further information over funding levels becomes available and the Council develops more detailed plans for later years.
- 1.4 The outcome of the update process will be the production of a revised Budget Report in February 2014 to set the Budget, Capital Programme and Council Tax.
- 1.5 A comprehensive process is required to achieve that outcome and this report sets out the framework for Members and officers to follow.

2.0 Recommendation

- 2.1 Cabinet is recommended to agree the Budget Setting Process to develop a Budget Report for 2014/2017.

3.0 Reasons for Recommendation

- 3.1 The Council requires an agreed process to set a budget for 2014/2017. However, the Council needs to consider the approach to delivering the Sustainable Community Strategy and Council Plan Priorities and link those ambitions with resource allocation in a managed way.

4.0 Wards Affected

4.1 Not applicable.

5.0 Local Ward Members

5.1 Not applicable.

6.0 Policy Implications

6.1 The report outlines the need to generate policy proposals which will impact on service delivery.

7.0 Financial Implications

7.1 The report includes details of policy proposals which will affect service budgets from 2014/2017 onwards.

8.0 Legal Implications

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 will 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 2014/2015.
- The Council should provide high quality evidence to support submissions for external assessment.
- Council borrowing will comply with the Treasury Management Strategy which is underpinned by the Prudential Code.

9.2 A risk and equality assessment will be carried out by the proposing directorate for all key proposals as part of their development. This will be in line with the approach to Corporate Risk Management and enhanced through the Council's project management framework.

9.3 The Budget Setting Process itself has been reviewed in terms of equality impact. The conclusion is that the process does not disadvantage any of the groups with protected characteristics. Setting and approving the Budget is a democratic process which involves all elected Members (representing all communities within Cheshire East). The Council also places information on its website to inform and engage with all service users.

10.0 Background and Options

10.1 Significant internal changes are taking place within the Council as it moves on from successfully delivering to budget in 2012/2013, to implementing the 2013/2014 Budget and Capital Programme and considering the requirements for the next three year period 2014/2015 to 2016/2017.

10.2 These changes include:

- A new senior management team and on-going review of all management posts as the Council is restructured.
- The move to a Strategic Commissioning model.

10.3 There are major challenges in managing these changes while continuing to deliver the Council's ambitions and deal with reducing levels of funding. A strong Budget Setting framework is required to enable this to happen and this report puts that framework before Cabinet for agreement.

10.4 Several key assumptions are being made:

- The Council Plan and budget principles continue to form the basis for decisions over service levels.
- The Council is facing a challenging financial environment with a potential funding shortfall of £35m forecast over the next three years (see table 1 below). Much work remains to be done to inform this funding shortfall as a result of the new Business Rates Retention Scheme, recently announced Comprehensive Spending Review 2013 and the need to review all financial planning assumptions. These actions will be picked up through the process.
- The Council's Major Change Programme will be examined to see if the individual schemes can be expanded to assist with addressing the funding shortfalls or new schemes are required.

Table 1 – Estimated Funding Gap

	2014/2015 £m	2015/2016 £m	2016/2017 £m	Total £m
Funding Gap	8.3	14.1	12.0	34.4

Source: Appendix 3

10.5 It should be noted that steps to balance years 2 and 3 were factored into the Budget Report agreed in February 2013. These are considered later in the report.

10.6 The 2013/2016 process introduced a number of improvements including:

- Fewer meetings involving the whole of Cabinet and senior management team to develop and review proposals.
- Greater involvement of wider Members.
- Use of the new Project Management framework.
- Increased transparency and availability of information.

The new process will build on these and continue the theme of continual improvement.

10.7 The intention is to produce a fully updated Budget Report and Medium Term Financial Strategy for Cabinet and Council in February 2014. This report sets out the key steps and includes the following appendices:

- Appendix 1 – Overview and Budget Setting Assumptions.
- Appendix 2 – The Council's Priorities.
- Appendix 3 – Financial Stability.
- Appendix 4 – Measures to Balance the Budget.
- Appendix 5 – The Budget Setting Process.
- Appendix 6 – Engagement.

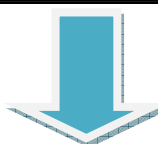
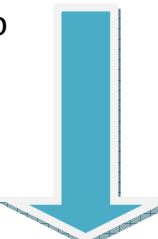
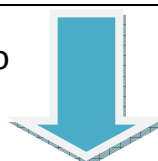

11.0 Access to Information

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

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Appendix 1 – Overview and Budget Setting Assumptions

1. The backdrop to the Budget Setting process is an established Sustainable Community Strategy (SCS), 3 Year Council Plan and detailed Medium Term Financial Strategy. The significant issues in the next process are the unbalanced financial position and the shift to a commissioner / provider approach in delivering outcomes. Approval of the Budget framework and the key dates will enable these issues to be addressed as part of the process.
2. Budget Setting will follow the Council's recommended policy development approach as set out below. A prompt start is essential to enable a robust set of budget proposals to be presented for engagement and for approval at Council in February 2014. The budget setting process will form the sole method of requesting significant changes to service levels.

Date	Approach	Outputs
July 2013 	Stage 1 ~ Set Parameters	<ul style="list-style-type: none"> - SCS / 3 Year Plan to be confirmed as Council Priorities. ^(See Note 1) - Agreed Process and identification of key stakeholders for Stage 3. ^(see Note 2) ➤ Report to Cabinet on 22nd July 2013.
Aug to Oct 	Stage 2 ~ Gather Evidence & Develop Proposals Finance / Performance staff to meet with Commissioning managers ^(See Note 3)	<ul style="list-style-type: none"> - Financial Position updated to reflect outturn and latest local / national forecasts. ^(see Note 4) - Services identify change requests to existing Major Change Programme to address latest issues, or to increase scope for additional net savings. ^(see Note 5) - Services identify additional proposals to create required savings following guidance at Appendix 4. ➤ First cut of proposals agreed by Management Team & Cabinet Members.
Nov to Jan 	Stage 3 ~ Consult and Refine	<ul style="list-style-type: none"> - Challenge and engagement with key stakeholders. - Revised proposals in response to consultation and updated financial forecasts. ➤ Second cut of proposals agreed by Management Team & Cabinet Members.
February 2014 	Stage 4 ~ Approve	<ul style="list-style-type: none"> - Updated Budget Report. - Major Change Programme updated. ➤ Final proposals agreed by Council.

Notes:

1. **Priorities** ~ The February 2013 Council Meeting approved the Three Year Council Plan (**Appendix 2**), Medium Term Financial Strategy and [Budget Report](#). These included Budget Principles and the Council's priorities. It is assumed that the Council Plan continues to form the steer when developing proposals / remodelling budgets.
2. **Budget Setting Process** ~ The key assumptions being made in relation to the Budget setting process are set out later in this Appendix. The Council will determine the key stakeholders, if they want to consult / engage with them, when and how. (**Appendix 6**)
3. **Commissioning Managers** ~ These meetings will be undertaken individually or in very small groups. Where the manager has not been appointed, these meetings will be conducted with the appropriate person.
4. **Financial Context** ~ The initial financial planning assumptions were detailed in the [Budget Report](#) 2013/2016 (page 4) and are repeated at **Appendix 3**. These will be updated in light of the Comprehensive Spending Review (released on 26th June 2013) plus subsequent analysis and reported as part of the process. The base budgets being used are also shown at **Appendix 3**. These will be updated during the process for additional approvals and virements.
5. **Developing proposals** ~ the recommendation is for officers to develop the proposals, seek agreement with Portfolio Holders and then involve the relevant Policy Development Group in the options under consideration.

Budget Setting Assumptions

The table below lists the key assumptions in relation to the Budget Setting process.

Issue	Current Assumptions	Intended Actions
1. Managing the Process	Business Planning Group (BPG) (process / overview), and Central Finance Group (funding assumptions / scenario) continue in their respective roles.	Membership will be reviewed.
2. Reporting	Formal reports will be taken to <u>Cabinet</u> in July and February.	Further reports may be taken as the process develops.
3. Base Budgets	The base budgets being used for financial planning are set out in Appendix 3 . These are extracted from the Budget Report and can only be changed through the quarterly review process.	The budgets and major change programmes will need to be reallocated to the new structure. Ownership is assumed to rest with the original managers until any change has formally taken place.

