

Cabinet

Agenda

Date: Tuesday, 10th December, 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
E-Mail: paul.mountford@cheshireeast.gov.uk

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 12th November 2013.

6. **Congleton Link Road - Approval to Proceed to Public Consultation (Forward Plan Ref. CE 13/14-14)** (Pages 13 - 26)

To consider a report seeking approval to proceed with a public consultation exercise on the four shortlisted routes for the proposed Congleton Link Road.

7. **Notice of Motion - Reducing Carbon Emissions** (Pages 27 - 34)

To consider a motion on the reduction of the Council's carbon emissions, together with a report on the Council's achievements to date in this area and further actions proposed.

8. **Notice of Motion - Auditor's Value for Money Conclusion** (Pages 35 - 42)

To consider a report responding to a motion submitted to Council on 17th October 2013.

9. **Property-related Consultancy Services (Forward Plan Ref. CE 13/14-57)** (Pages 43 - 54)

To consider a report on the future commissioning of property-related consultancy services.

10. **Review of 2014-15 Schools Funding Formula** (Pages 55 - 60)

To consider a report on proposed options for the schools funding formula for 2014-15.

11. **Council Tax Base 2014/2015** (Pages 61 - 66)

To consider a report on the Council Tax Base for Cheshire East which identifies important changes to the calculation of the tax base for 2014/2015.

THERE ARE NO PART 2 ITEMS

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Cabinet**
held on Tuesday, 12th November, 2013 at Committee Suite 1,2 & 3,
Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

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

Councillors Rachel Bailey, J P Findlow, L Gilbert, B Moran, P Raynes,
D Stockton and D Topping

Members in Attendance

Councillors Rhoda Bailey, L Brown, K Edwards, M Grant, P Groves,
P Hoyland, F Keegan, P Mason, R Menlove, A Moran, B Murphy, H Murray,
D Newton, P Nurse, J Saunders, A Thwaite, S Wilkinson

Officers in Attendance

Mike Suarez, Lorraine Butcher, Peter Bates, Suki Binjal, Caroline Simpson,
Brenda Smith and Paul Mountford

Apologies

Councillor J Clowes

86 DECLARATIONS OF INTEREST

Councillors R Menlove and A Thwaite declared non-pecuniary interests in
an item relating to the disposal of land at Remenham as directors of the
East Cheshire Engine of the North Development Company.

87 PUBLIC SPEAKING TIME/OPEN SESSION

There were no members of the public wishing to speak.

88 QUESTIONS TO CABINET MEMBERS

Councillor Groves asked the Leader if he was aware of a press release by
the Labour Group which questioned why the Council was pressing ahead
with changes to waste services given a delay in implementing the
Council's new management structure. The press release went on to say
that the creation of a wholly-owned company for waste services was a way
of achieving savings at the expense of the pay and conditions of the
workforce. Councillor Groves circulated copies of the press release.

The Leader responded that he had heard a rumour about the matter and
had invited waste management staff to attend the meeting to give their
views. Union and workforce representatives present at the meeting

commented that they had been consulted on the formation of a wholly-owned company and that discussions with Cabinet members and senior managers had been positive and constructive. The Leader thanked the staff and union representatives for their comments.

Councillor Topping, Portfolio Holder for Environment, added that there had been full and frank discussions with staff and union representatives to discuss the options for the future delivery of waste services and that there had been a favourable response to the idea of a wholly-owned company.

Councillor K Edwards sought the views of the Portfolio Holder for Children and Family Services on the proposal to extend the 15 hours a week offer of education to two year olds and asked what would be done to ensure that families could take up the offer.

Councillor Rachel Bailey, Portfolio Holder for Children and Family Services and Rural Affairs, responded that funding had been agreed for about 320 children initially, to be increased to 400 by March 2014. Beyond that, the eligibility criteria would be widened. Suitable publicity for the scheme would be arranged.

Councillor K Edwards asked if the conditions of service of the workforce of the new wholly-owned waste management company would be published.

The Leader responded that staff would be transferred to the new company under their existing terms and conditions of employment in accordance with TUPE arrangements, and that no changes to the terms and conditions were planned.

Councillor K Edwards asked if the Leader of the Council had the legal right to deny the residents of Macclesfield a ballot on whether to have a town council.

The Leader responded that a ballot had not been ruled out but that there might be more effective means of obtaining the views of the people of Macclesfield, for instance by visiting schools, hospitals and elderly people's homes to speak to people direct. He would await the report of the Community Governance Review Sub-Committee but emphasised the Council's commitment to supporting local democracy.

Councillor B Murphy asked whether, if sufficient numbers of people signed a petition, the Council would be required to hold a ballot of the people of Macclesfield on whether to have a town council. The Leader repeated his earlier comments on the matter.

Councillor P Nurse referred to a recent external audit report in which the Council was criticised for not being specific about the effects of cuts in expenditure and for being poor at achieving value for money. He asked for an assurance that the criticisms would be addressed.

The Leader responded by saying that the Council would always aim to reduce waste as a priority and would seek to ensure that it delivered value for money. He indicated that he would be bringing something forward to the December Council.

Councillor P Raynes, Portfolio Holder for Finance, added that he welcomed the auditor's comments as a way of helping the Council to improve its performance and he intended to take a report to the Audit and Governance Committee addressing the issues raised. He undertook to meet Councillor Nurse to discuss the matter further.

Councillor D Newton referred to the transfer of staff to the new wholly-owned waste management company and asked for how long the TUPE terms and conditions were guaranteed. The Leader repeated his earlier comment that there were no plans to change the workforce's terms and conditions but he added that if anything changed in the future as a result of circumstances which were beyond the Council's control, the unions and staff would be fully involved.

89 MINUTES OF PREVIOUS MEETING

RESOLVED

That the minutes of the meeting held on 15th October 2013 be approved as a correct record.

90 REVISED STATEMENT OF LICENSING POLICY

Cabinet considered the final draft of the Revised Statement of Licensing Policy which was being recommended to Council by the Licensing Committee.

The Council was required to review its existing statement of principles and publish a revised version by 31st January 2014, having consulted those stakeholders identified by the legislation.

RESOLVED

That Cabinet support the recommendation of the Licensing Committee that the Council resolves to adopt the revised Statement of Licensing Policy (Appendix 1 to the report) to take effect on 1st February 2014.

91 RURAL PROOFING AND CREATING RESILIENT RURAL COMMUNITIES

Cabinet considered a report setting out proposals to implement Rural Proofing, and which sought approval to develop a Rural Statement and regular Rural Summits. The proposals were designed to ensure that rural issues were firmly on the Council's agenda, and that there was an appropriate balance between the needs of urban and rural areas.

The report included a draft Rural Proofing Checklist, based on national guidelines and best practice at other predominantly rural local authorities, which would be used by decision-makers to rural proof key decisions to ensure that rural areas achieved the best and fairest deal from Cheshire East Council policy.

RESOLVED

That

1. the Rural Proofing Checklist set out in Appendix 1 to the report be approved as an effective means of rural proofing for key decisions, and Rural Proofing be embedded into the Council's Commissioning Cycle and Impact Assessments;
2. Rural Summits be developed as a mechanism which enables partners to work collaboratively on rural priorities; and
3. a Rural Statement be developed which identifies the Council's rural priorities and joint action.

92 HANDYPERSON AND MINOR ADAPTATIONS SERVICE (FORWARD PLAN REF. CE 13/14-34)

Cabinet considered a report seeking approval to conduct a procurement exercise to tender for a handyperson and minor adaptations service.

Cheshire East Council was committed to helping people to stay in their own homes and remain as active and independent as possible. To support this, a number of services were provided for vulnerable people, including the handyperson and minor adaptations service.

The Handyperson and Minor Adaptations service was currently delivered in-house by the Strategic Housing service. As a result of a Strategic Housing review, the service had been identified as suitable for delivery by an alternative provider, which had been confirmed through market testing. The report sought permission to conduct the necessary procurement exercise.

RESOLVED

That

1. the officers be authorised to conduct a procurement exercise to tender for a Handyperson and Minor Adaptations Service, the tender to secure a contract for the provision of the service for three years with the option to extend the contract for up to a further two years subject to satisfactory performance; and

2. the Director of Economic Growth and Prosperity be given delegated authority in consultation with the Portfolio Holder for Housing, Planning, Economic Development and Regeneration to award the contract to the highest scoring bidder following a legally compliant procurement exercise and subsequently enter into a contract with the successful bidder.

93 HELPING VULNERABLE PEOPLE TO STAY INDEPENDENT USING ASSISTIVE TECHNOLOGY (FORWARD PLAN REF. CE 13/14-55)

Cabinet considered a report seeking approval for a continued and increasing Council spend on assistive technology equipment and services with the aim of enabling people to remain in their own homes and remain as active and independent as possible.

Assistive Technology, including Telecare, was a range of equipment services provided in people's own homes to enable them to remain independent and safe.

There were currently two contracts which combined to form assistive technology services: a contract for purchase of the equipment and a contract for purchase of the services that supported the use of the equipment. The contract for purchase of the equipment (contract A) was secured through a government framework agreement and it was proposed that this arrangement continue. The current contract for services (contract B) was due to expire on 31st March 2014. A procurement exercise was required for this to ensure continuity for existing customers and to support the increasing use and development of the services.

RESOLVED

That

1. Cabinet approves a continued and increasing Council spend on assistive technology equipment (Contract A) to a cumulative maximum of £2.1 million over 5 years, which includes Council expenditure as follows:
 - § Current eligible customers under Fair Access to Care services; £1.5 million
 - § Extra care housing customers (Supporting People funding currently); £0.6 million
2. Cabinet approves a higher total ceiling on the contract for equipment (Contract A) of £3.6 million over 5 years to allow for health and other partner spend in future to be purchased through the Council;
3. Cabinet approves a procurement exercise to retender for assistive technology services (Contract B). This tender will secure a call-off contract under an existing Framework Agreement by undertaking a mini-

competition exercise with a supplier for up to four years, 2 years initially, with possible extensions of two one year terms;

4. Cabinet approves a continued and increased Council spend on assistive technology services (Contract B) to a cumulative maximum total of £4.6 million over five years, which includes Council expenditure as follows:
 - § Current FACs eligible customers: £ 2.5 million
 - § Extra Care housing customers: £ 2.1 million
5. Cabinet approves a higher total maximum level of spend under the call-off contract for assistive technology equipment services(Contract B) than the Council maximum in order to allow for future purchasing on behalf of partner organisations including health. That maximum to be set at a cumulative total over the five years of £6.2 million;
6. authority be delegated to the Director of Adult Social Care to award the call-off contract to the highest scoring bidder following a legally compliant procurement exercise and subsequently to enter into contracts;
7. authority for the allocation of actual Council spending, up to the maximum approved in this report, be delegated to the Director of Adult Social Care, as part of the budget-setting process;
8. authority to work in partnership with and jointly commission assistive technology equipment and services on behalf of CCGs, health and other partners in future be delegated to the Director of Adult Social Care, subject to any further approvals required in accordance with the Council's Constitution.

**94 STRATEGIC INFRASTRUCTURE - POYNTON RELIEF ROAD
(FORWARD PLAN REF. CE 13/14-51)**

Cabinet considered a report outlining a number of key tasks to be progressed in connection with the proposed Poynton Relief Road, specifically to enable a revised programme to be achieved to deliver the relief road and any A523 corridor improvements subject to the residual funding being identified.

The Leader and Deputy Leader of the Council undertook to involve local members in the key stages of the project and associated governance arrangements.