Issue	Current Assumptions	Intended Actions																					
<p>4. Major Change Programmes (See Appendix 2)</p>	<p>The impact of the major change programmes in 2014/2015 and 2015/2016 (on-going or new starts) are factored into funding 'gap' calculations. The impact of the projects is currently:</p> <table border="1"> <thead> <tr> <th></th><th>2014/2015 £m</th><th>2015/2016 £m</th></tr> </thead> <tbody> <tr> <td>Children and Families</td><td>-2.1</td><td>-1.4</td></tr> <tr> <td>Adults</td><td>+1.2</td><td>+5.7</td></tr> <tr> <td>Places and Organisational Capacity</td><td>-3.0</td><td>-1.0</td></tr> <tr> <td>Corporate Services</td><td>-0.2</td><td>-0.7</td></tr> <tr> <td>Cross Service Items</td><td>+1.1</td><td>-</td></tr> <tr> <td></td><td>-3.0</td><td>+2.6</td></tr> </tbody> </table> <p>See the Budget Report page 72.</p>		2014/2015 £m	2015/2016 £m	Children and Families	-2.1	-1.4	Adults	+1.2	+5.7	Places and Organisational Capacity	-3.0	-1.0	Corporate Services	-0.2	-0.7	Cross Service Items	+1.1	-		-3.0	+2.6	<p>The assumption is that these will be delivered subject to any further consideration through the Project Management framework.</p> <p>A schedule will be circulated to show the impact of these schemes and where the proposal is in the project management process.</p> <p>Through the process of generating new proposals it may be necessary to extend the projects or combine them into a new larger scheme. Changes to the existing programme and new schemes need to be returned by services in their initial responses.</p>
	2014/2015 £m	2015/2016 £m																					
Children and Families	-2.1	-1.4																					
Adults	+1.2	+5.7																					
Places and Organisational Capacity	-3.0	-1.0																					
Corporate Services	-0.2	-0.7																					
Cross Service Items	+1.1	-																					
	-3.0	+2.6																					
<p>5. Financial Planning Assumptions</p>	<p>The key financial planning assumptions are based on the Budget Report and set out at Appendix 3.</p>	<p>The assumptions will be updated in light of the CSR and regularly reviewed throughout the year by Central Finance Group.</p>																					
<p>6. Closing the Funding Gap</p>	<p>Services will need to address the funding gaps through the major change programmes and the measures listed in the Budget Report (repeated at Appendix 4).</p>	<p>The intention is to present a three year balanced position in February 2014. If gaps remain (particularly for 2016/2017) then a pro-rata target exercise will be introduced.</p>																					

Issue	Current Assumptions	Intended Actions
7. Developing Proposals	<p>A three year package of proposals needs to be developed to meet a deadline of October 2013.</p> <p>Existing forms will be reviewed and used again.</p> <p>There is a strong steer against any cross service items at the initial stages of the process.</p>	<p>Proposals will be recorded through 1:1 meetings between Commissioning Managers, Finance (Strategy and relevant service team) and Performance. These meetings will be booked.</p>
8. Cost of Investment	<p>There will be a Cost of Investment provision identified for the next MTFS.</p>	<p>Services should continue to separately identify one-off implementation costs.</p>
9. Developing the Draft Capital Programme	<p>The strengthened approach to Capital will be maintained.</p> <p>The major change programmes from years 2 / 3 will need to be developed and considered by the Project Management framework via detailed business cases.</p>	<p>Capital timescale will run broadly in parallel with revenue.</p> <p>Interdependencies between capital and revenue will be identified and reported. There will be a further review of Capital to ensure a deliverable programme is set.</p>
10. Reporting Proposals	<p>For the last two years a single list of proposals, highlighting capital links has been used.</p>	<p>This will be continued and improved.</p>
11. Challenge Arrangements	<p>This will only review those items which have changed from the existing three year plan, rather than review those items already accepted – unless of course the changes are so fundamental that they impact on the whole scheme.</p> <p>A multi-stage approach to Challenge will be adopted:</p> <p>a) An initial overview session by the Commissioning Managers to review links / impacts.</p> <p>b) A series of Gate 1 meetings will be scheduled to review proposals that officers and Portfolio Holders have agreed can go forward. This will ensure the requirements of the Project Management Framework are met.</p>	<p>Challenge arrangements will be put in place and meetings booked.</p>

Issue	Current Assumptions	Intended Actions
	c) Challenge from Finance. d) Engagement with wider Members and Stakeholders.	
12. Corporate Scrutiny Committee	This Committee will review in year performance reports and key budget setting items.	Lessons from in-year performance will be linked to the development of proposals at mid and three quarter stages.
13. Finance Policy Development Group	This group, who are considering funding issues from 2014/2015, will contribute to the financial planning assumptions for the MTFS.	
14. Wider Member involvement.	Several all Member briefings will be held in July (23 rd), November and January.	
15. Consultation and Engagement Plans	See Appendix 6 for further details on this issue.	Broadly a continuation of the existing arrangements.
16. Supporting Strategies	Management Team have considered the Charging and Trading Strategy and their feedback is being addressed for the final version.	Compliance with the Charging and Trading Strategy will be considered by Finance PDG and also reported to the Management Team.

Appendix 2 – The Council's Priorities

i) The Council's Sustainable Community Strategy 2010 to 2025

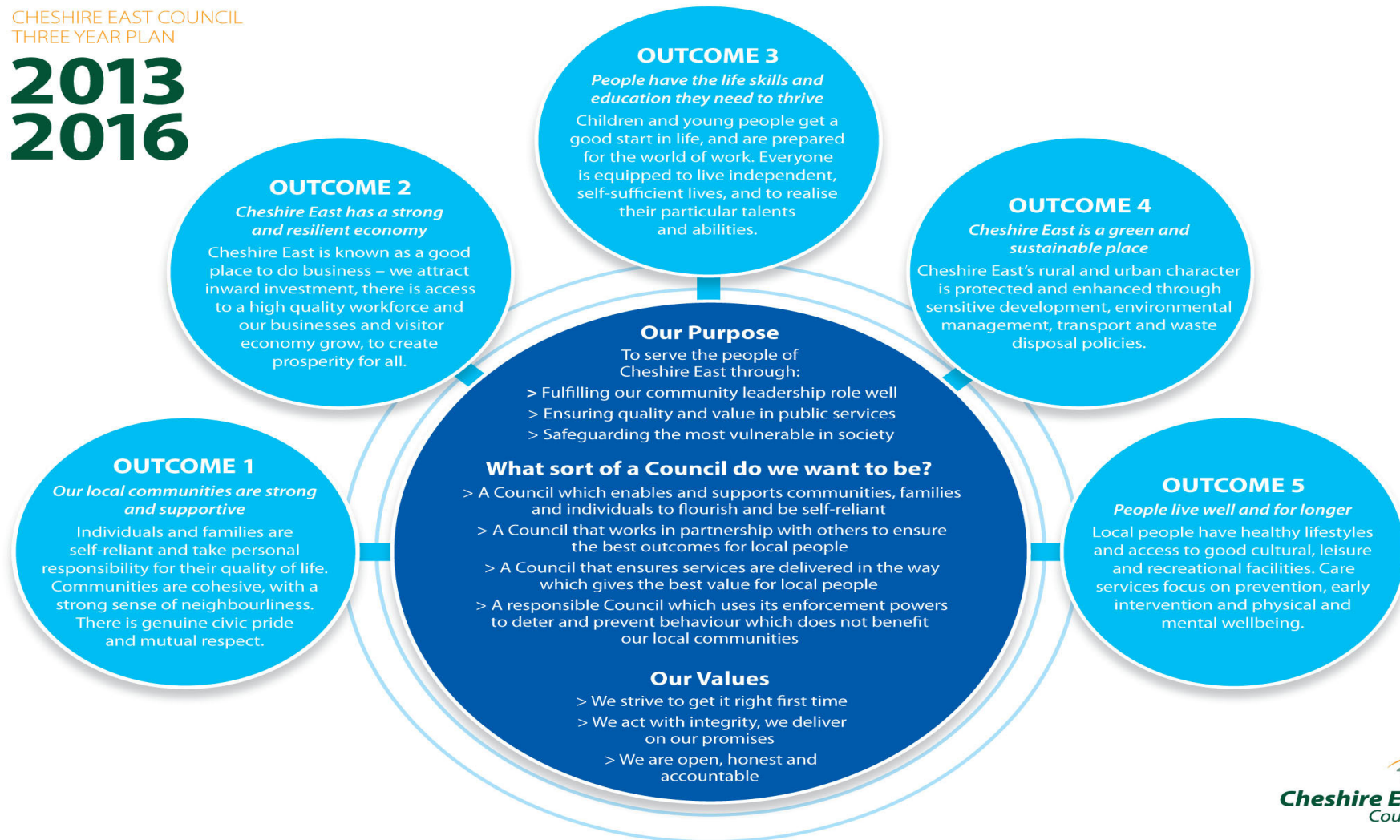


1. Nurture strong communities
2. Create conditions for business growth
3. Unlock the potential of our towns
4. Support our children and young people
5. Ensure a sustainable future
6. Prepare for an increasingly older population
7. Drive out the causes of poor health

ii) The Council Plan

CHESHIRE EAST COUNCIL
THREE YEAR PLAN

**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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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

Appendix 3 – Financial Stability

Financial Context ~ The table below summarises the funding gaps for the MTFS period as detailed in the [Budget Report](#) 2013/2016 at page 4 (2016/2017 has been added by repeating the assumptions made in 2015/2016). The assumptions are considered below and will be updated in light of analysis of the Comprehensive Spending Review (released on 26th June 2013). While these figures are based on prudent assumptions and will change, they signal the longer term expectations of reduced funding levels and the scale of the task that is still to be achieved.

	2014/2015 £m	2015/2016 £m	2016/2017 £m	Total £m
Funding Gap	8.3	14.1	12.0	34.4

Financial Planning Assumptions ~ These are set out under the standard five headings used to review the scenario.

Measure 1 ~ Challenge Funding Assumptions			
Item	Basis	Impact	Action
Business Rate Retention Scheme	Based on February 2013 Settlement Figures. New Funding system from 1 st April 2013. Being monitored to understand links between growth and funding levels. Net nil growth position assumed for each year.	1% = £0.4m	To be informed by work on business rates actuals, forecasts for 14/15, views of Regeneration Service (economic growth / employment) and CSR (% funding reductions).
Specific Grant Funding	Based on figures released by the relevant Government Department or best estimate in line with CSR 2010 / CSR 2013.	£ for £	To be informed by Local Plan / Planning Service (new homes bonus) and CSR (% funding reductions) to Health related funding etc.
Central Adjustments			
- Inflation & Pensions	See Measure 4	£ for £	
- Capital financing	Based on estimates from 2013/2016 capital programme	£ for £	To be reviewed as capital programme is developed and challenged.
- Severance Costs	Based on agreed basis for dealing with early retirement costs	£ for £	Relates to employees who have left. Regularly reviewed.