RESOLVED

That

1. Cabinet endorses the successful £5.62m funding allocation through the Cheshire and Warrington Local Transport Body process and the

inclusion of the scheme and A523 corridor strategy in the Growth deal bid to Government;

2. a DfT compliant business case be developed to allow access to this funding;
3. the objectives of the scheme be defined as:
 - § To support the economic, physical and social regeneration of Poynton and the North of the Borough, in particular Macclesfield.
 - § To relieve existing Village centre traffic congestion and HGVs and reduce traffic on less desirable roads on the wider network.
 - § To deliver a range of complementary measures on the A523 corridor to Macclesfield that addresses Road Safety, Congestion and mitigates the wider environmental impact of traffic.
 - § To improve strategic transport linkages across the Borough, including improving a key strategic link between the A6-MARR, Macclesfield and the M6 thereby facilitating wider economic and transport benefits including higher GVA and job creation.
 - § To allow improvements to the highway network for walking, cycling and public transport
4. the corridor of interest for new possible routes for PRR be agreed as shown in Appendix A to the report;
5. approval to proceed to public consultation on possible new routes for PRR be delegated to the Director of Economic Growth and Prosperity in consultation with the Portfolio Holder for Strategic Communities;
6. the extended scheme programme (Appendix C) be delivered with the following key milestones:

Task	Start	Finish
1. Revised Preferred Route announcement	Ongoing	May 2014
2. Preliminary Design including improvements to the A523 corridor to Macclesfield and scoping a wider multi modal strategy.	May 2014	February 2015
3. Scheme Business Case	May 2014	May 2015

4. Environmental Surveys	May 2014 (Indicative dates)	May 2015 (Indicative dates)
5. Environmental Statement	February 2015 (Indicative dates)	August 2015 (Indicative dates)
6. Planning Application	August 2015 (Indicative dates)	January 2016 (Indicative dates)

7. the revised budget profile as set out below be noted:

§ £0.350m 2013/14

§ £0.650m 2014/15

§ £0.150m 2015/16

Total £1.150m

8. the scope of the brief be extended to consider measures to address safety, environmental and congestion issues on the A523 corridor between the end of the proposed PRR and the end of the Silk Road in Macclesfield, including undertaking a wider multi modal study to manage traffic growth on the A523 corridor;

9. the necessary professional services for these tasks continue to be procured through the current Highway Services Contract (Ringway Jacobs) subject to the Strategic Infrastructure Manager being assured of value for money;

10. the project governance structure as set out in Appendix B be approved;

11. it be noted that the Highway Agency intends to remove its route protection for PRR in the near future and that Cheshire East Council will become liable for blight costs associated with the route protection of PRR as contained in the extant Macclesfield Borough Council Local Plan;

12. Stockport MBC be requested to maintain and broaden its Local Plan protection for PRR along a corridor of interest that lies within its boundaries until such time as Cheshire East Council provides a revised route and, if necessary, to indemnify Stockport MBC against any blight claims it may receive as a result of its route protection for PRR (Appendix A).

95 **DISPOSAL OF LAND AT REMENHAM, CHAPEL LANE, WILMSLOW (FORWARD PLAN REF. CE 13/14-59)**

Cabinet considered a report seeking approval for the disposal of the Remenham site in Wilmslow to generate a capital receipt and for housing supply, led by Engine of the North.

The disposal of the site was in accordance with the Council's strategy to use its asset base to assist housing supply and create jobs. The new East Cheshire Engine of the North development company would be the primary vehicle for achieving this.

RESOLVED

That

1. the Council-owned land at Remenham, Chapel Lane, Wilmslow be disposed of on terms and conditions to be determined by the Director of Economic Growth and Prosperity and Interim Head of Legal Services; and
2. if the officers conclude that any land within the property is open space, the Council's intention to dispose of that land be advertised and the Portfolio Holder for Prosperity and Economic Growth be authorised to consider any objections received.

96 RE-PROCUREMENT OF OFFICE SUPPLIES (PAPER, STATIONERY AND PRINT CONSUMABLES) (FORWARD PLAN REF. CE 13/14-60)

Cabinet considered proposals for the procurement of office supplies.

There were currently two separate contracts for the supply of general stationery and print consumables respectively, which were due to expire on 31st January 2014. It was proposed that a new contract term be procured for a period of two years with two extension periods both of 12 months. The proposed contract value over the full four years was estimated at £800,000. The most expedient, cost-effective route was to utilise a public sector framework and to undertake a mini-competition using the Government Procurement Service (GPS) framework for Office Supplies RM781. It was anticipated that significant savings would be achieved.

RESOLVED

That

1. Cabinet approves the procurement route of utilising a public sector framework agreement managed by Government Procurement Service (GPS) by undertaking a mini competition and e-auction to secure both savings and value for money in its office supplies provision for the Council for the period 2014 to 2018; and
2. delegated authority be given to the Chief Operating Officer in consultation with the Portfolio Holder for Corporate Policy to award a single contract to the highest scoring bidder following a legally compliant procurement exercise, and subsequently to enter into a contract, the specification to include a quality element, seeking bids

which comply with the core requirements of lodged card payment capability, internally agreed MI specification and twice weekly consolidated delivery.

97 2013/2014 MID-YEAR REVIEW OF PERFORMANCE

Cabinet considered a report on the Council's financial and non-financial performance at the mid-year stage of 2013/2014.

The Portfolio Holder for Finance reported that the Council's financial and non-financial performance at mid-year showed a significant improvement on the first quarter and in comparison with previous years. He was working with officers to address the small deficit forecast in the report.

Annex 1 to the report gave summary and detailed information about the Council's financial and non-financial performance at the mid-year stage. There had been an improvement in the financial position since the first quarter, and a substantial improvement compared to previous years.

The report identified any approvals required for supplementary estimates or virements.

Councillor S Wilkinson, Chairman of the Corporate Scrutiny Committee, commented that the report had been considered by the Committee at its meeting on 11th November. The Committee had welcomed the improving position in the first quarter in relation to finance and performance. However, it has expressed disappointment at the recent decision to stop green waste collections early this year, and had asked that Cabinet be informed of the Committee's view that the scrutiny of the new service delivery vehicles should be recognised as a formal scrutiny function and that such arrangements should be written into the articles of association for each of the new companies. Finally, the Committee had expressed its appreciation of the progress made in repairing potholes across the Borough.

RESOLVED

That

1. Cabinet notes:

- § the summary of performance against the Council's 5 key outcomes (Section 1 of the report);
- § the projected Service revenue and capital outturn positions, overall financial stability of the Council, and the impact on the Council's general reserves position (Section 2);
- § the delivery of the overall Capital Programme (Section 2, paragraphs 122 to 124 and Appendix 4);

- § reductions in the approved capital programme (Appendix 5);
- § Supplementary Capital Estimates and Virements up to £250,000 In accordance with Finance Procedure Rules (Appendix 6a);
- § Treasury Management investments and performance (Appendix 7);
- § the Council's invoiced debt position (Appendix 9);
- § Workforce Development and staffing issues (Section 3).

2. Cabinet approves:

- § Supplementary Capital Estimates and Virements over £250,000 but under £1m in accordance with Finance Procedure Rules (Appendix 6b);
- § Supplementary Revenue Estimates to be funded by additional specific grant (Appendix 8).

3. Cabinet recommends that Full Council approve:

- § Supplementary Revenue Estimate of £46,500 for development of Dragons Den initiatives to be funded from General Reserves (Section 3, paragraph 151).

Before closing the meeting, the Chairman announced that Richard Hennahane from Adult Services had won a gold medal for Great Britain at the World Para-Archery Championships in Bangkok last week.

The meeting commenced at 2.00 pm and concluded at 4.15 pm

M Jones (Chairman)

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CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	10 th December 2013
Report of:	Director of Economic Growth and Prosperity
Subject/Title:	Congleton Link Road – Approval to Proceed to Public Consultation (Forward Plan Ref. CE 13/14-14)
Portfolio Holder	Councillor D Brown, Strategic Communities

1.0 Report Summary

- 1.1 This reports summarises the work that has been undertaken in both assessing the need for a Congleton Link Road and the assessment of possible route options.
- 1.2 The report sets out the important role that Congleton Link Road will have in delivering jobs-lead growth in the Borough as part of an ambitious infrastructure delivery programme. The proposed road will help facilitate the delivery of housing and contribute to the economic prosperity of the Borough.
- 1.3 The report highlights the importance of the Strategic Economic Plan as a potential funding stream for our major infrastructure programme.
- 1.4 This report seeks approval to proceed with a public consultation exercise on the four shortlisted routes for the proposed Congleton Link Road.
- 1.5 All of the options open up sufficient land to deliver the targets of the new local plan. However, two of the options (Blue and Purple) may provide more flexibility in the Master-planning of sites.
- 1.7 The report also provides a summary of the overall public consultation strategy, including all key issues, timescales and activities associated with the Congleton Link Road consultation.

2.0 Recommendations

- 2.1 That the shortlisted route options, shown at **Appendix A**, are taken forward for public consultation.

2.2 That the public consultation exercise is undertaken for a 6 week period, commencing in early January 2014 including the following key events / tasks:

- Exhibition events at Congleton Town Hall;
- Consultation leaflet and questionnaire to be distributed to all landowners/residents/businesses which lie within 500m of any of the four options being considered;
- Advertisement feature within the Congleton Town Council's local newsletter January edition;
- Congleton Link Road website update, including an electronic questionnaire on the website;
- Press release prior to Public Consultation;
- Meetings with all affected Parish Councils;
- Meeting / drop in event with the Business Community;
- Direct meetings with various affected landowners.

2.3 That a post-consultation report be produced to summarise the findings of the consultation.

2.4 Members are also invited to note the indicative delivery programme.

3.0 Reasons for Recommendations

3.1 In September 2012, Cabinet authorised officers to investigate options to improve the Transport Infrastructure of Congleton. This included the investigation of the viability of a new link road.

3.2 In September 2013, Cabinet authorised that the preferred solution to address the transport and economic needs of Congleton was a new link road between the A534 and A536.

3.3 In assessing the viable route options a significant level of assessment has been undertaken including the following considerations:

- Physical constraints – including geology and river crossings;
- Environmental constraints – including Ancient Woodland, impact on residential dwellings;
- Costs and highway geometry;
- Objectives of the scheme.

The shortlisted routes are the best performing options from a considerable number of alternatives. **Appendix B** shows a plan of the discounted options.

- 3.4 The aim of the Public Consultation exercise is now to formally capture public opinion of the concept of the scheme and the possible route options. This is to ensure that a robust evidence base has been used, in accordance with best practice to evidence further decision making and funding of the scheme.
- 3.5 Selection of a preferred route will allow the detailed development of the scheme to commence and contribute to the case for the deliverability of the link road at the Local Plan Inspection stage.
- 3.6 The final route design will have due regard for the issues raised at this consultation and will be the subject of further consultation as part of the planning process.
- 3.7 The Congleton Link Road is a cornerstone of an ambitious infrastructure improvement plan centred on improving the connectivity of the Borough. The Council, through its role in the Cheshire and Warrington Local Enterprise Partnership will be seeking to maximise the funding allocated to infrastructure improvements in the Strategic Economic Plan.

4.0 Wards Affected

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

5.0 Local Ward Members

- 5.1 Local Ward Members include:

Brereton Rural – Cllr J Wray

Congleton East – Cllr D Brown, Cllr P Mason and Cllr A Thwaite

Congleton West – Cllr G Baxendale, Cllr R Domleo and Cllr D Topping

Gawsworth – Cllr L Smetham

Odd Rode – Cllr Rhoda Bailey and Cllr A Barratt

6.0 Policy Implications

- 6.1 The confirmed objectives of the proposed link road are to:

- To support the economic, physical and social regeneration of Congleton by creating and securing jobs;
 - To open up new development sites and improve access to Radnor Park Industrial Estate and Congleton Business Park;
 - To relieve existing town centre traffic congestion / HGVs, remove traffic from less desirable roads and facilitate town centre regeneration;
 - To improve strategic transport linkages across the Borough facilitating wider economic and transport benefit;
 - To reduce community severance along key town centre corridors;
 - To reduce traffic related pollutants within the towns declared Air Quality Management Areas, affecting an established population.
- 6.2 In accordance with best practice, a comparative assessment of the impact of each route on environmental / social issues has been undertaken to help inform decision making.

7.0 Financial Implications

- 7.1 The estimated cost to prepare materials, staff events, respond to queries, collate and analyze responses and prepare the consultation report is estimated at £40,000
- 7.2 The costs of delivering this stage of the work can be accommodated in the budget provision for this scheme in the capital programme.
- 7.2 As capital funding is used for this scheme to address development costs, should a subsequent capital project not be delivered it would be necessary to fund these costs from revenue.
- 7.3 A high level estimate of route costs has been prepared to help inform the public consultation exercise. These estimates include a conservative margin for risk (30%) as the scheme remains at an early stage of development. It should also be noted that it may be possible to significantly pare back these costs through the phased delivery of the scheme and value engineering measures.
- 7.4 These estimates also include an allowance for 3rd Party compensation claims that may / may not arise as a result of the schemes delivery. These figures are estimated at 2017 prices and do not include the spur road costs connecting to Radnor Park and Congleton Business Park.

7.5

Route	Cost (£M)
Red Option	70.9
Blue Option	102.1
Purple Option	79.7
Green Option	96.0

7.6 Further detailed assessment and development of any preferred route will be undertaken to refine these cost estimates and review the level of risk applied as the design develops. This will be an important factor in assessing the scale of the bid for Local Growth Funding – as will any potential phasing strategy.

8.0 Legal Implications

8.1 It is necessary to ensure that any emerging proposals are robustly justified, assess that proposals are viable and to have sound reasons for any preferred course of action and solution so that it/they can be subject to scrutiny and the Council can be sure it satisfies the test of reasonableness and that the Council has the necessary evidence to respond to any possible objections to a preferred scheme.

8.2 It is too early to predict the legal issues and considerations which will apply to this project and legal implications will be the subject of future Cabinet reports. However the following matters will/ may be relevant.

8.3 Depending on the preferred strategy, any major highway scheme would require the following statutory procedures:

1. Protected route process
2. Planning permission, including the preparation of an Environmental Statement.
3. Compulsory Purchase Procedures including in all likelihood a public enquiry
4. Side Roads and Traffic Regulation Orders

8.4 If protected species as defined in the Conservation of Habitats and Species Regulations 2010/490 are likely to be impacted by any

proposed scheme, full mitigation will have to be provided. This is likely to include a license application to Natural England who has to be fully satisfied before removing this constraint to development. It should be noted however that under these regulations the Council when exercising any of its functions must have regard to the requirements of the Habitats Directive (92/43/EEC) including the duty to consider whether there is a satisfactory alternative.

- 8.5 Other legal issues will include the drafting of legal agreements from potential developers and land owners to make financial contributions to a future scheme and advising on any third party contributions.
- 8.6 In due course, should a preferred route be adopted, the Council may become liable for Blight claims from property owners along the preferred route that can evidence that, as a result of the proposed scheme, they are unable to sell their property.

9.0 Risk Management

- 9.1 The process for developing the proposed Congleton Link Road is following national standards / guidance. A key component of this is the consultation stage.
- 9.2 It will be necessary to record and report the key findings from the consultation and feed these into the decision making process.
- 9.3 Ultimately a preferred route – and its detailed design, will be determined based on both the technical appraisals undertaken and the results of the public consultation.
- 9.4 The adoption of a preferred route and its subsequent development will be important in demonstrating that the scheme is deliverable as part of any future examination of the Cheshire East Local Plan
- 9.5 The scheme is essential in both the safeguarding and expansion of key employers in Congleton and Cheshire East.
- 9.6 It is essential that the Link Road is given due priority in the Strategic Economic Plan for the LEP, along with the other key infrastructure schemes the council is promoting in order to attract Government funding.
- 9.7 The proposed scheme will help facilitate Local Housing Delivery for Congleton.
- 9.8 Early delivery of the proposed scheme will depend on the success of external funding bids and may require the council to forward fund any developer contributions.

- 9.9 The road may be required to be delivered in phases to reflect the availability of funding.

10.0 Background Information

Consultation Details

- 10.1 The Bridestones Suite within Congleton Town Hall is considered to be the most appropriate exhibition venue due to its size, facilities and close proximity to the proposed link road scheme.
- 10.2 It is anticipated that the exhibition would last 3 days. Two full-day events will be held for the general public to attend (Friday and Saturday). One of these events will be at the weekend, thereby providing members of the public who work Monday-to-Friday with an opportunity to attend the Public Consultation. An event for the associated press will also be held; this will be held on a weekday afternoon (Thursday,) and will be held prior to the two general public exhibition events.

The provisional consultation event schedule is as follows:

- Thursday 23rd January 2014 – Half day event (afternoon) for the associated press.
 - Friday 24th January 2014 – Full day event held for members of the public.
 - Saturday 25th January 2015 – Full day event held for members of the public
- 10.3 It is also the intention to hold a Business Community drop in event on the scheme – invites will be via the Chamber of Commerce and the Link to Prosperity Group.
- 10.4 Approximately 10 No. consultation boards will be prepared and will be positioned around the exhibition venue. The consultation boards will describe the scheme objectives, highlight the benefits of the link road scheme, present and describe each of the four options, provide a comparison/appraisal of the options and show the current position on the project timeline.
- 10.5 A consultation leaflet will be prepared and will be distributed to all landowners, residents and businesses which lie within 500m of any of the four highway options being considered. This amounts to approximately 1000 properties in total.
- 10.6 A consultation questionnaire will also be included (as a separate sheet) within each consultation leaflet. The Congleton Link Road Questionnaire will be based on previous successful consultation

questionnaires and will be prepared using guidance provided by the Highways Agency.

- 10.7 Consultation questionnaires will also be available at each of the Public Consultation and Business Community events. It is envisaged that members of the public would complete the questionnaires and submit them to a Jacobs/CEC member of staff while at the event. Consultation questionnaires will also be made available on the updated scheme website.
- 10.8 It is also the intention to make the questionnaires available at public buildings within Congleton, for example Congleton Library.
- 10.9 A double-sided A4 poster will be included as part of Congleton Town Council's local newsletter (Bear Necessities) January edition. The local newsletter is distributed to approximately 12,000 residents within the CW12 postcode area.
- 10.10 It is also the intention to display these posters at various council premises in the town and utilise the town council notice boards
- 10.11 Press releases are anticipated after the Cabinet Meeting and also prior to the start of the Public Consultation (13th January)
- 10.12 Meetings with individual Parish Councils and potential affected landowners will be arranged to take place over the 6 week consultation window.

Next Steps and Key Decisions

- 10.12 Key to the early delivery of Congleton Link Road will be a strong bid for Government Growth funding through the Cheshire and Warrington Strategic Economic Plan. It will be essential to convey the links to both jobs and housing growth this scheme can deliver. This will be set within and complement an ambitious 'package' of infrastructure improvements across the LEP area.
- 10.13 The target date for Cabinet to decide upon a preferred route for the scheme is May 2014. This report will also need to confirm approval for the next stages of work, to take the scheme through the stages of Planning Permission, Detail design and Business Case Development. The programme for these next stages will also be confirmed.
- 10.14 Assuming these decisions are taken, the following key dates are achievable – however, this will depend on progress through statutory procedures and success with funding bids.
 - ◆ Local Enterprise Partnership (LEP) submits Strategic Economic Plan – end March 2014.
 - ◆ Government determines spending allocation to LEP's – July 2014

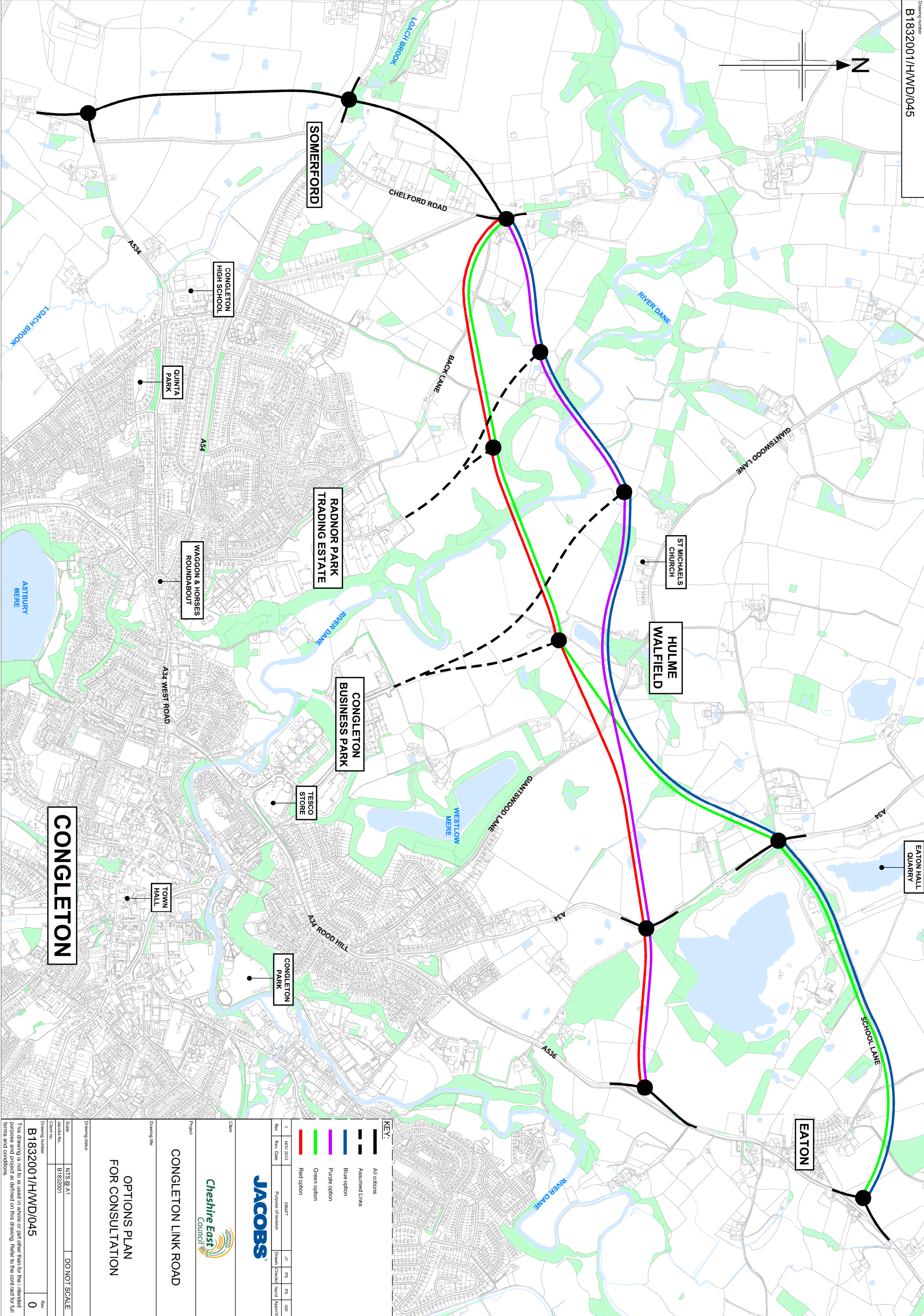
- ◆ Target Date for Submission of Planning Permission for Preferred Route – October 2014
- ◆ Business Case Development Completed by late 2014
- ◆ CPO Inquiry – Target date early 2015
- ◆ Start of first phase of Construction – Target date Autumn 2016