Measure 2 ~ Review Local Taxation			
Item	Basis	Impact	Action
Council Tax	0% in each year. No Council Tax freeze included. To be reviewed following CSR announcements.	1% = £1.6m	Expectation that further Freeze grants can fund Cost of Investment.
Council Tax Base	No % increase per annum. Significant changes to the taxbase for 2013/2014 will be reviewed to ascertain impact for future years.	0.1% = £0.2m	Ambitions for economic growth to be reviewed in terms of new homes.
Collection Fund	Nil surplus / deficit per annum.	£ for £	To be reviewed later in the year.
Supplementary Business Rates / Business Improvement Districts	No additional income.	1p supplement = £2.1m	To be reviewed but considerable lead in time to consult with businesses etc. The maximum supplement is 2p.
Community Infrastructure Levy	No additional income.	Unknown	May be possible to raise income from 2016/2017 but many issues to be worked through.

Measure 3 ~ Use General Reserves			
Item	Basis	Impact	Action
Contribution to / from Reserves	A planned contribution to reserves to ensure a minimum strategic level is retained. Insufficient levels of Reserves will not provide working balances nor meet emergencies or unforeseen service demand. Note that the current Reserves Strategy has no contribution to or from General Reserves over the period.	£ for £	An updated Reserves Strategy will be reported as part of the first quarter review of performance to Cabinet on 19 th August 2013.

Measure 4 ~ Review Expenditure			
Item	Basis	Impact	Action
Pay Inflation	1% per annum based on Chancellor's Statements.	1% = £1.4m	Base Budget under review.
Non Pay Inflation	0% per annum.	1% = £0.9m	Reflects move to cash based budgeting. Specific inflationary pressures can be submitted as proposals.
Pensions	Employee contribution rates to rise by 1% per annum	1% = £1.4m	Under review as a result of reducing base and pending actuarial results.
Abolition of second state pension – additional NI costs	Nothing factored in.	-	Anticipated impact from 2016/2017. Calculations being put together.

Note: Base Budgets are set out later in this Appendix. The scenario assumes the funding gaps in each year are permanently closed.

Measure 5 ~ Review Income			
Item	Basis	Impact	Action
Fees and Charges	To be reviewed as part of the roll out of the Council's Charging and Trading Strategy to establish the basis for the charge and scope for full cost recovery.	£ for £	Service Charging Strategies to be reviewed as part of the process. Finance PDG to review framework.

Base Budgets (developed from Budget Report 2013/2016)

	Net Budget 2013/2014	Adjust Base for Roll Forward & Temp. Items	Estimated Net Budget 2014/2015	Estimated Net Budget 2015/2016	Estimated Net Budget 2016/2017
Notes:	Budget Report Position at February 2013	Includes savings and income set out in Budget Report 13/16		Incl. assumption that the Funding Deficit from previous years is closed	
	£m	£m	£m	£m	£m
Children & Families	57.8	-2.0	55.8	54.3	54.3
Adults	101.5	1.1	102.6	108.3	108.3
Public Health Net Expenditure	12.7	1.3	14.0	14.0	14.0
Public Health Grant	-12.7	-1.3	-14.0	-14.0	-14.0
Places & Organisational Capacity	76.4	-3.0	73.4	72.4	72.4
Corporate Services	26.5	-0.2	26.3	25.7	25.7
Increment Provision	0.2	1.7	1.9	1.9	1.9
Management Reductions	-2.2	-0.6	-2.8	-2.8	-2.8
Vacancy Management Provision	-2.5	0.0	-2.5	-2.5	-2.5
Costs of Investment ^(being supported by CT Freeze Grant)	6.3	0.0	6.3		0.0
<i>Additional Reductions to closing Funding Deficit Yr 1</i>	0.0	0.0		-8.3	-8.3
<i>Additional Reductions to closing Funding Deficit Yr 2</i>	0.0	0.0			-14.2
TOTAL:	264.0	-3.0	261.0	249.0	234.8
<i>CENTRAL BUDGETS</i>					
Business Rate Retention Scheme	-93.0	7.4	-85.6	-74.0	-65.3
Specific Grants (includes ESG)	-21.0	2.7	-18.3	-15.7	-14.4
Council Tax	-166.8	0.0	-166.8	-166.8	-166.8
Central Adjustments					
Capital Financing	11.9	1.6	13.5	15.0	15.0
Contribution to (from) Reserves			0.0	0.0	0.0
Other ^(including provisions and pensions)	4.9	-0.4	4.5	6.7	8.7
TOTAL: Central Budgets	-264.0	11.3	-252.7	-234.8	-222.8
Funding Deficit	0.0	8.3	8.3	14.2	12.0

These Budgets will be updated for any permanent changes approved at the quarterly reviews of performance.

Appendix 4 - Measures to Balance the Budget

Note Service focus on measures 4 and 5

Measure	Balancing the Medium Term Budget (Extract from Budget Report 2013/2016)
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 Education Support Grant (formerly 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	Balancing the Medium Term Budget (Extract from Budget Report 2013/2016)
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	Balancing the Medium Term Budget (Extract from Budget Report 2013/2016)
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.
- 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.

Appendix 5 – The Budget Setting Process

	Set Parameters		Gather Evidence / Develop Proposals		Consult / Refine				Approve
Date	Central Finance Group	Business Planning Group	Portfolio Holders	CMT	Project Management Process	Finance Policy Development Group	Corporate Scrutiny Committee	Stakeholders	Council
July 2013	Financial Assumptions	Budget Setting Process	All Member Briefing (23/7)	Agree and launch process					
August / Oct			Review Programmes and budgets and develop additional savings proposals in line with Appendix 4						
November / January				High level overview	Gate 1 challenge	Advice on funding policies	Review in year performance	Briefing on key themes Comment on proposals	
February 2014									Agree Budget

Appendix 6 – Engagement

This note sets out the issues surrounding the sharing of budget proposals outside the Council.

Background ~ Local authorities have a statutory duty to consult on their budget with certain groups. This takes the form of consultation on the general budget and consultation on specific proposals, where further statutory requirements can apply (social care charges being the best example). How consultation is achieved is left to the Council to decide.

The profile of the whole issue has been raised with successful challenges being made against councils who have been judged as inadequately consulting on proposals or failing to give due regard to equality issues. Therefore, undertaking a process and providing adequate evidence is essential.

Cheshire East Approach ~ Locally the approach to consultation has broadly followed the pattern of:

November:	Consultation on budget process, forecast funding levels and key areas under review. Generally using existing meetings.
January	Consultation on draft Budget proposals using a mix of existing meetings, the website and a number of dedicated events.

Recently the term consultation has been replaced with engagement to acknowledge that the funding reductions being experienced do not allow scope to significantly alter the proposals as a result of feedback. It has therefore, been an opportunity to share proposals and request feedback on how to manage the impact.

The last two budgets have seen a number of proposals being specifically flagged as ‘subject to consultation’ within issued documentation. This has indicated that the proposals may be changed prior to implementation. Such changes are one of the risks factored into the minimum level of general reserves held by the Council.

Equality Impact ~ ensuring that proposals have been subject to an equality assessment has been managed for the last two budget setting rounds:

2012/2013	EIA’s produced as part of budget setting and placed on the website.
2013/2014	Considered as part of project management process.

Engaging with the public ~ the Citizen’s panel should be able to help with this aspect.

In overall terms it could be concluded that:

- The Council has tried to improve the process. However, the overall context for budget setting has shifted, making this difficult.
- There is a natural concern over sharing any potential service reductions before the provisional settlement which may mean they are not required.
- Consultees may not feel they can change anything.
- This has led to a reduction in meetings and mixed attendance levels (high at the outset of the new Council, low in recent years).
- The quality of the presentation material has continually improved to meet the needs of the audience.
- There is a lack of evidence if there is any value in improving the current offer.

What are other councils doing? ~ in short it's a variety on a theme, with some councils using web based exercises / voting systems in addition to meetings.

Key stakeholders ~ the main groups consulted with are: Members, Schools Forum, Trade Unions, Staff, Health, Third Sector, Partners and Businesses.

Timescale ~ The key dates are fixed and January remains a key month with settlement figures available and several weeks to formal Budget setting.

Conclusion ~ it is assumed the appetite for change is low and the current arrangements in November and January will continue.

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 22nd July 2013
Report of: Corporate Risk Management Group
Subject/Title: Risk Management Policy Review
Portfolio Holder: Councillor David Brown, Strategic Communities

1.0 Report Summary

- 1.1 The Council's risk management policy forms part of the overall internal control framework and corporate governance arrangements. An internal control system with risk management at its core will facilitate the effective and efficient operation of the Council by enabling it to respond appropriately to risks. This increases the likelihood of the Council achieving its strategic priorities.
- 1.2 The present risk management policy was last amended and approved by Cabinet at its meeting on 20 August 2012, and it was agreed that the policy be reviewed annually. During the year, queries and suggestions about the risk management policy were received and considered as part of the policy review.
- 1.3 The outcome of the review was that although the risk management policy remained fit for purpose, a number of minor amendments could be made to strengthen the policy. The amendments are highlighted for ease of reference in the attached copy at **Annex A** to this report for consideration and approval. The updated policy has been reviewed by the Corporate Management Team and the Audit and Governance Committee.

2.0 Recommendation

- 2.1 Cabinet is requested to consider and formally approve the updated Risk Management Policy. The policy is to be reviewed annually.

3.0 Reasons for Recommendation

- 3.1 Risk management is central to good governance and effective strategic management. Cheshire East Council is publicly accountable and must be able to demonstrate effective management of the kinds of risks which threaten the achievement of its strategic objectives, the effectiveness of its operations, the reliability of its financial reporting, and the security and value of its assets. Risk Management provides a structured, consistent and continuous process across the whole of Cheshire East Council for identifying, assessing, deciding on responses to, and reporting on

opportunities and threats that affect the achievement of the Council's 3 Year Plan objectives and outcomes.

- 3.2 Being able to demonstrate effective systems for managing risks is a critical step in producing supportable statements of internal control for annual reporting purposes. The benefit of a strong risk management framework from a governance viewpoint is that it gives a greater level of confidence that management have properly and adequately fulfilled their responsibility in operating an effective system of internal control. This in turn gives confidence to both Members and staff to support a higher appetite for risk, at a time when major change is necessary and desirable. Cabinet needs to provide a consistent, coherent, sustained and visible leadership in terms of how we behave and respond when dealing with risk. Publishing a clear risk management policy covering risk management philosophy and responsibilities helps to set our desired risk culture.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 N/A

6.0 Policy Implications

- 6.1 Risk management is integral to the overall management of the authority and, therefore, considerations regarding key policy implications and their effective implementation are considered within departmental risk registers and as part of the risk management framework.

7.0 Financial Implications

- 7.1 None in relation to this report, a risk around financial control is included as a key corporate risk on the corporate risk register.

8.0 Legal Implications

- 8.1 As well as the need to protect the Council's ability to achieve its strategic priorities and to operate its business, general principles of good governance require that it should also identify risks which threaten its ability to be legally compliant and operate within the confines of the legislative framework, and this report is aimed at addressing that requirement.

9.0 Risk Management

- 9.1 This report relates to overall risk management; Cabinet should know about the most significant risks facing the Council and be assured

that the risk management framework (which includes the role and work of the Corporate Risk Management Group) is operating effectively. The content of this report aims to mitigate the following risk:

Key Risk
That Cheshire East Council fails to properly develop, implement and demonstrate an effective risk management framework

10.0 Background

- 10.1 A copy of the updated Risk Management Policy is attached for comment at **Annex A** to this report; this includes a sub-section on Business Continuity.
- 10.2 The policy does not include details of the risk management process or the procedures and documentation. These are held separately and it is intended that these will be included in a risk management handbook or toolkit for staff and Members and will include information on risk management of partnerships and projects.

11.0 Access to Information

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

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CHESHIRE EAST COUNCIL - RISK MANAGEMENT POLICY

1.0 Introduction

- 1.1 A risk is concerned with a threat or a possible future event which will adversely or beneficially affect Cheshire East Council's ability to achieve its objectives. It is typically assessed using two dimensions, one of which is the impact of the threat or ~~opportunity~~ **hazard**. This represents the consequence of the threat or ~~opportunity~~ **hazard** on the Council's objectives. The second dimension is the frequency or likelihood of the risk occurring, this represents the probability of the threat or ~~opportunity~~ **hazard** happening.
- 1.2 Risk management is the process that informs strategic development through the identification and treatment of risk such that, objectives are more likely to be achieved, damaging actions or events are avoided or minimised and opportunities maximised.

2.0 Purpose

- 2.1 This risk management policy forms part of Cheshire East Council's internal control and corporate governance arrangements. The purpose of this policy is to clearly outline the council's commitment to risk management, describe the objectives of risk management and provide a framework for embedding risk management across the organisation, with defined roles and responsibilities and a structured process. Through the implementation and embedding of an effective risk management framework, Cheshire East Council will ensure that it is better placed to manage its performance, achieve its corporate objectives and provide an enhanced level of service to the community.
- 2.2 The following key principles outline the Council's approach to risk management and internal control:
- Council and Cabinet have responsibility for overseeing risk management within the council as a whole
 - an open and receptive approach to understanding the challenges of risk management is adopted by Cabinet and Council
 - the Chief Executive and the Corporate Management Team support, advise and implement policies approved by Cabinet and Council
 - the Council makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks
 - there will be a range of appetites and tolerance levels for different risks which will vary over time but these will be approved and communicated appropriately
 - the ~~Senior Corporate~~ Management Team **and Operational Management Team** are responsible for encouraging good risk management practice within their ~~Service~~ **Business** Areas
 - key risk scores and indicators of levels of risk are identified and closely monitored on a regular basis.

3.0 Commitment to Risk Management

- 3.1 Cheshire East Council is 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 maximise opportunities to achieve the council's objectives and deliver core services. It is acknowledged that some risks will always exist and will never be eliminated.
- 3.2 All officers must understand the nature of the risk and accept responsibility for risks associated with their area of work, including an understanding of how reputation value for the Council is added or

lost. In doing this they will receive the necessary support, assistance and commitment from senior management and Members.

- 3.3 The council's risk management objectives are a long term commitment and an inherent part of good management and governance practices. The objectives need the full support of Members and active participation of managers.

4.0 Benefits of Good Risk Management

- 4.1 Good risk management increases the probability of success, and reduces both the probability of failure and uncertainty of achieving Cheshire East Council's overall objectives.



5.0 Objectives of the Risk Management Approach

- 5.1 The six key objectives of the approach to risk management are to:

- Embed risk management into the ethos, culture, policies and practices of the council.
- Ensure the council successfully manages risks and opportunities at all levels – strategic, operational, programme, project and partnership.
- Manage risk in accordance with all statutory and best practice requirements.
- Ensure that risk management is a key and effective contributor to Corporate Governance and the Annual Governance Statement.
- Ensure that risk management helps to secure efficient and effective arrangements to identify and achieve successful local and national priority outcomes.
- Embed an effective business continuity management framework to provide continuous service delivery in the event of an emergency.

- 5.2 These objectives will be achieved by:

- Establishing a risk management framework and risk management handbook for employees and Members.
- Clearly defining the roles, responsibilities and reporting lines within the council for risk management.
- Ensuring there is appropriate leadership and monitoring of corporate risks and key corporate project risks.
- Risk management being an integral part of and included in the council's processes, policies and documents, including service and project planning, writing reports and considering decisions.
- Providing advice, guidance, suitable information and training on risk management to employees and Members.
- Maintaining a hierarchy of risk registers, that are regularly reviewed and monitored, to demonstrate the management of risks linked to the council's business, corporate and operational objectives and to working in partnership. Working in collaboration with partners to ensure a joint successful approach to the management of risks.
- Using national and best practice guidelines on risk management and engaging in relevant risk management forums and benchmarking exercises to identify further opportunities for improvement in our approach to risk management.
- Providing opportunities for shared learning on risk management across the council and with other authorities, partners and stakeholders where appropriate.
- Heads of Service **and Corporate Managers** completing statements as to the effectiveness, or otherwise, of their systems for identifying, monitoring and managing corporate and operational risks.
- Ensuring that internal audit coverage is driven by a deep understanding of the risks, challenges and opportunities facing the Council. Some of the risks will be unique to individual services; others will be common to all services and other Authorities, giving opportunities for benchmarking.
- Preparing and testing contingency plans to secure business continuity where there is a potential for an event to have a major impact upon the council's ability to function.
- Identifying and seizing opportunities which risk management provides for the organisation.

6.0 Our Approach

6.1 It is essential that a single risk management approach be utilised at all levels throughout the authority. By effectively managing our risks and opportunities, which is all part of good governance, we will be in a stronger position to deliver our objectives, provide improved services to the public, work better as a partner with other organisations and achieve value for money. The council has closely integrated risk management into its planning and objective-setting process, enabling it to manage its risks in a more consistent, uniform way.