11.0 Access to Information

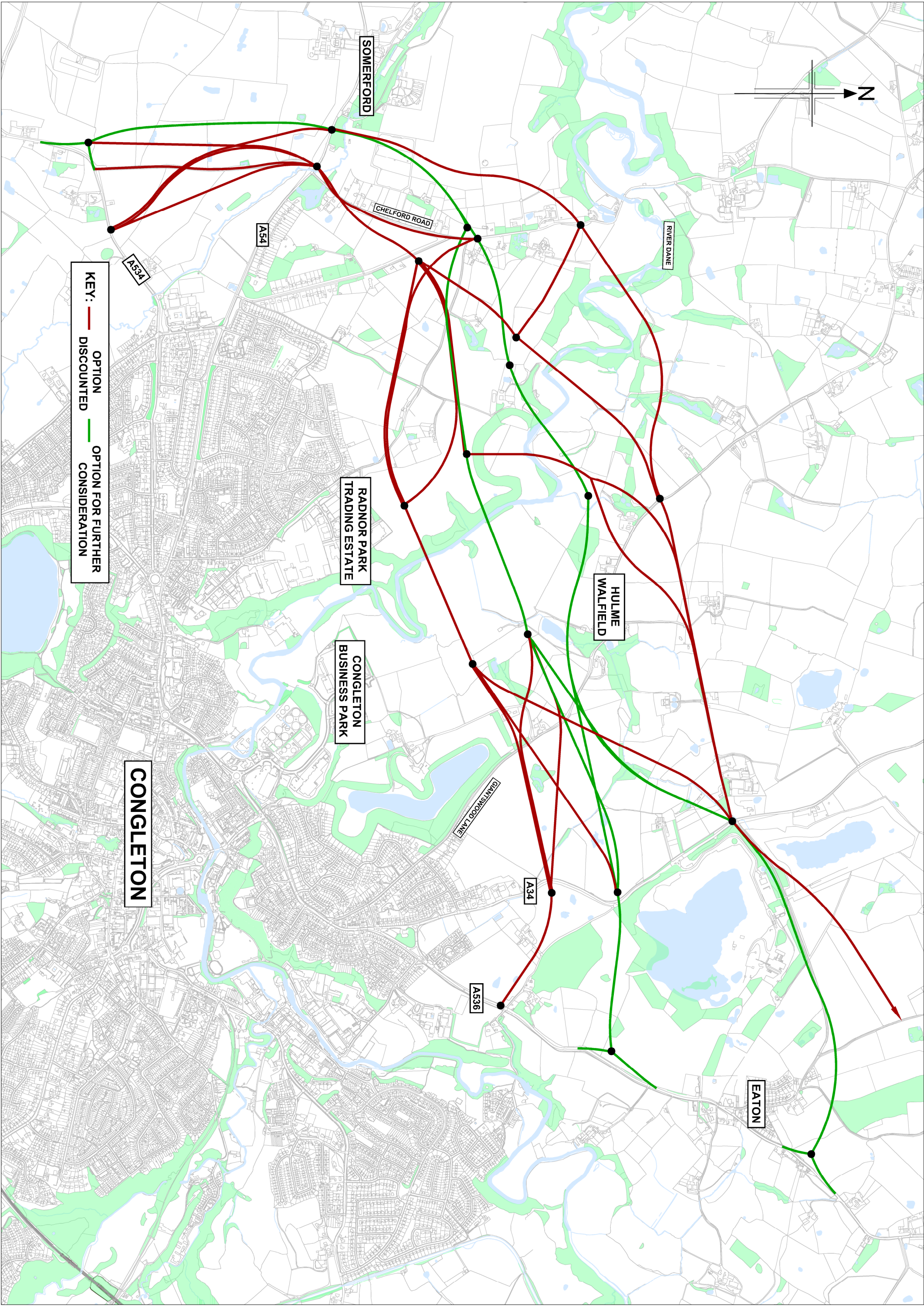
The background papers relating to this report can be inspected by contacting the report writer:

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CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 10th December 2013
Report of: Peter Bates, Chief Operating Officer
Subject/Title: Notice of Motion – Reducing Carbon Emissions
Portfolio Holder: Councillor D Topping, Environment

1.0 Report Summary

- 1.1 Council resolved at its meeting on 13th October 2013 that a motion concerning the reduction of the Council's carbon emissions and supporting the reduction of those of partners be referred to Cabinet. This report facilitates Council's referral.
- 1.2 Since instigating its Carbon Reduction Programme in 2010 the Council has reduced its emissions by 18%, or 5705 tonnes CO₂. This significant achievement has resulted in a cost avoidance of £1.8 million which would otherwise have been spent on energy consumption. This in turn enables the Council to better support front line services.

2.0 Recommendations

- 2.1 That Cabinet
1. receive and acknowledge the motion referred by Council;
 2. acknowledge the significant work that has been undertaken by the Council to date in reducing its own carbon emissions in order to support the corporate target of reducing carbon emissions by 25% by 2016;
 3. in view of the fact that the carbon reduction target for energy management has been achieved 3 years early, agree to increase the carbon reduction target for Council buildings to 35% in support of other areas of the Authority;
 4. further promote the reduction not only of its own carbon emissions but also of those of its many partners within the sub-region, including the private and business sectors; and
 5. agree to sign up to the Climate Local Agreement, which replaces the Nottingham Declaration on Climate Change to which the Council had previously been a signatory.

3.0 Reason for Recommendations

- 3.1 To enable Cabinet to consider the matter raised in the motion, and to propose further actions to build on the Council's achievements to date.

4.0 Wards Affected

- 4.1 No wards are directly affected by the referral of the motion to Council.

5.0 Local Ward Members

- 5.1 Not applicable.

6.0 Policy Implications

- 6.1 None.

7.0 Financial Implications

- 7.1 A further reduction in carbon emissions, particular from energy, would have a cost benefit to the Authority, both in terms of energy bills and carbon reduction tax. Delivery of a further 10% reduction in carbon emissions from energy is deliverable from existing maintenance/minor works programmes and funding. At this point it is not possible to quantify the potential revenue savings from lower consumption as this is likely to be offset by the continuing impact of inflationary pressure on energy prices as noted in paragraph 10.10 of the report. Cost avoidance, rather than absolute savings, is therefore a more realistic outcome. However, any reduction in consumption would have a beneficial impact on the carbon reduction tax calculation, thereby providing a real budgetary saving.

8.0 Legal Implications

- 8.1 From 2013/14 the Council will have a legal obligation to participate in the Carbon Reduction Commitment (Energy Efficiency Scheme) which will result in the Council being liable to pay tax calculated in accordance with the level of carbon emissions. The Council's current liability under the Carbon Reduction Commitment scheme is estimated to be approximately £340,000 per annum, with effect from 2014/15, increasing annually.
- 8.2 Service providers may be required to consider carbon reduction measures as part of a compliant procurement process.
- 8.3 The Council cannot require third parties to cut their carbon emissions but can use its own example, its influence and its policies to encourage the adoption of carbon reduction measures as both best

practice and cost saving measures. Becoming a signatory to the Climate Local Agreement could assist with this role.

9.0 Risk Management

- 9.1 Carbon Management is an identified cross cutting risk (SR5) for the Council: “Risk that Services do not understand the importance of carbon management and the immediate and longer term effects of not acting on climate change, resulting in limited commitment to the Carbon Management Programme”.

10.0 Background and Options

- 10.1 A motion titled “Reducing Carbon Emissions” was proposed to Council at its meeting on 13th October 2013, by Councillor S Hogben and seconded by Councillor S Corcoran.

- 10.2 The content of the motion was as follows:

“That this Council build on its previous work in reducing its own carbon emissions. This Council will promote strenuous further efforts to cut not only its own carbon emissions but those of its many partners within the sub-region, including the private and business sectors”.

“The Council recognises that financial pressures face all sectors of the economy, but also recognises the vital importance for future generations of conserving resources of all kinds and cutting environmental pollution”.

“In view of the loss of Invest to Save funding, and in its role as a community leader, the Council commits to redouble its efforts to fund carbon reduction projects, and seek support in this work from all its partners”.

- 10.3 In accordance with the Council Procedure Rules within the Constitution, Council resolved that the matter stand referred to Cabinet.

- 10.4 There is now agreement across the scientific community that increasing levels of CO₂ in the atmosphere as a result of human activity is affecting our planets climate and weather patterns. Global air and sea temperatures have already increased by 1 degree and levels of CO₂ are at their highest ever recorded levels. International agreement to cut global CO₂ levels is currently being discussed at the UN Climate Change Conference in Warsaw.

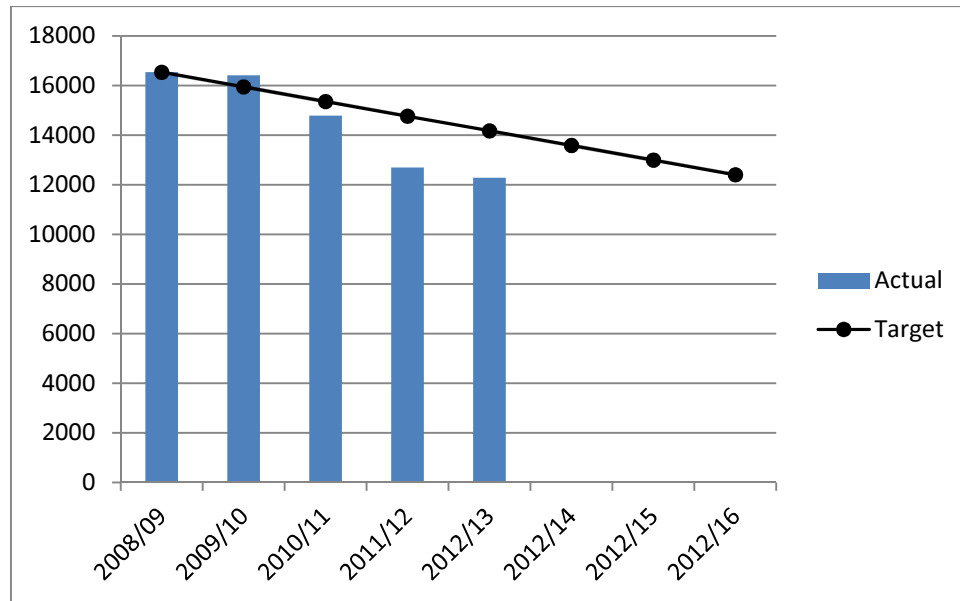
- 10.5 One outcome of altering our climate is an increased frequency of severe weather events such the storms and flooding experienced in the UK in October this year, droughts across America and Africa in

2012 and 2013, and typhoon Haiyan in the Philippines which has so far claimed over 5500 lives.

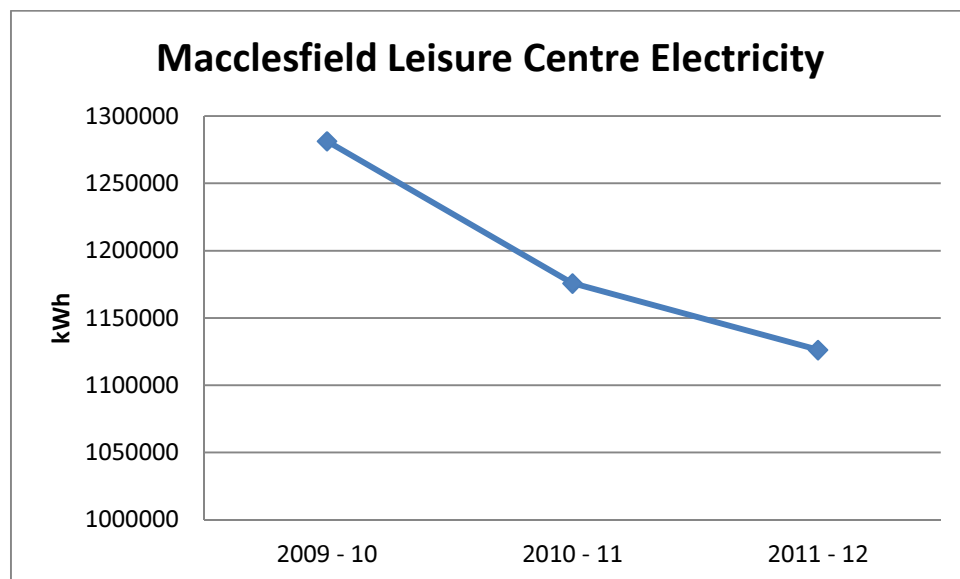
- 10.6 The Council has an important role as community leader, estate manager and service provider to reduce its own emissions of CO₂ and encourage others to reduce their emissions. The Council's Carbon Management Programme was initiated in 2010, to reduce emissions by 25% (equivalent to 8000 tonnes CO₂) by 2016. One of the original goals of the Council was to get its own house in order; so as to serve as an example to those organisations and external bodies it seeks to influence.
- 10.7 The Council is currently on track to achieve its carbon reduction target. Through investment in projects between 2009/10 and 2012/13 a 17% reduction in the Council's emissions has been achieved, equivalent to 5705 tonnes of CO₂. However, in order to ensure the Council continues to reduce its carbon emissions, further carbon reduction measures will need to be encompassed as part of project delivery, where appropriate. Energy efficiency projects continue to be delivered and funded on a business as usual basis, through maintenance, minor works or accommodation changes.
- 10.8 The table below summarises the progress of the main areas within the plan to date according to the emissions of CO₂ from these areas against their targets. This shows a reduction in all areas except street lighting where there has been an increase due to a growth in the lighting estate. It is anticipated that a reduction will begin to show from 2013/14 as a result of the investment in the street lighting carbon reduction scheme.