6.2 By integrating risk management with the council's strategic planning process and individual **service delivery-business unit** plans we are able to monitor risks to achieving the objectives, determine which risks have the most significant impact, and prioritise resource accordingly. This approach to risk management will inform the council's business processes, including:-

- Strategic planning
- Financial planning
- **Service Business unit** planning
- Policy making and review
- **Commissioning**

- **Provider delivery**

- Performance management
- Project management
- Partnership working
- Internal Audit planning

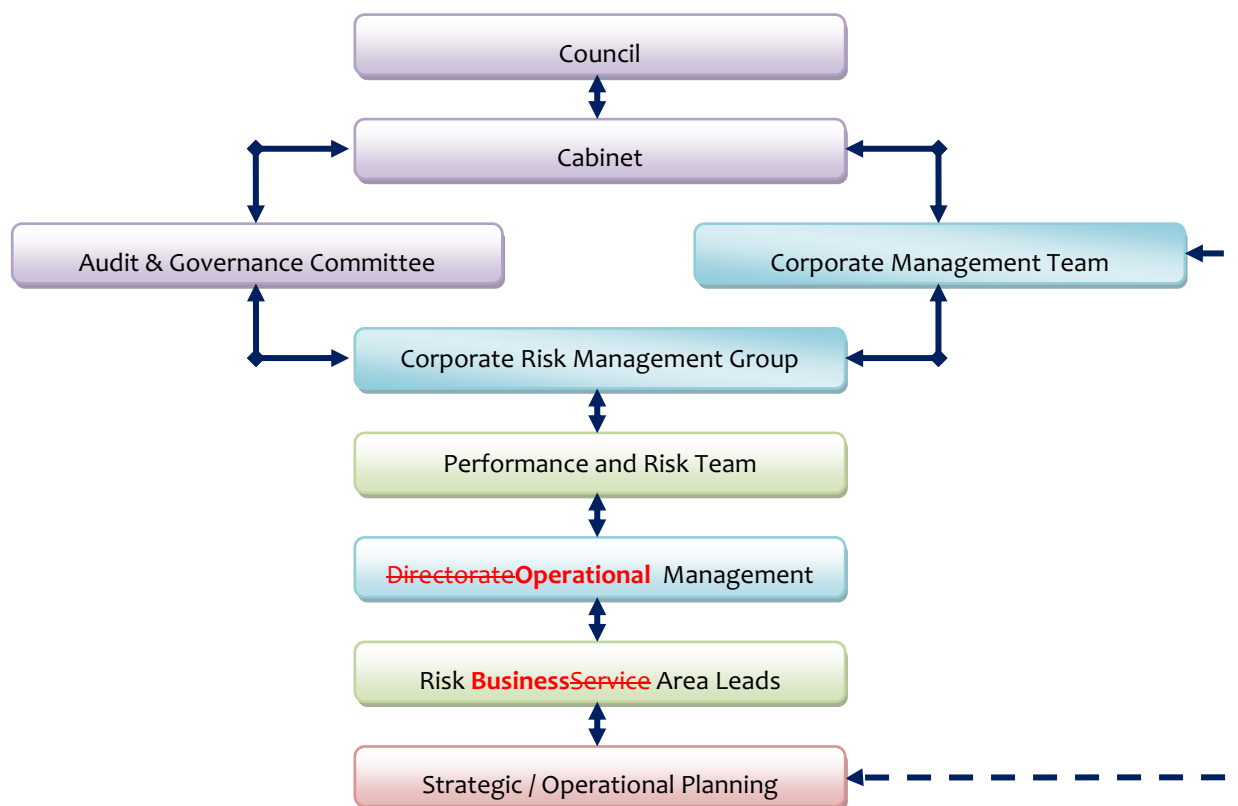
- 6.3 For those with responsibility for achieving objectives, responsibility also lies in identifying and assessing risks and opportunities; developing and implementing controls and warning mechanisms; and reviewing and reporting on progress. The identified risks and relevant control measures will be recorded on the council's risk registers and will be monitored, reported and reviewed by the Corporate Risk Management Group.
- 6.4 Some objectives could be reliant upon external groups that the authority may work with, such as other organisations, partners, contractors etc. This partnership working could affect the achievement of an objective and therefore the risk management process will be incorporated into the way the council works within these partnerships through Partnership Protocols.
- 6.5 The management of risk will become an integral part of corporate policy decisions and the initiation of major projects, which will include a statement on risk to help inform the decision making process.
- 6.6 This will assist Members and Officers to ensure that new risks are detected and managed, by providing more detail on the process for managing risk, where each stage builds upon the other and provides basic practical guidance on how to identify, assess and treat risks, and monitor their progress. To assist with this approach to risk management and to ensure consistency across the authority, a risk management handbook will be prepared, reviewed on an annual basis and reported to the Audit and Governance Committee for approval and adoption.

7.0 Risk Appetite

- 7.1 Understanding and setting a clear risk appetite level is essential to achieving an effective risk management framework and should be done before managers consider how to treat risks. Establishing and articulating the risk tolerance level helps to ensure that consideration in the way management, Cabinet and Council respond to risk is consistent and that there is a shared vision for managing risk. There are risks for which the Council is custodian on behalf of the public and the environment, where tolerance 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.
- 7.2 Cheshire East Council recognises that in pursuit of its objectives it may choose to accept an increased degree of risk. The council will establish and articulate risk tolerance levels for the differing areas of its business. Where the council chooses to accept an increased level of risk it 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.

8.0 Roles and Responsibilities

- 8.1 Responsibility for risk management should run throughout the authority. Clear identification of roles and responsibilities ensure the successful adoption of risk management and demonstrate that it is embedded in the culture of the organisation. Everyone has a role to play in the risk management process. The council's reporting lines framework is shown on the diagram below:



8.2 A summary of the roles and responsibilities of groups and individuals in relation to risk management is given in the table below:-

Individual or Group	Summary of Role & Responsibilities
Council	Monitors, receives reports and assurance on risk management activity and management of corporate and significant risks. Approves risk appetite / tolerance levels. Approves the risk management and business continuity policies. Approves public statements on internal control and provides assurance on risk management to the public.
Cabinet	Oversees the effective management of risk throughout the council, ensuring officers develop and implement an all encompassing approach to risk management. Responsible for identifying new corporate risks. Monitor the content of the key corporate and significant risk registers and comment on mitigation as appropriate. Ensure that risks are fully considered when making decisions. Consider and endorse the risk management policy and risk appetite / tolerance levels for ratification by Council.
Audit and Governance Committee	Provide independent assurance on the effectiveness of the risk management framework and associated control environment, and independent scrutiny of the council's financial performance. Hold Members and officers to account to consider mitigating action for risks and how appropriate / effective it is. Receive regular reports on the management of the top council risks.

Individual or Group	Summary of Role & Responsibilities
Scrutiny Committee	Reviews the portfolios, Cabinet and organisational performance as a whole. Ensure that officers and Members discharge their responsibilities effectively and efficiently including the identification and management of risks.
Portfolio Holder - Lead	To Take a strategic lead for risk management in the council, from a Member's perspective, promoting and supporting the development and implementation of the risk management policy and ensuring that Members take risk management into account when making decisions.
Corporate Management Team (CMT)	Responsible for identifying new corporate risks. Gain an understanding and promote the risk management process and benefits, oversee the implementation of the risk management policy and agree any inputs and resources required supporting the work corporately. Manage strategic and cross-cutting risks. Report to elected members on the management of risks. Monitor and consider the mitigating actions for significant new and emerging corporate and operational risks as escalated and reported by the Corporate Risk Management Group.
Operational Management Team (OMT)	Ensure that risks are managed effectively in each business area in accordance with the risk management policy and procedure. Nominate and support a risk management representative to represent the OMT on the CRMG and identify risk business area leads.. Identify, analyse and prioritise risks as part of the business planning process. Determine risk management action plans and delegate responsibility and control. Act as filter groups, identify and approve the top council risks, escalating emerging risks where these could have a significant and strategic impact. Consider risk as regular agenda items at OMT meetings reviewing the risk registers and monitoring progress.
Corporate Risk Management Group (CRMG)	Assist the Council with the management of risks to achieving its strategic priorities and service delivery by reviewing all matters concerning the development, maintenance and implementation of the council's risk management framework, including monitoring and reporting arrangements. Identify and communicate risk management issues to Corporate Management Team (CMT), Operational Management Team (OMT) CMT and business units.services
Internal Audit	Challenge and test the risk management process, including the identification and evaluation of risk and provide independent assurance to officers and Members on the effectiveness of the risk management framework and internal controls. The audit coverage is driven by a deep understanding of the risks, challenges and opportunities facing the Council. Some of the risks are unique to individual services; others will be common to all services and other Authorities, giving opportunities for benchmarking. The programme of work is planned annually but constantly reviewed to ensure it remains up to date and appropriate and encompasses a wide range of financial and non-financial risks. The audits are creative, thoughtful and useful pieces of work. They provide robust assurance and offer pragmatic ideas for development.

Individual or Group	Summary of Role & Responsibilities
External Audit	External audit provides feedback to the Audit and Governance Committee on the operation of the internal financial controls reviewed as part of the annual audit.
Section 151 Officer	Ensure that the risk management processes are considered as specified in the Finance Procedure Rules.
Performance and Risk Team	The business planning and performance management process is used to set objectives, agree action plans, and allocate resources. Progress and performance towards meeting business plan objectives is monitored regularly, including the control and operational actions to mitigate risk. Receive all the approved top risks from local registers, senior management meetings and governance committees. Act as filters to eliminate duplicates and help with consistency. Collates and coordinates a comprehensive report for presentation to CRMG. Reports back to local level, OMT , CMT, Cabinet, Council, Audit & Governance Committee, Scrutiny Committee and Corporate Governance Group. Facilitate regular meetings of Risk Service Business Area Leads. Share good practice and provide professional support, guidance and training across the council on risk management. Maintain the council's corporate and significant risk registers and the risk management system.
Directors	Ensure that risks are managed effectively in each service area in accordance with the risk management policy and procedure. Nominate and support a risk management representative to represent the Directorate on the CRMG and identify risk service area leads within the Directorate. Identify, analyse and prioritise directorate risks as part of the business planning process. Determine risk management action plans and delegate responsibility and control. Act as filter groups, identify and approve the top council risks, escalating emerging risks where these could have a significant and strategic impact. Consider risk as regular agenda items at DMT meetings reviewing the Directorate risk registers and monitoring progress.
Service Heads and Managers	The business planning and budgeting process is used to set objectives, agree action plans, and allocate resources. Identify, analyse and prioritise service risks as part of the business planning process. Progress and performance towards meeting business plan objectives is monitored regularly. Ensure that risk is managed effectively in their service area in accordance with the risk management policy and procedure. Produce, test and maintain Service Continuity Plans. Promote risk management and establish training requirements within service areas. Manage significant risks on a daily basis and report on mitigation.
Risk – Service Business Area Leads	Support the Directorate and Service Business Unit Teams in maintaining local risk registers. Remind risk owners when risk update reports are required. Provide details of the top risks to the Performance and Risk and Team. Liaise with Directorate-OMT risk representatives to ensure operational and strategic risks are properly managed. Coordinate with the Performance and Risk and Team and other Risk Service Business Area Leads to ensure that risks affecting all services are managed cohesively. Align risk registers with relevant partners.