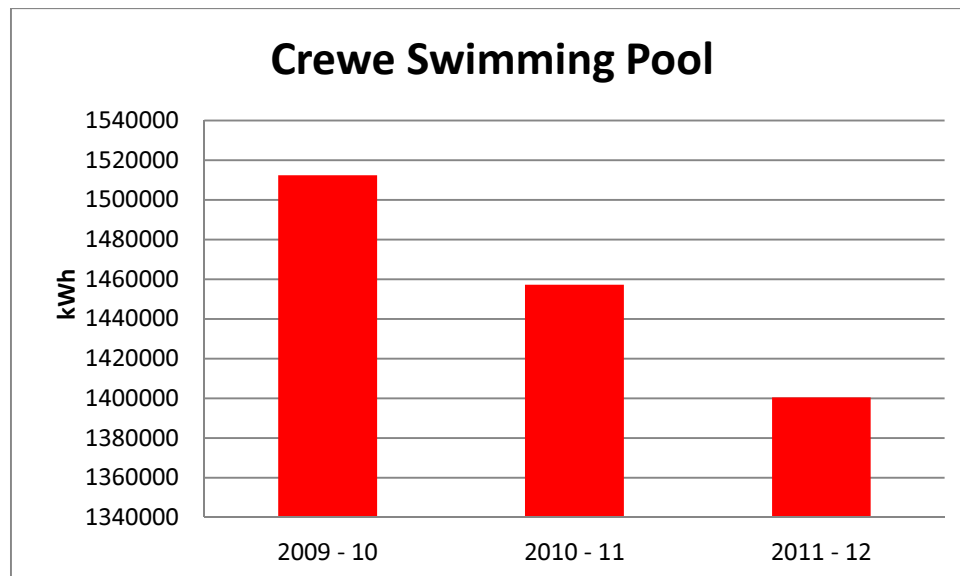
	2008/9 (baseline)	2009/10	2010/11	2011/12	2012/13	% change from baseline
Buildings	16,531	16,410	14,776	12,697	12,276	-25.7%
Streetlighting	8,858	8,865	9,175	9,161	9,358	+5.6%
Fleet	4,532	3,950	3,882	3,503	3,256	-28.0%
Staff Travel	1,980	1,887	1,611	1,460	1,306	-34.0%
Total	31,901	31,112	29,444	26,821	26,196	-17.8%

- 10.9 Between 2009/10 and 2012/13 £700,000 has been invested in the efficiency of the Council's estate delivered through the Asset Management Service. These projects include lighting and heating improvements, improved controls, insulation, technologies such as voltage optimisation and conversion to LED lighting. The following table identifies the actual carbon savings, against the original target:-



10.10 Energy efficiency improvements focussed on quick wins where the largest savings could be achieved with the least investment. Sites that had the highest levels of use were targeted such as leisure centres and office buildings, areas of significant saving shown in the following graphs.





- 10.11 In 2009 the annual expenditure on utilities was £6.7 million which, as a result of the above inflation price increases, has risen to circa £9 million. This has, in part, been mitigated by reducing energy use over the first four years of CEC, the cumulative effect of which equates to £1.8 million.
- 10.12 Cheshire East Council has, to date, focussed its efforts on climate change internally, with the implementation of the Carbon Management Programme. However, the Council did sign up to the Nottingham Declaration on Climate Change in 2009. This voluntary declaration contains a number of statements which the Council commits to supporting on climate change across the Borough.
- 10.13 In 2012, the Nottingham Declaration was succeeded by Climate Local Agreement, developed by the LGA. Cabinet is asked to consider whether it wishes the Council to become a signatory to the new initiative. Details of the Climate Local Agreement are attached.

11.0 Access to Information

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

Name: Michele Burrow / Colin Farrelly
 Designation: Carbon Reduction Programme Manager / Energy Manager
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 Email: michele.burrow@cheshireeast.gov.uk / colin.farrelly@cheshireeast.gov.uk

Climate Local [insert council(s) name]:



Our commitment to taking action in a changing climate

We recognise that our council has an important role to help our residents and businesses to capture the opportunities and benefits of action on climate change. These include saving money on energy bills, generating income from renewable energy, attracting new jobs and investment in 'green' industries, supporting new sources of energy, managing local flood-risk and water scarcity and protecting our natural environment.

We will progressively address the risks and pursue the opportunities presented by a changing climate, inline with local priorities, through our role as:

- Community leader – helping local people and businesses to be smarter about their energy use and to prepare for climate impacts;
- Service provider – delivering services that are resource efficient, less carbon intensive, resilient and that protect those who are most vulnerable to climate impacts;
- Estate manager – ensuring that our own buildings and operations are resource efficient, use clean energy, and are well prepared for the impacts of a changing climate.

In signing this commitment, **we will:**

- **Set locally-owned and determined commitments** and actions to reduce carbon emissions and to manage climate impacts. These will be specific, measurable and challenging;
- **Publish our commitments, actions and progress**, enabling local communities to hold us to account;
- **Share the learning from our experiences and achievements** with other councils; and
- **Regularly refresh our commitments and actions** to ensure they are current and continue to reflect local priorities.

[Date]
[Name of council or group of councils]
[Signature of Leader or Mayor of Council]

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CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	10 th December 2013
Report of:	Peter Bates, Chief Operating Officer
Subject/Title:	Notice of Motion – Auditor's Value for Money Conclusion
Portfolio Holder:	Cllr P Raynes, Finance / Cllr B Moran, Performance

1.0 Report Summary

- 1.1 This report responds to the following motion, submitted to Council on 17th October 2013 by Councillor S Corcoran.

1.2 *Motion*

The Council welcomes the qualified value for money conclusion from the external auditors and:

- Accepts that more 'more needs to be done to ensure that tough decisions are taken when setting the budget rather than relying on services to deliver savings in year'.*
- Commits to setting a realistic budget for 2014/15 so that the major overspends seen in recent years do not recur and that unplanned remedial actions are not necessary:*
- Agrees to ensure that its decision making is – and is seen to be - transparent to the public"*

2.0 Recommendation

- 2.1 It is recommended that Cabinet reject the motion on the basis that action is already in hand to address the substantive issues raised by Grant Thornton in their Audit Findings Report, and that progress will be further enhanced by the action plan recently endorsed by the Audit and Governance Committee.

3.0 Reasons for Recommendation

- 3.1 The arrangements for addressing the value for money qualification were established within the 2012-2013 financial year. These actions are not outstanding.
- 3.2 The actions detailed in the audit findings are consistent with the improvement project existing prior to the audit and which has since then further progressed.

- 3.3 The 2012-2013 Budget was achieved, with an underspend of £300,000, despite the tough financial climate and a strategy to continue freezing Council Tax payments for residents.
- 3.4 The Council's delivery of value for money to residents has not been criticised and no evidence has been presented of cases where this has occurred. The findings relate to internal business procedures which already formed part of our internal business improvement at the time of the audit. The Council has saved each and every household almost £500, compared to the inflation adjusted cost of a band D property, since its formation in 2009.
- 3.5 Cheshire East is committed to continuous improvement and excellence in all that it influences and delivers, and to ensuring value for money to its residents, businesses and service users. It therefore, welcomes all feedback on its performance and constructive recommendations for improvement.

Feedback from the external auditors, who have open access to all our systems and processes and extensive experience of best practice across the whole of the public sector is particularly valued. The action plan put in place to address the auditors 2012/13 findings and conclusions demonstrates the Council's clear commitment to build on the positive progress achieved to date, and evidenced in the auditors report. This will further strengthen its financial reporting, stewardship and governance arrangements. Clear evidence of the ongoing improvement has been demonstrated by the stronger financial performance in 2013/14 and the direction of travel is positive despite the obvious financial challenges caused by national austerity measures.

4.0 Wards Affected

- 4.1 Not applicable

5.0 Local Ward Members

- 5.1 Not applicable

6.0 Policy Implications

- 6.1 The recommendations form part of the existing business improvement programme. There are therefore no policy implications from the report.

7.0 Financial Implications

- 7.1 The recommendations, being part of our business improvement programme, are costed into the 2013/2014 budget.

8.0 Legal Implications

- 8.1 There are no specific legal implications arising from the recommendations in this report.

9.0 Risk Management

- 9.1 Failure to satisfactorily address the audit findings and recommendations from 2012/12 may expose the Council to further qualification in the current and future financial years, with consequent reputational damage, and the possibility of increased audit fees. The management responses outlined in this report are intended to avoid this outcome, improve overall financial stewardship and therefore, mitigate this risk.

10.0 Background and Options

- 10.1 Cheshire East has aspirations to be a leading unitary authority for residents and businesses:

- Over 17,000 businesses have chosen to located in Cheshire, more than either Manchester or Liverpool
- Only 2.2% of working age residents claim unemployment benefits in Cheshire East compared to a northwest average of 4%
- Connecting Cheshire project is targeting 96% superfast broadband coverage responding to feedback from businesses
- Investment in roads has been increased by £25m over two years. 46,000 potholes were repaired in 2012/2013 which has risen to over 50,000 already in 2013/2014
- Instances of crime and anti-social behaviour are much lower than northwest averages.
- Life expectancy in Cheshire East is higher than the northwest average.
- Health in the area is good, with lower obesity levels than the north west average and visits to leisure centres are in excess of 1m.
- The percentage of schools rated good or outstanding exceeds northwest averages

- 10.2 A copy of the auditor's final Value for Money conclusion as outlined on page 23 of their 2012/13 Audit Findings Report is attached at Appendix 1. Members are asked to note that this wording differs from that quoted in Councillor Corcoran's Notice of Motion.

- 10.3 Specifically, the final conclusion confirms that the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources were found to be satisfactory **'in all significant respects'**, and whilst weaknesses in arrangements for procurement of goods and services, understanding of costs and performance and arrangements to develop business proposals and manage significant projects, were cited; reference to the Council being unable to 'demonstrate that is was prioritising costs resources within budgets – in a planned way – and achieving cost

reductions alongside greater efficiencies and improved productivity' was **not** included in the final report.

- 10.4 It is also important to balance consideration of identified weaknesses and recommended improvements against the many positive references made by Grant Thornton to the substantial progress the Council has already made in strengthening its overall financial governance and stewardship in difficult and austere times. In their Annual Audit Letter they commented that :-

'Overall, the Council made significant improvements to its arrangements during the course of the year and ended up in a much better position than it started. It delivered the 2012/13 budget and achieved a small surplus. Further improvements have been made since April 2013. The Council now has better information and processes to help it set out how it is prioritising resources and to demonstrate efficiency and improved productivity.'

- 10.5 Other specific improvements referenced by the auditors include:

- Improved financial planning and control arrangements, including revised budget setting and Medium Term Financial Planning processes.
- Introduction of a Financial Resilience Update report, to support Member decision making and help create a sustainable financial environment for the Council.
- Significant progress to enable transparent decision making subject to appropriate risk management, challenge, scrutiny and review.
- Review and improvement of the council's performance management framework.
- Engagement of external consultants to undertake a health check of procurement activity and support transformation of current processes.
- Gateway process for managing major projects and capital budgets
- Updated guidance and monitoring over the use of delegated decision notices.

- 10.6 A detailed response to the auditor's specific recommendations with regard to the Council's Value for Money arrangements has been shared with and endorsed by the Audit and Governance Committee and is published on the website with the agenda papers. These actions will embed, sustain and complement the range of positive developments that have already taken place.

11.0 Access to Information

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

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Appendix 1

VALUE FOR MONEY CONCLUSION

On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2013, except for weaknesses in its:

- Arrangements to procure goods and services
- Understanding of costs and performance
- Arrangements to develop business proposals and manage significant projects.

The Council made significant improvements to its arrangements to develop business proposals and manage major projects during the latter part of the 2012/13. These improvements address the weaknesses reported by the Audit Commission last year but were not in place for the whole of 2012/13.

Source: The Audit Findings for Cheshire East Council Year ended 31 March 2013 (page 23)

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CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	10 th December 2013
Report of:	Director of Economic Growth and Prosperity
Subject/Title:	Property-related Consultancy Services
Portfolio Holder:	Cllr P Raynes, Finance

1.0 Report Summary

- 1.1 Cheshire East Council has ambitious growth plans and is taking a pro-active approach to development, construction and the strategic use of its assets. There are plans to create at least 20,000 jobs and 27,000 new homes by 2030 with major new infrastructure projects in development.
- 1.2 In addition, the Council is undertaking some major schemes to enhance public services such as developing a Lifestyle concept to provide the opportunity for the integration of the services that citizens need in relation to their lifestyle all in one place. This is exemplified in the £15m Crewe Lifestyle project which is currently in design phase and proceeding at pace.
- 1.3 Cheshire East Council has a land and property portfolio worth over £600m; a net asset management budget of £17,638,348 and an annual capital building programme of approx. £15m - £20m. Harnessing these assets and investments to deliver greater value for money is a major priority.
- 1.4 In delivering greater value for money, the Council, as part of its business planning for 2014/15, will be considering options for the future delivery of asset-related services, building on the achievement of the Corporate Landlord model and the formation of the Development Company.
- 1.5 In this fast-moving environment, it is important that key enabling systems are maintained to ensure effective, value for money and controlled project delivery during and beyond this transformation process. Current arrangements for the delivery of the construction and development projects include the commissioning of external property-related consultancy services (e.g., architects, engineers, surveyors, etc.) via the Council's own Framework Agreement. This Agreement expires on 31st October 2014 and cannot be extended within EU Procurement Rules.
- 1.6 The transformation process mentioned in paragraph 1.4 and its implementation could extend beyond the October 2014 expiry date mentioned in paragraph 1.5 and it is essential that a mechanism is in place so that the Council can continue to deliver its property-related projects effectively.

- 1.7 An analysis of options has been undertaken (Appendix 1), with the conclusion that a replacement Framework Agreement would be the preferred option, to include lessons learnt from the current arrangements to enhance performance mechanisms ensuring greater value-for-money.
- 1.8 The value of the services procured means it will be subject to EU Procurement Rules requiring a contract notice to be published in the OJEU (Official Journal of the European Union). The project plan for the procurement (Appendix 2) requires an OJEU Notice to be placed in December 2013 / January 2014.
- 1.9 The option analysis process has identified that Stockport Metropolitan Borough Council has recently (1st September 2013) entered into a Strategic Property Partnership with Carillion and CBRE (see paragraph 10.11 – 10.12 for more details). Initial discussions identified the potential for Cheshire East Council to utilise this Framework, either at Partnership or Supply-Chain level. The Partnership is currently in mobilisation stage and will not have supply-chains in place until February 2014. Whilst it is too early to be sure, it seems that this Partnership may present potential benefits for Cheshire East Council for a range of asset-related services. It is recommended therefore that the Stockport Strategic Property Partnership is further explored by officers with due diligence undertaken and service delivery explored at the same time as initiating the OJEU procurement process outlined in paragraph 1.8. This will keep the Council's options open whilst also protecting its position by ensuring that a mechanism for commissioning property-consultancy services can be in place when the current arrangement expires.

2.0 Recommendations

2.1 That Cabinet

1. approve the establishment of a Framework Agreement through which to commission property-related consultancy services;
2. note the recent establishment of Stockport Strategic Property Partnership and authorise officers to explore service delivery options and undertake due diligence in connection with the Council's potential utilisation of the Partnership;
3. delegate authority to the Director of Economic Growth & Prosperity, in consultation with the Portfolio Holder for Finance and Assets, to award contracts to providers meeting the requirements of the Framework;
4. delegate authority to the Director of Economic Growth & Prosperity, in consultation with the Portfolio Holder for Finance and Assets, to abort the procurement, should the need for the Framework no longer be required; and
5. delegate authority to the Director of Economic Growth & Prosperity, in consultation with the Portfolio Holder for Finance and Assets, to

utilise the Stockport Strategic Property Partnership on the basis of recommendations from Assets, Finance, Procurement and Legal Services.

3.0 Reasons for Recommendations

- 3.1 To ensure that the council examines options for alternative delivery models for asset-related services, whilst maintaining the short-term ability to secure value for money in the procurement and delivery of property-related projects and the capital building programme.
- 3.2 To ensure that the commissioning of property-related services complies with the Public Contracts Regulations 2006 and the Council's Finance and Contract Procedure Rules.
- 3.3 To explore all options for securing value for money in the delivery of asset-related services.
- 3.4 To avoid the need for time-consuming and costly individual procurements that would be required for each consultancy service on each property project.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications

- 6.1 The recommendations in this report support the delivery of the council's priorities by ensuring that key compliant mechanisms are in place to enable the controlled delivery of property-related projects.

7.0 Financial Implications

- 7.1 The recommendations within this report support the delivery of property projects and ensure that the consultants selected for the Framework Agreement satisfy the requirements of the Council's Financial Rules and comply with EU requirements.
- 7.2 The proposed OJEU procurement process will be undertaken by Property Projects officers supported by Procurement and Legal Services colleagues, therefore there are no external costs for this procurement. However, there is an "opportunity cost" of undertaking this work and this cost in officer time has been estimated at £100,000 - £140,000 including oncosts. Significant officer time will not be required until February – April 2014 at which time it should be apparent whether the Stockport option is beneficial. These procurement costs and the costs of accessing any other alternative contracts/frameworks will be taken into

account in deciding whether to abandon this procurement in favour of other options, e.g., the Stockport Strategic Property Partnership.

- 7.3 Value for money will be assured by taking into account tendered rates for lower value commissions and by undertaking mini-competitions to the consultants within each Lot of the Framework for any larger commissions.

8.0 Legal Implications

- 8.1 The aggregate value of the requirement for property-related consultancy services is such that these services must be procured in accordance with the Public Contracts Regulations 2006 ("the Regulations") and the Council's Finance and Contract Procedure Rules
- 8.2 A Framework Agreement enables the Council to meet its need for a service for a set period of time in order to obviate the need to undertake a wide competitive process in relation to each individual procurement. It complies with the Regulations and the Council's rules.
- 8.3 The Regulations allow local authorities to enter onto Framework Agreements with a number of service providers, following a competitive tendering process, and to thereafter select from those service providers particular services, as and when required for a maximum period of four years. The Council can choose to call off contracts under the Framework Agreement by appointing a supplier directly (direct award) based on the pricing and/or other information established in the original tender process or if the price cannot be directly determined or in order to ensure best value it can hold a mini-competition between the suppliers appointed to the framework in order to award a call off contract.
- 8.4 In order to evidence value for money the Asset Service will engage with Legal Services to ensure that call-off contracts contain provisions which enable continuing value for money to be tested and to contain provisions such that the contract can be terminated in the event that either the service cannot be provided on terms which remain acceptable to the Council or after the initial 2 year term should the Council wish to explore other options. The Framework Agreement will not contain a guarantee of a certain volume of required services to the appointed providers and can be utilised in conjunction with other options.
- 8.5 The Assets Service have been advised and will engage with Legal Services to ensure that the Council's duties under the Public Services Social Value Act, as it applies to framework agreements, are fulfilled. The Act requires the Council to:
- consider how what is proposed to be procured might improve the social economic and environmental well-being of the relevant area
 - how in conducting a procurement process it may act with a view to securing that improvement
 - whether to undertake any community consultation on their proposals

9.0 Risk Management

- 9.1 A failure to establish a Framework Agreement for property-related consultancy services through which these services can be purchased will mean that each service for each project will need to be tendered individually. This is prohibitive both in terms of time and cost.

10.0 Background and Options

- 10.1 The Council's land and property portfolio is worth over £600m made up of our operational estate, commercial portfolio, farms estate and our non-operational landholdings.
- 10.2 As part of the its business planning for 2014/15, the Council will be considering options for the future delivery of asset-related services, building on the achievement of the Corporate Landlord model and the formation of the Development Company. These options will be outlined in a future report to Cabinet and will consider the impact on the Council's asset management arrangements of the newly formed wholly-owned companies and Leisure Trust and will take into account the need to ensure that our assets deliver the following aims:
- 10.2.1 Rationalise our property portfolio to reduce revenue expenditure
 - 10.2.2 Utilise strategic assets to deliver wider regeneration benefits, stimulate jobs and economic growth
 - 10.2.3 Serve Cheshire East customers by providing cost effective property management and construction services which support frontline service delivery
 - 10.2.4 Generate maximum net income and releasing capital from the estate
 - 10.2.5 Reduce the Council's carbon emissions and deliver against our Carbon Reduction plan
 - 10.2.6 Support commissioned services and partners to use Council property to stimulate new ways of delivering frontline services to customers by consolidating assets and delivering from shared facilities
- 10.3 The current arrangements for the delivery of property projects includes commissioning property-related works and services via the Council's own Framework Agreements, including:-
- 10.3.1 Property-related consultancy services (such as architects, engineers, surveyors, etc.)
 - 10.3.2 low-value construction works (works up to £500,000)

Larger construction works are procured via a regional Framework Agreement managed by the North West Construction Hub.

Facilities Management contracts are currently being rationalised to expire simultaneously in March 2015.

- 10.4 The Cheshire East Council low-value construction framework is for a 3-year period until January 2016 with an option to extend until January 2017, but the current 4-year Cheshire East Council Framework Agreement for Property-related Consultancy Services expires on 31st October 2014.
- 10.5 Approximately £650,000 per year is spent through the consultancy framework (i.e., approx £2.4m over the 4-year period), and in the absence of a Framework Agreement that complies with European Procurement Rules, the Council would need to procure each professional service exceeding £10,000 for each project via open tender, adding delay and cost to the process.
- 10.6 A range of options for short/medium term arrangements for Property-related Consultancy Services have been considered (Appendix 1), including:
- 10.6.1 Option 1 - In-house provision, including substantial in-sourcing
 - 10.6.2 Option 2 - Tender consultancy services for each project separately
 - 10.6.3 Option 3 - Procurement of a Cheshire East Council framework
 - 10.6.4 Option 4 - Enter into access agreements for existing frameworks, e.g. GPS Frameworks, North West Construction Hub, Stockport Strategic Property Partnership (SSPP), etc.
 - 10.6.5 Options 5/6 – A single service provider/partner/joint venture for the full-range of asset management services
- 10.7 On analysis, taking the advantages and disadvantages of each option into account it has been concluded that, whilst the above options may provide suitable longer-term procurement options as part of the examination of alternative delivery models for asset services, the short/medium term procurement of property-related consultancy services would best be met by the establishment of a replacement consultancy framework agreement (Option 3), but ensuring flexibility moving forward by building-in the ability to terminate the framework after years 2 and 3.
- 10.8 The aggregated financial value of the services to be procured through the proposed Framework means that it will be subject to EU Procurement Rules and will require a contract notice to be published in the OJEU (Official Journal of the European Union). The project plan for the procurement (Appendix 2) requires an OJEU Notice to be placed in December 2013 / January 2014 to ensure that the new arrangements are in place when the existing framework expires.
- 10.9 Whilst we commission significant consultancy work through the framework, there is no contractual obligation to procure any work through the arrangement. This means that the Council is not contractually “locked in” to this arrangement. It should also be noted that whilst the OJEU procurement process needs to be commenced immediately to ensure continuity of service, should the major work to examine alternative delivery models provide results quickly, the recommended OJEU procurement process for consultancy services can be terminated at any time.
- 10.10 The option analysis process for Property-related Consultancy Services identified that there is limited opportunity to easily access existing frameworks

(e.g., GPS, ESPO, NWCH Frameworks) all of which are multi-disciplinary arrangements but any single Framework may not cater for all our needs. However Stockport Metropolitan Borough Council has recently (1st September 2013) entered into a Strategic Property Partnership with Carillion and CBRE following a lengthy procurement process. An initial discussion with representatives of the Partnership has identified the potential for Cheshire East Council to utilise this Framework as the Council was specifically named in the procurement process. This access to the Partnership can be either at Strategic Partnership level or at Supply-Chain level.

- 10.11 The Stockport Partnership is currently in mobilisation stage and will not have supply-chains in place until February 2014. Whilst it is too early to be sure, it seems that this Partnership may have potential benefits for Cheshire East Council for a wide range of asset-related services. Further investigation would be needed to identify whether the Stockport Partnership would be able to be fully accessed by the Cheshire East Council's Alternative Service Delivery Vehicles as they were not specifically named in the procurement process. It is therefore recommended that the Stockport Strategic Property Partnership is further explored by officers with due diligence undertaken and service delivery options explored at the same time as initiating the OJEU procurement process outlined in paragraph 1.8. This will keep the Council's options open and will also inform the options for alternative service delivery models whilst at the same time protecting the Council's interests by ensuring that a mechanism for commissioning property-consultancy services can be in place when the current arrangement expires.