Individual or Group	Summary of Role & Responsibilities
Transformation Programme and Project Managers	Ensure that we are capable of delivering major and complex programmes and projects across many of our business areas services and are key to achieving the council's objectives. Identify, analyse and prioritise project risks as part of the project management process. Ensure that project risks are managed effectively, throughout the life of the project, in accordance with the risk management policy and procedure. Report on mitigation and effectiveness and escalate project risks that could impact on the achievement of other business unit objectives and directorate and corporate objectives.
Other specialist risk support services: <ul style="list-style-type: none"> • Insurance • Health & Safety • Climate Change • Legal • Emergency Planning • Human Resources • Environmental • Communications & Media Relations 	Advise Corporate and Operational Directorate Management Teams on policies, procedures and implications of strategic and operational risk decisions. Ensure that risk management is embedded into business planning, operational and performance processes, this includes business continuity and emergency planning . Seek to develop a shared and consistent corporate approach to risk management so that the council can demonstrate a clear systematic assessment and control of risk. Protect and manage risks to employees and public, Council reputation and financial values. <u>Emergency Planning Team – Provide training, support, guidance and advice, as well relevant templates and documentation to aid the planning process. Provide support in the coordination and implementation of the testing of business continuity plans. Liaise with the Cheshire Local Resilience Forum, to ensure that the Council is aware of and fully incorporated into the regional emergency and continuity planning processes. Lead in the promotion of business continuity planning to local businesses and voluntary organisations</u>
Officers	Manage risk effectively in their roles, liaising with other their line managers to assess areas of risk and identify new or changing risks.

9.0 Internal Control

9.1 The system of internal control incorporates risk management. This system encompasses a number of elements that together facilitate an effective and efficient operation, enabling the council to respond to a variety of operational, financial and commercial risks. These elements include:-

a. Policies and procedures

Attached to significant risks are a series of policies that underpin the internal control process. The policies are approved by Cabinet and Council and implemented and communicated by senior management to staff. Written procedures support the policies where appropriate.

b. Quarterly reporting

Comprehensive quarterly reporting is designed to monitor key risks and their controls. Decisions to rectify problems are made at regular meetings of the Corporate Management Team and Cabinet if appropriate.

c. Business Continuity

The business continuity process is essentially risk management applied to the whole organisation and its ability to continue with its service provision in the event of a catastrophic event. The council has therefore developed a complimentary policy to the Risk Management Policy on Business

Continuity to address this important aspect of risk management and is attached as **Appendix 1** to this Policy.

d. *Anti-Fraud and Corruption*

The council has an anti-fraud and corruption strategy, which directs the council towards ensuring a professional and ethical approach to combating fraud. As part of the council's anti-fraud and corruption framework, the council also has an anti-money laundering policy, which directs the council towards ensuring a professional approach to combating money laundering.

e. *Whistleblowing*

Cheshire East Council is committed to the highest possible standards of openness, probity and accountability. Employees, Members, contractors, suppliers to or consultants with, the authority are often the first to realise that something wrong may be happening within. The Whistleblowing Protocol is intended to help those who have concerns over any potential wrong-doing within the council.

f. *Audit, Inspectorate and Accreditation reports.*

The Council makes reference to and acts upon the results of the work of the internal and external auditors and on information and recommendations received from other Council feedback mechanisms, including inspectorates, professional bodies and accreditation bodies.

10.0 Document History

Version	Date	Approved by	Minute Ref
V1	17 May 2011 7 June 2011 30 June 2011 5 Sept 2011	Corporate Risk Management Group Corporate Management Team Audit & Governance Committee Cabinet	minute para 39.2 minute Item 5 minute para 10 minute 53
V2	11 May 2012 12 June 2012 28 June 2012 20 Aug 2012	Corporate Risk Management Group Corporate Management Team Audit & Governance Committee Cabinet	minute para 7.1 minute item minute para 60 (2) minute 49
V3	23 May 2013 4 June 2013 27 June 2013 22 July 2013	Corporate Risk Management Group Corporate Management Team Audit & Governance Committee Cabinet	

Risk Management Policy - Appendix 1

CHESHIRE EAST COUNCIL - BUSINESS CONTINUITY STRATEGY

1.0 Purpose

- 1.1 The purpose of this strategy is to clearly outline the Council's commitment to business continuity planning and its links to risk management. In addition it defines and clarifies roles and responsibilities.

2.0 Background and Requirements

- 2.1 The Civil Contingencies Act (2004) (CCA) provides the framework for Civil Protection in the UK, and places a number of duties on Local Authorities regarding preparation for and response to emergencies. Cheshire East Borough Council, as a Category 1 (front-line responder) is required to develop and maintain business continuity plans, so that key functions can continue to be delivered in an emergency. This also involves consideration of the resilience of those organisations on whom the Council relies to maintain key services, including any third parties who provide services on its behalf.
- 2.2 As well as implementing Business Continuity Plans, the CCA also requires Local Authorities to promote and provide general business continuity management advice to commercial and voluntary organisations in the area. This duty aims to enable local businesses to better maintain critical elements of their service and recover more quickly should an incident arise, therefore lessening the economic and social impact on the local community.
- 2.3 Business continuity management (BCM) is a planned process aimed at managing the many and varied operational risks inherent in the day-day activities involved in delivering services, and, therefore, it is an essential element of risk management, helping to create a resilient organisation and one which is able to provide continuous service delivery and effective use of resources. Effective risk management can reduce the likelihood of an incident occurring, whilst business

continuity planning can reduce the impact if it does occur. As well as increased resilience, there are many benefits to having a structured and consistent BCM process in place:

- Credibility – protecting and enhancing the reputation of Cheshire East Borough Council.
- Supporting corporate governance and the requirement to produce an Annual Governance Statement
- Reduced costs – protecting assets, working more efficiently, reducing recovery cost, assurance of third party providers of services (who may be required to demonstrate effective resilience as part of any tender for business), lower insurance premiums, where the Council can demonstrate proactive management of continuity risks.

3.0 Objective of the Strategy

- 3.1 The objective of this strategy is to set out the requirement for Cheshire East Council to take steps to ensure that, in the event of a service interruption, essential services will be maintained and normal services restored as soon as possible. To ensure that this happens, the Council **and its service providers** must have in place robust business continuity and service recovery plans that are regularly reviewed and tested. In addition, the Council will promote and provide business continuity advice to local businesses and voluntary organisations, in order to ensure, in conjunction with the Joint Cheshire Emergency Planning Service, that the Cheshire East region is well prepared for any unforeseen events.

4.0 Implementation and Responsibilities

- 4.1 Business continuity requires senior management commitment and support, and dedicated resource allocated within the Authority to ensure that plans are developed, maintained, reviewed, and, most importantly, tested, so that they are fit for purpose. It also needs to be built into **project and the change management processes** to ensure the implications of any **projects and changes** are fully considered prior to implementation and that resilience is built into **the project deliverables**.
- 4.2 ~~Because Bb~~ business continuity is an essential element of risk management, **and as such it will be** managed as part of the Cheshire East Risk Management Policy, ~~and~~ responsibility for its delivery will be incorporated into the roles outlined in the Risk Management Policy.

~~Members and Portfolio Holder Strategic Lead—ensure an effective Business Continuity Policy is in place.~~

~~Cabinet—receive monitoring reports and annual report on the progress of Business Continuity within the Council.~~

~~Audit and Governance Committee—provide independent assurance of the adequacy and effectiveness of the Council's resilience as part of the Risk Management framework.~~

~~Directors and Chief Officers—ensure the production, communication, review and testing of Business Continuity plans for their Directorate/Services and ensure all staff are fully aware of these plans.~~

~~Corporate Risk Management Group—monitor the progress and status of business continuity planning and the Council's level of resilience. Report quarterly to the Corporate Management Team, Cabinet and the Audit and Governance Committee.~~

~~**Emergency Planning Team** – Provide training, support, guidance and advice, as well relevant templates and documentation to aid the planning process. Provide support in the coordination and implementation of testing. Liaise with the Cheshire Local Resilience Forum, to ensure that the Council is aware of and fully incorporated into the regional emergency and continuity planning processes. Lead in the promotion of business continuity planning to local businesses and voluntary organisations.~~

Internal Audit

~~Provide an independent assessment of the robustness, or otherwise, of the Business Continuity Plans within Services.~~

Other members of staff

~~Ensure that they are fully aware of the Business Continuity Plans for their particular area of work, and take proactive steps to improve resilience wherever possible.~~

5.0 Developing Plans

- 5.1 **Understanding the operation** – Business impact analyses (BIA) need to take place to identify and agree critical processes or services and the potential damage or loss that may be caused to the Council and the community as a result of a disruption. A BIA must consider the minimum level of staffing, skills and resources required to enable essential services to continue operating at a minimum acceptable level. Following this, risk assessments must be undertaken to identify internal and external threats to the Council, the likelihood of these occurring, and therefore the potential impact.
- 5.2 **Strategies** – strategies must be developed to offset the identified risks, e.g. eliminate single points of failure, implement better controls, etc.
- 5.3 **Developing and implementing plans** – these must be documented and available for use within any type of emergency incident. They must also include ‘stand-by’ arrangements, including accommodation and specialist equipment, as well as **IT-information technology** systems and telecommunications. They need to tie in with plans already in place, such as the Cheshire East Council Major Emergency Plan and the Emergency Rest Centre Plan.
- 5.4 **Building and embedding a BCM culture** – there is a need to have an effective education and awareness programme in place to ensure that all staff are fully aware of the impact of an unforeseen event, and their roles and responsibilities in a recovery situation.
- 5.5 **Exercising, maintenance and audit** – there must be a regular testing programme in place within **Business Units**~~Directorates and Services~~, to ensure that the critical components of the plans are exercised.
- 6.0 Review**
- 6.1 This strategy will be reviewed on an annual basis alongside the review of the risk management policy.