11.0 Access to Information

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

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APPENDIX 1 – Option Analysis

Option	Advantages	Disadvantages
1 – In-house provision, including substantial insourcing	<ul style="list-style-type: none"> • Direct control over resources and priorities 	<ul style="list-style-type: none"> • Inflexible resource levels with costs incurred even when workload reduces • Recruitment difficulties with specialist staff • Doesn't fit with Strategic Commissioning Council model
2 – Tender each project	<ul style="list-style-type: none"> • Greater market choice • Ultimate competition achieved with every project open to the entire market. 	<ul style="list-style-type: none"> • Time delays and resources required to advertise and procure each project would be unacceptable. On the rare occasion where EU procurement rules apply it could take 3 – 6 months to complete for each project, adding significant cost and delay. • Non-compliance with Contract rules and EU regulations regarding sub-division of similar work and aggregated spend. • Provides no ongoing relationship, so cannot develop a partnership approach with continuous improvement in line with Government Best Practice
3 – CEC Framework	<ul style="list-style-type: none"> • Tailored to suit CEC's particular requirements • Tailored to suit the requirements of the Council's Alternative Service Delivery Vehicles • Ability to benchmark performance, develop ongoing relationships, build specific loyalty to CEC within a clear mechanism for continuous improvement • Maintains competitive tension amongst Framework consultants • Allows the ability to directly appoint in certain circumstances • Of interest to regional companies 	<ul style="list-style-type: none"> • Costs and resources associated with bespoke procurement of CEC framework • Need to have sufficient throughput to maintain the interests of consultants
4 – access other frameworks/ contracts	<ul style="list-style-type: none"> • Maintains competitive tension amongst framework consultants • Allows ability to directly appoint in certain circumstances • Potential for reduced costs by avoiding costly procurement • 	<ul style="list-style-type: none"> • Few frameworks exist that provide all services required and that CEC can easily access (e.g., NWCH - government GPS framework not currently available) • Framework consultant loyalty can be divided or skewed towards the "host" authority • Less chance than option 3 to build continuous improvement • Consultants more likely to be large national companies

5 – single service provider	<ul style="list-style-type: none"> • A single point of contact • No delays in appointing at the earliest opportunity for each project • Ultimate opportunity to build partnership working with ongoing relationships and shared objectives 	<ul style="list-style-type: none"> • Would need to attract the interest of large multi-disciplinary consultants/consortia able to provide the full range of services • Need to have sufficient throughput to maintain the interest of consultants, particularly if they are a national concern without a local client base • Difficult to address complacency by the single provider when competitive tension is not present during the life of the contract
6 – strategic partner JV for the full range of asset management services	<ul style="list-style-type: none"> • Could provide a catalyst for wider outsourcing of Council asset management functions. • A neighbouring authority (Stockport Metropolitan Borough Council) has recently undertaken this route and there may be the ability for CEC to utilise that JV contract (needs further exploration) for a range of asset management support functions. Note: CEC are named in the new Stockport Strategic Property Partnership, but this is currently in mobilisation phase and not fully up and running 	<ul style="list-style-type: none"> • Long lead-in time including the requirement for a fundamental Service Review, staff consultation and subsequent OJEU Procurement • Similar transformational projects have required significant consultant support costing in the region of £500k • Usually undertaken as part of a large outsourcing initiative. CEC capital delivery capability is largely already outsourced – hence the requirement for this procurement.

APPENDIX 2

Property- related Consultants Framework Procurement Schedule

(working days)

ID	Task Name	Duration	Start	Finish	Predecessors	July	August	Sept	Octobe	Novem	Decem	January	Febru	March	April	May	June	July	August	Sept	Octobe	Novem	Decem	January	February
1	Consultants Framework - OJEU	350 days	Mon 19/08/13	Fri 19/12/14																					
2																									
3	Consider Procurement Options	10 days	Mon 19/08/13	Fri 30/08/13																					
4	Draft Paper to EG & P	1 day	Wed 18/09/13	Wed 18/09/13	3																				
5	Seek Endorsement to Proceed	1 day	Thu 19/09/13	Thu 19/09/13	4																				
6	Add Details to Forward Plan	1 day	Fri 20/09/13	Fri 20/09/13	5																				
7	Draft/Consult on Cabinet Paper	23 days	Mon 14/10/13	Wed 13/11/13	6																				
8	Cabinet	1 day	Tue 10/12/13	Tue 10/12/13	7																				
9																									
10	Agree Procurement Strategy	45 days	Mon 23/09/13	Fri 22/11/13																					
11	Draft Documents	20 days	Mon 25/11/13	Fri 20/12/13	10																				
12	Send out OJEU Notice	1 day	Mon 23/12/13	Mon 23/12/13	11																				
13	Send out PQQ Documents	1 day	Tue 24/12/13	Tue 24/12/13	12																				
14	PQQ Submission Period	30 days	Wed 25/12/13	Tue 04/02/14	13																				
15	CHEST Download	2 days	Wed 05/02/14	Thu 06/02/14	14																				
16	Pass / Fail Assessment	10 days	Fri 07/02/14	Thu 20/02/14	15																				
17	Evaluation of PQQ	50 days	Fri 21/02/14	Thu 01/05/14	16																				
18	Draft Feedback Documents	10 days	Fri 02/05/14	Thu 15/05/14	17																				
19	Issue Feedback	5 days	Fri 16/05/14	Thu 22/05/14	18																				
20	Voluntary Standstill Period	10 days	Fri 23/05/14	Thu 05/06/14	19																				
21																									
22	Draft ITT Documents	60 days	Mon 23/12/13	Fri 14/03/14	11																				
23	Send Out ITT Documents	1 day	Fri 06/06/14	Fri 06/06/14	22,20																				
24	ITT Submission Period	30 days	Mon 09/06/14	Fri 18/07/14	23																				
25	Legal Verification/CHEST Download	3 days	Mon 21/07/14	Wed 23/07/14	24																				
26	Commercial Assessment	49 days	Thu 24/07/14	Tue 30/09/14	25																				
27	Evaluation of ITT	49 days	Thu 24/07/14	Tue 30/09/14	25																				
28	Carry Out N2 Checks	5 days	Wed 01/10/14	Tue 07/10/14	27																				
29	Draft Feedback Documents	10 days	Wed 01/10/14	Tue 14/10/14	27																				
30	Issue Feedback	2 days	Wed 15/10/14	Thu 16/10/14	29																				
31	Draft Approval Report	3 days	Wed 01/10/14	Fri 03/10/14	27																				
32	Seek Director/Portfolio Holder approval	0 days	Tue 14/10/14	Tue 14/10/14	31																				
33	Standstill Period	10 days	Fri 17/10/14	Thu 30/10/14	30																				
34	Draft / Issue Final Award Letters	10 days	Mon 20/10/14	Fri 31/10/14	33FF+1 day																				
35	Execute Framework Agreements	10 days	Mon 03/11/14	Fri 14/11/14	34																				
36	Place Award Notice	35 days	Mon 03/11/14	Fri 19/12/14	34																				

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CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	10 th December 2013
Report of:	Tony Crane, Director of Children's Services
Subject/Title:	Review of 2014-15 Schools Funding Formula
Portfolio Holder:	Councillor Rachel Bailey, Children and Family Services and Rural Affairs

1.0 Report Summary

1.1. This report asks Cabinet to

1. consider and approve the proposed options for the schools funding formula for 2014-15; and
2. communicate and engage in the process.

2.0 Recommendations

2.1 That for the 2014-15 Schools Funding Formula:

1. £1.5m of DSG be added to the funding for low level Special Educational Needs (SEN), delegated to schools through the Low Cost High Incidence (LCHI) formula factor and distributed according to pupil numbers identified by the new mandatory prior attainment indicators, the money to come from savings delivered in 2013/14 in the SEN placements budget;
2. the rural proofing strategy be broadened to include schools; and
3. all other existing formula factors be maintained at their current level, as agreed with the Schools Forum.

3.0 Reasons for Recommendations

- 3.1 Schools in Cheshire East continue to perform well, delivering an excellent standard of education, despite Cheshire East being one of the lowest funded education authorities in the country. Great results continue to be achieved and 87% of our schools are assessed to be either Good or Outstanding by Ofsted. With parental choice being a key element of the Council's strategy, the fact that 94% of pupils get their first choice of school place is another significant achievement.
- 3.2 The natural assets of Cheshire East in terms of the beauty of the countryside and the wide geographical expanse have resulted in the

need for in excess of 150 school establishments. The Council is committed to ensuring that families have excellent educational opportunities as close to their own communities as possible. This makes the allocation of schools funding a complex and tricky task of balancing the amount of monies available against residents and school expectations. The proposed schools funding formula is a perfect example of constructive partnership working resulting in an excellent outcome, which strikes the right balance.

3.3 Following a consultation exercise with all head teachers, governors and business managers in September 2013, Cheshire East has worked closely with the Formula Working Group, a sub group of the Schools Forum, to develop a proposed formula which aims to minimise turbulence for schools.

3.4 The changes allowable by the Department for Education (DfE) for the 2014-15 Funding Formula are not as significant as in the previous year and in fact they reinforce some of the changes already made by Cheshire East in 2013-14. The proposals have been discussed and approved by the Schools Forum on 3 October 2013, and must be approved by Cabinet before final submission to the DfE by 21st January 2014.

4.0 Wards Affected

4.1 All wards are affected by the changes to the schools' funding formula.

5.0 Local Ward Members

5.1 All local ward Members will need to be aware of the changes for the schools in their ward.

6.0 Policy Implications

6.1 N/A

7.0 Financial Implications

7.1 The schools funding formula is the mechanism through which the Dedicated Schools Grant is delegated to schools. Cheshire East currently delegates 94% of funding to schools through the funding formula, retaining 6% held centrally to fund SEN placements in independent provision and out of borough.

8.0 Legal Implications

8.1 The Local Authority has the statutory responsibility to set the funding formula for schools, following consultation with the Schools Forum.

9.0 Risk Management

9.1 N/A

10.0 Background and Options

- 10.1 The Government are moving towards a National Funding Formula (NFF) due to be implemented in 2015 which will see more funding follow the pupil, with the same formula delivering funding to all schools, whether maintained or Academy. Significant changes were made to the Funding Formula for 2013/14 as part of the move towards the NFF.
- 10.2 Cheshire East fully implemented those changes, which meant the funding formula for schools changed significantly moving from a complex formula using 18 of a possible 27 factors to using 8 of a maximum of 12, resulting in more of the available Dedicated Schools Grant (DSG) being delegated through pupil led factors. Special Educational Needs (SEN) funding for pupils with low level needs has been redistributed through prior attainment factors rather than a complex assessment. Inevitably this has created some significant turbulence in individual schools budgets.
- 10.3 The formula can now include different lump sums for primary and secondary schools. Cheshire East set the lump sum at £130,000 for all schools last year, which was considered to be sufficient to protect smaller schools, and there is no proposal to change this.
- 10.4 Cheshire East chose to delegate general SEN funding into schools through a low cost, high incidence (LCHI) formula factor, which is based on prior attainment. The measurement of prior attainment differs for primary and secondary and both will change in 2014-15 increasing the number of pupils who will attract this funding. The large increase in the number of pupils triggering this funding means either the unit rate has to decrease, or £10m funding needs to be added to the LCHI pot, which would have to be taken from the lump sum.
- 10.5 During this financial year there has been a significant improvement in the strategic management of the High Needs funding block, resulting in reduced costs. In addition, the successful negotiation with DfE and the rectification of the post 16 High Needs students funding allocations has eased significantly the projected deficit on the non-schools block of DSG. Therefore the Local Authority is proposing to increase the overall amount available for distribution through the LCHI factor by £1.5m thus mitigating in part against the impact of the increase in identified pupils.
- 10.6 In addition to the general SEN funding delegated into schools budgets, schools are able to apply for Additional Whole School Support where the exceptional circumstances in that school mean there is insufficient funding to support the cohort of pupils with SEN. The applications are

made to the Formula Working Group. In 2013/14 there have been 5 applications to date for this additional funding; 3 have been declined and 2 have been approved.

- 10.7 Sparsity is a new optional factor for 2014-15 which has been introduced to enable local authorities to target funding to small rural schools. It is intended to be set at a level that would provide the additional funding required by small schools where per pupil funding alone is insufficient to sustain the school. Funding may only be targeted at schools that qualify under the DfE's sparsity criteria which measures the distance that pupils live from their second nearest school (150 in primary and 2 miles; 600 pupils secondary and 3 miles). In CEC, only 9 primary schools would qualify for sparsity funding:
- 10.8 The Schools Forum discussed the introduction of a sparsity factor with a limit of £50,000, tapered according to the size of the school; however it recognised that the sparsity factor does not effectively target all those schools which need help due to the criteria stipulated by the DfE. 36 Cheshire East primary schools have less than 150 pupils, and 3 secondary schools have less than 600 pupils, yet sparsity would only help 9 primary schools. Therefore it is proposed that rather than using the sparsity factor, the authority's proposal for rural proofing strategy be enhanced to enable the authority to support small rural schools.

11.0 Minimum Funding Guarantee

- 11.1 The Minimum Funding Guarantee will continue to apply at -1.5% (excluding the lump sum, post-16 funding, allocations from the High Needs Block, including those for named pupils with SEN, allocations made through the early years single funding formula and rates from the calculations).

12.0 Impact of Revised Funding Formula

- 12.1 It must be noted that data for 2014/15 is not yet available, so the proposals for the new funding formula have been modelled using restated 2013/14 pupil numbers and data. Actual data to be used in the 2014/15 formula will not be available till late December, at which point indicative 2014/15 individual school budgets can be produced.
- 12.2 Under the proposed revised funding formula for 2014/15, 98 of 124 primary schools, or 79%, will receive an increase in funding, and 13 of the 21 secondary schools, or 62%, will receive an increase in funding. The average increase in budgets for primary schools is 1.95%, with secondary schools receiving an average increase of 1.15%. 26 primary schools, or 21%, will face a decrease in their 2014/15 budgets. The average budget reduction for a primary school is -0.65%, whilst the average reduction for secondary schools is -0.55%.

13.0 Additional Information

- 13.1 Schools Forum have approved a new policy for clawback of surplus balances. Where a school holds balances of more than 8% (primary) and 5% (secondary) for 2 consecutive years, the surplus balance above that threshold will be automatically clawed back and returned to the schools funding block for distribution through the schools funding formula the following year. Balances at the end of 2012/13 were £12,955,592. The total amount of reserves above the 5% and 8% thresholds was £3,394,817.
- 13.2 Under the Scheme for Financing schools, any school that cannot set a balanced budget has to apply to the Director of Children's Services for permission to set a deficit budget. There were more than the usual number of deficit budget applications for 2013/14 which is a direct result of the changes made to the funding formula and subsequent reductions in school budgets. 12 schools were able to demonstrate that their budgets would come back into balance within 1 year and 2 further schools were able to come back into balance within 2 years. Only 3 schools were unable to demonstrate that their budgets would be able to come back into balance, and the local authority is working closely with them to further review their budgets.
- 13.3 The Local Authority will need to review how rural schools could be sustained in future, and what support could be given. The flexibility to use a sparsity factor under the National Funding Formula is not yet known, although the DfE will be consulting on proposals for the new formula in January. There are options for federation or collaboration, but this should be done on a targeted approach with the full support and co-operation of schools, governors and the Local Authority.

14.0 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

Cabinet

Date of Meeting: 10th December 2013
Report of: Chief Operating Officer
Subject/Title: Council Tax Base 2014/2015
Portfolio Holder: Cllr P Raynes, Finance

1.0 Report Summary

- 1.1 This report notifies Cabinet of the Council Tax Base for Cheshire East and identifies important changes to the calculation of the tax base for 2014/2015.

2.0 Recommendation

- 2.1 That Cabinet, in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, recommends to Council, the amount to be calculated by Cheshire East Council as its Council Tax Base for the year 2014/2015 as 137,548.53 for the whole area.

3.0 Reason for Recommendation

- 3.1 In accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992 Cheshire East Council is required to agree its tax base before 31 January 2014.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications

- 6.1 N/a

7.0 Financial Implications

- 7.1 The calculation of the taxbase contributes to the calculation of overall funding for Cheshire East Council in each financial year.

- 7.2 The continued replacement of Council Tax Benefit with Council Tax Support has the effect of reducing the taxbase, as reductions under this scheme are provided as a discount to Council Tax liability as opposed to a rebate (which was subsequently repaid to the Council via Central Government subsidy).

8.0 Legal Implications

- 8.1 In accordance with the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 as amended and Chapter 4 of the Council's Constitution, the calculation of the Council Tax Base is a matter for full Council following a recommendation by Cabinet.

9.0 Risk Management

- 9.1 Confirmation of the Council Tax base for 2014/2015 ensures that the statutory requirement to set the Tax Base is met.
- 9.2 Estimates contained within the Council Tax Base calculation, such as the loss on collection and caseload for Council Tax Support, will be monitored throughout the year. Any significant variation will be reflected in a surplus or deficit being declared in the Collection Fund which is then shared amongst the major precepting authorities.

10.0 Background

- 10.1 Cheshire East Council is required to approve its Tax Base before 31 January 2014 so that the information can be provided to the Police and Crime Commissioner and Cheshire Fire Authority for their budget processes. Details for each parish area are set out in **Appendix A**.
- 10.2 The Tax Base for the area is the estimated number of chargeable dwellings expressed as a number of Band D equivalents adjusted for an estimated number of discounts, exemptions, disabled relief and appeals plus an allowance for non-collection. A reduction of 1.25% is included in the Tax Base calculation to allow for anticipated levels of non-collection. Recently collection rates of 99% have been achieved over two years, but changes to Council Tax discounts, specifically the introduction of Council Tax Support, are having an impact on this indicator. Nationally Council's are seeing small reductions in collection rates, so the anticipated level of non-collection at Cheshire East has been increased from 1% to 1.25%. Processes to collect Council Tax in this area continue to be effective and will be reviewed throughout the year.
- 10.3 The Tax Base has been calculated in accordance with the Council's policy to offer no reduction for empty properties. However discretionary reductions will continue to be allowed, for landlords, under Section 13A of the Local Government Finance Act 1992 for periods of up to 8 weeks between tenancies. This is no change from 2013/2014.

- 10.4 The Tax Base includes an estimate for c.750 new homes to be built or brought back into use for 2014/2015.
- 10.5 The Council Tax Support Scheme is not set to change for 2014/2015 other than the usual CPI inflationary increases. A predicted increase in claimant numbers is likely to result in the requirement for additional support therefore an additional 1% allowance has been made available within the tax base to cover this increased demand.

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 A

COUNCIL TAX-TAX BASE 2014/2015

CHESHIRE EAST	BAND D EQUIVALENTS	TAX BASE 98.75%
Acton	118.30	116.82
Adlington	603.36	595.82
Agden	69.76	68.89
Alderley Edge	2,626.13	2,593.30
Alpraham	179.48	177.23
Alsager	4,267.16	4,213.82
Arclid	127.39	125.80
Ashley	154.01	152.08
Aston by Budworth	183.37	181.08
Aston-juxta-Mondrum	91.18	90.04
Audlem	892.27	881.12
Austerson	44.52	43.97
Baddiley	123.92	122.38
Baddington	57.26	56.55
Barthomley	95.86	94.66
Basford	87.66	86.57
Batherton	23.60	23.30
Betchton	252.41	249.25
Bickerton	116.44	114.98
Blakenhall	71.21	70.32
Bollington	2,974.92	2,937.73
Bosley	196.93	194.47
Bradwall	82.27	81.24
Brereton	561.29	554.27
Bridgemere	65.49	64.67
Brindley	67.34	66.50
Broomhall	88.50	87.39
Buerton	213.03	210.36
Bulkeley	122.77	121.23
Bunbury	617.02	609.31
Burland	279.17	275.68
Calveley	134.08	132.40
Checkley-cum-Wrinehill	44.04	43.49
Chelford	608.93	601.31
Cholmondeley	75.08	74.14
Cholmondeston	74.37	73.44
Chorley	258.92	255.68
Chorley (Crewe)	57.84	57.12
Chorlton	512.40	506.00
Church Lawton	859.16	848.42
Church Minshull	200.88	198.37
Congleton	9,486.87	9,368.28
Coole Pilate	26.18	25.86
Cranage	622.33	614.55
Crewe	12,713.03	12,554.12
Crewe Green	97.38	96.16
Disley	1,884.44	1,860.88
Dodcott-cum-Wilkesley	199.17	196.68
Doddington	18.06	17.84
Eaton	215.31	212.62
Edleston	36.97	36.51
Egerton	35.51	35.07
Faddiley	74.49	73.56
Gawsworth	811.67	801.52
Goostrey	1,064.94	1,051.62
Great Warford	451.68	446.04
Handforth	2,217.53	2,189.81
Hankelow	128.11	126.51
Haslington	2,353.54	2,324.12
Hassall	109.61	108.24
Hatherton	176.59	174.39
Haughton	100.11	98.85
Henbury	336.76	332.55
Henhull	26.43	26.10
High Legh	885.32	874.25
Higher Hurdsfield	325.20	321.13
Holmes Chapel	2,426.90	2,396.56
Hough	341.88	337.60
Hulme Walfield & Somerford Booths	157.85	155.88
Hunston	81.15	80.13
Hurleston	31.36	30.97

COUNCIL TAX-TAX BASE 2014/2015

CHESHIRE EAST	BAND D EQUIVALENTS	TAX BASE 98.75%
Kettleshulme	165.92	163.85
Knutsford	5,693.77	5,622.60
Lea	24.26	23.96
Leighton	1,489.11	1,470.50
Little Bollington	82.28	81.25
Little Warford	38.42	37.94
Lower Peover	73.03	72.11
Lower Withington	302.31	298.53
Lyme Handley	71.04	70.15
Macclesfield	17,650.03	17,429.40
Macclesfield Forest/Wildboardclough	107.36	106.02
Marbury-cum-Quoisley	119.40	117.91
Marton	107.51	106.16
Mere	437.50	432.04
Middlewich	4,471.25	4,415.35
Millington	103.93	102.63
Minshull Vernon	125.74	124.17
Mobberley	1,432.82	1,414.90
Moston	178.14	175.92
Mottram St Andrew	394.21	389.29
Nantwich	5,018.59	4,955.85
Nether Alderley	377.53	372.81
Newbold Astbury-cum-Moreton	345.13	340.81
Newhall	355.14	350.70
Norbury	94.59	93.41
North Rode	122.62	121.08
Odd Rode	1,928.35	1,904.25
Ollerton with Marthall	312.41	308.50
Over Alderley	210.80	208.17
Peckforton	70.18	69.30
Peover Superior	399.81	394.81
Pickmere	364.49	359.94
Plumley with Toft and Bexton	391.10	386.21
Poole	66.39	65.56
Pott Shrigley	150.69	148.81
Poynton with Worth	5,785.25	5,712.94
Prestbury	2,150.94	2,124.06
Rainow	588.42	581.06
Ridley	73.51	72.59
Rope	809.14	799.03
Rostherne	78.87	77.88
Sandbach	6,539.19	6,457.45
Shavington-cum-Gresty	1,599.68	1,579.68
Siddington	181.99	179.71
Smallwood	295.92	292.22
Snelson	79.91	78.92
Somerford	190.62	188.24
Sound	102.27	100.99
Spurstow	188.58	186.22
Stapeley	1,375.59	1,358.40
Stoke	109.02	107.66
Styal	369.68	365.06
Sutton	1,131.91	1,117.76
Swettenham	166.65	164.56
Tabley	207.46	204.87
Tatton	10.69	10.56
Twemlow	104.44	103.14
Walgherton	59.50	58.75
Wardle	51.57	50.93
Warmingham	118.35	116.87
Weston	901.14	889.88
Wettenhall	118.92	117.43
Willaston	1,267.51	1,251.66
Wilmslow	11,131.48	10,992.34
Windle	95.53	94.34
Wirswall	41.18	40.66
Wistaston	2,977.83	2,940.61
Woolstanwood	245.83	242.76
Worleston	109.78	108.41
Wrenbury	441.98	436.45
Wybunbury	597.42	589.96
	139,289.65	137,548.53

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