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	22 nd July 2013
Report of:	Kirstie Hercules
Subject/Title:	Policy for the Allocation of Community Grants
Portfolio Holder:	David Brown, Strategic Communities

1.0 Report Summary

- 1.1 The Policy for the Allocation of Community Grants 2013/14 (the Policy) has been updated and Cabinet is asked to consider the Policy for approval and adoption.

2.0 Recommendations

- 2.1 That the Policy for the Allocation of Community Grants 2013/14 be approved and adopted.
- 2.2 That the Portfolio Holder for Strategic Communities (or whichever Portfolio Holder has responsibility for Community Grants at the time of making the grants decisions) be responsible for the awarding of Community Grants and be given delegated authority to approve applications for grants from local organisations to assist in developing community-based activities and projects in accordance with the Policy.

3.0 Reasons for Recommendations

- 3.1 The Policy sets out the governance arrangements, procedures and monitoring process to be followed when awarding a Community Grant..

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications

- 6.1 None

7.0 Financial Implications

- 7.1 Within current budgets – there are no additional financial implications.

8.0 Legal Implications

8.1 The Council has the powers to award grants to organisations using its general power of competence in section 1 of the Localism Act 2011. In exercising the power the Council must satisfy its public law duties. In essence this means that in making the decision the Council must have taken into account only relevant considerations, followed procedural requirements, acted for proper motives and not acted unreasonably.

8.2 The Constitution states as follows:

F31 The Cabinet Member will on a periodical basis, agree a policy setting down the approach to be taken to the allocation of grants, donations and other contributions to outside bodies. This should specify the scale, nature and terms of such support, criteria for prioritisation and the process for allocation.

8.3 This Policy deals with the allocation of community grants and will regularise the position in accordance with the Constitution and reflect that community grants are awarded to defined Organisations following an application process and against a set criteria. Delegation of the decision making process to the Portfolio Holder with ensure that decisions can be made expeditiously and at the appropriate level.

8.4 Grants fall outside the public procurement regime. There is a narrow line between awarding a grant and commissioning services. In awarding a grant the Council cannot exhibit the same amount of control over the organisation as is commensurate with a contract. Essentially, the terms of the grant should set out what the purpose of the grant is for and only claim claw back provisions in the case of the grant funding being used for other purposes or otherwise improperly. Otherwise, the Council will not be able to assess the quality of the services that are being provided and determine to withdraw grant funding on that basis (except at the end of the period of the grant funding).

9.0 Risk Management

9.1 There are no specific risks identified.

10.0 Background and Options

10.1 The Council has operated a Community Grants Scheme within the local authority boundaries. This Policy addresses the governance arrangements, procedures and monitoring process to be followed when awarding a Community Grants..

10.2 All sections of the Policy have been reviewed and refreshed in order to bring the Policy up to date, in accordance with legal guidance, and provide

comprehensive guidance for those Organisations wishing to apply to the Community Grants Scheme.

- 10.3 The aim of the Policy is to support Organisations (which for the purposes of the Policy include voluntary and community groups, registered charities or other not for profit organisations) with small scale projects, events and activities and community led planning that will improve the quality of life for local communities.
- 10.4 When using the term grants in the Policy it refers to the giving of a fixed amount of Council funds to Organisations through an application and assessment process which takes place 4 times each financial year.
- 10.5 Cabinet is invited to approve and adopt the Policy for the Allocation of Community Grants 2013/14 and to delegate authority to the Strategic Communities Portfolio Holder, (or whichever Portfolio Holder has responsibility for Community Grants at the time of making the grants decisions), to award Community Grants.

11.0 Access to Information

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

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POLICY FOR THE
ALLOCATION OF
COMMUNITY GRANTS
2013/14

Revised June 2013

1. BACKGROUND

- 1.1. Cheshire East Council operates a Community Grants Scheme within the boundaries of Cheshire East. This Policy addresses the governance arrangements, procedures and monitoring process to facilitate the scheme.
- 1.2. The aim of the Community Grants Scheme is to support Organisations (which for the purposes of this Policy shall include voluntary and community groups, registered charities or other not for profit organisations) with small scale projects, events and activities and community led planning that will improve the quality of life for local communities. Grants will be awarded which meet the priorities in the Sustainable Community Strategy – [Ambition for All](#), available from the Council's website in the Community and Living section.
- 1.3. When using the term grants in this Policy it refers to the giving of a fixed amount of Council funds to Organisations through an application and assessment process which takes place 4 times each financial year.

2. LEGAL AND BUDGETARY FRAMEWORK

- 2.1. The Strategic Communities Portfolio Holder, (or whichever Portfolio Holder has responsibility for Community Grants at the time of making the grants decisions), will be responsible for the Community Grants Scheme and has delegated authority to approve applications for grants from local Organisations to assist in developing community based activities and projects, subject to the maximum amounts set out in paragraph 3.3 of this Policy.
- 2.2. The Community Grant budget is fixed and so there is a limited amount of money from which to pay Community Grants under this policy. All grant decisions will be made based on the set of principles, set out in this Policy, and within the agreed budget approved by Council each year. The budget for the grants is managed carefully and flexibly to ensure that the Council has money available throughout the year. As far as possible the Council try to ensure that no one is disadvantaged due to the time of year they apply.
- 2.3. Given the fixed budget and the Council's aim to benefit as many Organisations as possible, the Council cannot guarantee to fund the maximum amount applied for; therefore Organisations must ensure that they have procedures in place to cover the balance of funding required. The Council will not pay a grant unless the Organisation can demonstrate that the balance of the funding is available.
- 2.4. The Portfolio Holder will be responsible for setting aside a proportion of the available budget for promotion and publicity purposes, as required.

3. APPLICATION PROCESS

- 3.1. The Cheshire East Community Grants Scheme operates within set criteria, agreed by the Portfolio Holder and relevant Council Officers in line with the Council's Corporate Priorities as follows:
- 3.2. **How to apply**
 - 3.2.1. Applications for Community Grants must be made using the Council's Community Grant or Community Led Planning Grant application form (whichever is applicable) and associated guidance notes that are available online on the Council's website and as a paper version on request.
 - 3.2.2. The application form must be completed in full. Incomplete application forms will be rejected. A copy the Organisations signed Constitution must be sent with the application form or within 7

days of submitting the application. If this is not received the application will be deferred to the next round of evaluation and may result in the application being declined. Supporting documentation (listed under section 8 of the application form) may also be requested prior to the application being fully considered. Failure to supply all required documentation will result in the application being treated as incomplete.

- 3.2.3. The closing dates for receipt and acceptance of complete applications are the last Friday of March, June, September and December each year.
- 3.2.4. Grants cannot be paid retrospectively therefore any work commenced prior to acceptance of the grant offer will not be eligible for funding.
- 3.2.5. All successful applicants will be required to complete a post grant monitoring report as per section 5.0 of this Policy.

3.3. What can be funded

3.3.1. Community Grants

- 3.3.2. Grants up to the following amounts are available to support Organisations who are looking to improve or enhance community life and offer wider opportunities to local people within Cheshire East. See examples below:

3.3.3. Facilities – up to a maximum award of £3,000

- 3.3.3.1. Renovations or improvements to buildings, play areas, conservation areas;
- 3.3.3.2. Grant towards third party funding i.e. WREN;
- 3.3.3.3. Equipment for (a) above i.e. kitchen furniture, tables, chairs;
- 3.3.3.4. Feasibility studies or architects fees up to a maximum of 5% of the costs.

3.3.4. Activities – up to a maximum award of £500

- 3.3.4.1. Equipment/materials to help the Organisation develop;
- 3.3.4.2. Training courses;
- 3.3.4.3. Specialist coaching or teaching sessions;
- 3.3.4.4. Contributions towards facility hire (for new Organisations only).

3.3.5. Events – up to a maximum award of £250

- 3.3.5.1. Hire of facilities for rehearsals or workshops prior to the event;
- 3.3.5.2. Hire of equipment;
- 3.3.5.3. Performers;
- 3.3.5.4. Publicity/licences.

3.3.6. Community Led Planning Grants

- 3.3.7. Community led planning grants are available to any constituted Organisation operating within the Cheshire East area which is completing a community led plan.
- 3.3.8. The purpose of a community led planning starter grant is to support Organisations, prior to becoming constituted, within Cheshire East to establish whether there is a desire to create a community led plan within their area.
- 3.3.9. The purpose of a community led planning development grant is to provide support for those Organisations undertaking a community led plan and assist in the development of the Organisation and production of the final plan.

3.3.10. Organisations can apply for both a starter and development grant within the same financial year (which runs from 1st April to 31st March). Applications for both grants cannot be made at the same time and once granted. An Organisation cannot apply under these categories again unless they can demonstrate that their circumstances have changed and any further application can be properly treated as a fresh application.

3.3.11. **Community-led Plan Starter Grant, up to a maximum of £250** for initial start up costs of developing an Organisation. The starter grant can be used for:

- 3.3.11.1. Hire of rooms or marquees for an event
- 3.3.11.2. Hire of equipment
- 3.3.11.3. Creation of promotional materials
- 3.3.11.4. Administrative costs

3.3.12. **Community-led Plan Development Grant, up to a maximum of £500** for costs involved in the development of the Community-led Plan and Action Plan. The Development Grant can be used for:

- 3.3.12.1. Equipment/materials to help the Organisation develop;
- 3.3.12.2. Training;
- 3.3.12.3. Specialist advice and support;
- 3.3.12.4. Contributions towards facility hire.

3.4. What cannot be funded

- 3.4.1. Organisations which hold substantial free reserves, including local branches of national or regional Organisations which hold free reserves that could be utilised;
- 3.4.2. Applications from Town and Parish Councils;
- 3.4.3. Work which has already taken place before acceptance of the grant offer ;
- 3.4.4. Individuals;
- 3.4.5. General appeals, sponsorship or fundraising for national or local charities (including local branches) or other local organisations;
- 3.4.6. Activities of a mainly political or religious nature;
- 3.4.7. Assistance with providing transport;
- 3.4.8. Refreshments and/or accommodation;
- 3.4.9. Outings or day trips;
- 3.4.10. Travel expenses;
- 3.4.11. Projects, activities or events organised for the sole benefit of students of a school or college;
- 3.4.12. Events which do not involve members of the local community participating;
- 3.4.13. Repair costs where deterioration is due to neglect;
- 3.4.14. Loan against loss or debt;
- 3.4.15. Administration expenses i.e. postage, telephone, utilities etc.
- 3.4.16. Running Costs i.e gas, electricity, water, salaries, insurance etc.
- 3.4.17. Land purchase;
- 3.4.18. Vehicle purchase;
- 3.4.19. Disabled facilities where there is no proven need for the work to be carried out or where upgrading is required for an existing facility to meet the statutory requirements of the DDA.
- 3.4.20. Organisations which are not based in Cheshire East, unless they can demonstrate significant community benefits within Cheshire East.

3.5. Who can apply

To qualify for a grant Organisations must meet the criteria listed below:

- 3.5.1. Operate within the Cheshire East area;

- 3.5.2. Provide value for money
- 3.5.3. Be a voluntary or community organisation, registered charity or other not for profit organisation;
- 3.5.4. Have a set of audited accounts, or as a minimum an Organisation bank statement, and are able to provide such information as the Council reasonably requires in order to satisfy the Council as to the Organisations financial position and its need for the assistance requested;
- 3.5.5. Have a constituted management committee with a signed Constitution;
- 3.5.6. Have appropriate safeguarding policies relevant to their Organisation where children, young people or vulnerable adults are involved, which must include a requirement that staff / volunteers must be cleared with the Disclosure and Barring service;
- 3.5.7. Have their own bank or building society account with two signatories;
- 3.5.8. Complete the application form in full, providing all required information;
- 3.5.9. Have not already received a community grant within the current financial year.

3.6. Criteria for Funding

Priority will be given to applications for projects and activities which:

- 3.6.1. Are based in Cheshire East;
- 3.6.2. Enhance the quality of life for Cheshire East residents;
- 3.6.3. Support the priorities identified in the Sustainable Community Strategy, Ambition for All, available from the Council's website in the Community and Living section;
- 3.6.4. Increase involvement in the community;
- 3.6.5. Attract more participants/volunteers;
- 3.6.6. Demonstrate the potential to be sustained in the future;
- 3.6.7. Show innovation and creativity;
- 3.6.8. Have funding contributions from the Organisations own funds and/or funding support from other bodies in place or promised;
- 3.6.9. Demonstrate a knowledge and understanding of their community.

3.7. General Conditions

- 3.7.1. Grants are classed as one-off and should not be seen as repeat funding;
- 3.7.2. Annual applications from the same Organisation for the same purpose will not be considered;
- 3.7.3. Grant offers of £500 and below are only valid for a period of 6 months from the date of the offer letter. Grants above £500 are valid for a period of 12 months from the date of the offer letter;
- 3.7.4. Grants for £500 and below will be paid in advance. Grants above £500 will be paid upon completion of the project. A report and invoices or receipts must be forwarded to the Grants Officer within 12 months of the date of offer letter to allow the grant to be paid;
- 3.7.5. Organisations who are in receipt of other funding from the Council may apply to this grant scheme if the grant is required for a one-off project which is considered additional to the service already funded;
- 3.7.6. Any profits from events must be used to further develop the Organisation or for any future events and not used to support other Organisations;
- 3.7.7. If the project involves work on land or a building, including refurbishment, the applicant must own the freehold of the land or building, or hold a lease that cannot be brought to an end by the landlord for at least 5 years;
- 3.7.8. If planning permission is required this must be in place before the grant application is made. The Council may ask for confirmation that planning permission is not required, or that it is required and has been granted;
- 3.7.9. Organisations must be committed to and have policies on equalities and inclusion and in delivering the services or activity the Organisation must not unlawfully discriminate, directly or indirectly against any of the nine protected characteristics which are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation. The Organisation can direct some or all of its activities at specific groups where the intention is to address discrimination or disadvantage;

- 3.7.10. Organisations must be able to participate in a monitoring process and provide monitoring information to evidence how the grant money has been spent and adherence to the conditions of the grant. This must include receipts or invoices and a written report of the project, activity or event, plus photographs if possible, on completion;
- 3.7.11. Organisations must acknowledge the support of Cheshire East Council in press releases, publicity and advertising etc.
- 3.7.12. The Organisation will allow Cheshire East Council to use details of the grant award, together with any relevant photographs supplied, in newsletters and on the Council's Website.
- 3.7.13. Expenditure must not be incurred on the project, activity or event prior to the grant decision being given. In these circumstances the Council will withdraw the grant offer/rescind the grant decision.
- 3.7.14. Organisations must notify the Council of any changes in circumstances which affect their financial position throughout the period in which the grant monies are being used.
- 3.7.15. The grant must only be used for the purposes specifically stated in the application form, should it be spent in any other way, without written approval from the Council, the Organisation may be asked to return some or all of the monies paid.
- 3.7.16. If the project, event or activity is cancelled or only partially achieved, or if the Organisation is wound up, any unused grant money must be returned to the Council.
- 3.7.17. All conditions under which the grant has been awarded, including any Special Conditions, must be met. Failure to do so could result in the Organisation being asked to repay the grant monies to the Council.

4. DECISION MAKING PROCESS

- 4.1. The Community Grant applications will be considered at quarterly intervals as set out at section 3.2.3.
- 4.2. Having assessed all applications a Recommendations Report is prepared for consideration by the Portfolio Holder at a public decisions meeting.
- 4.3. Following the public meeting, a decisions report is circulated to all elected members who must make any comments within 5 days (the "Call-in Period").
- 4.4. Should any comments/objections be made during the 5 day Call-in Period a further public meeting is held to discuss the comments/objection(s) and adjust as necessary.
- 4.5. Special Conditions may be added in the recommendations report, by the Portfolio Holder following the public meeting and/or following comments received during the Call-in Period if considered necessary in order to ensure that the purpose of the grant funding is achieved. If the project is dependent on other factors such as securing match funding or obtaining planning permission a Conditional Offer may be made subject to these conditions being met.
- 4.6. If there are no objections (or after the follow up public meeting), the decisions will be treated as final and Organisations will be notified to inform them of whether they have been successful or not as soon as possible after the Call-in Period has ended and generally within 6 weeks after the closing date for each round of applications.
- 4.7. Complaints about any aspect of the Community Grant process will be dealt with under the Council's Corporate Complaints Procedure. A copy of the [Council's Corporate Complaints, Compliments and Suggestions Policy](#) is available from the Council's website.

5. MONITORING AND RECORD KEEPING

- 5.1. Following a successful application and in order to ensure that monies are used in an appropriate manner, as set out in this Policy, a monitoring report will be required following project completion. This report shall include, but shall not be limited to, how many people benefitted from the project, if a

profit was made and how it was used, how the grant money was used and what difference the project made to the Organisation and/or local people.

- 5.2. For grants of £500 and below a report and invoices or receipts must be forwarded to the Council within 6 months of the date of offer letter.
- 5.3. For grants above £500 a report and invoices or receipts must be forwarded to the Council within 12 months of the date of offer letter to allow the grant to be paid;
- 5.4. The Council reserves the right to monitor the use of the grant and ask for evidence to support an application.
- 5.5. The Organisation must allow reasonable access to premises/accounts upon request from the Council.
- 5.6. Organisations must retain records relating to the grant for an appropriate period (to be advised depending on the grant).
- 5.7. If Organisations do not supply the required monitoring reports and supporting information in full and within the set time scale they may be asked to repay the grant funding to the Council. Failure to comply with the conditions of this grant may be taken into account when considering any further applications for grant funding made by the same Organisation in the future.

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