

Cabinet Agenda

Date: Tuesday, 1st July, 2014
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 - 6)

To approve the minutes of the meeting held on 27th May 2014.

6. **Notice of Motion - Blacklisting of Workers** (Pages 7 - 10)

To consider and respond to a motion in relation to the blacklisting of workers by companies bidding for Council contracts.

7. **2013/14 Final Outturn Review of Performance** (Pages 11 - 78)

To consider a report on the 2013/14 Final Outturn Review of Performance.

8. **Cheshire East Putting Residents First Fund** (Pages 79 - 82)

To consider a report on the establishment of a Putting Residents First Fund.

9. **Council Tax Exemption for Foster Carers (Ref CE 14/15-2)** (Pages 83 - 86)

To consider a proposal that all Cheshire East foster carers are exempted from the payment of Local Authority Council tax.

10. **Dementia Commissioning Plan** (Pages 87 - 98)

To consider a report on the Council's Commissioning Plan for Dementia.

11. **Mountview Services Review - Block Purchasing Respite Provision in the Independent Sector (Ref CE 14/15-3)** (Pages 99 - 102)

To consider a report on the commissioning of residential respite care.

12. **Strategic Housing - Delivering Affordable Housing Provision (Ref CE 13/14-91)** (Pages 103 - 124)

To consider a report which brings forward policies to help stimulate and accelerate the development of affordable homes.

13. **Variation to Determined Admission Arrangements (Ref CE 14/15-8)** (Pages 125 - 136)

To consider a report on new guidance issued by the Department for Education, recommending that admission authorities give the highest priority in their arrangements to all children adopted from care who are of school age.

14. **Terms of Voluntary Redundancy and Voluntary Early Retirement** (Pages 137 - 142)

To review the terms that the Council offers to employees volunteering for redundancy/early retirement.

15. **Contract for the Supply of Salt for Winter Gritting (Ref CE 13/14-90)** (Pages 143 - 146)

To consider a report outlining the options available to the Council for the re-procurement of a salt supplier.

16. **Procurement of Dry and Frozen Food Products (Ref CE 13/14-92)** (Pages 147 - 150)

To consider a report on the procurement of dry and frozen food products.

17. **Farms Estate - Strategic Opportunity to Purchase Land** (Pages 151 - 156)

To consider a proposal to acquire land in connection with the County Farms Estate.

THERE ARE NO PART 2 ITEMS

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CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Cabinet**
held on Tuesday, 27th May, 2014 at Committee Suite 1,2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor M Jones (Chairman)

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

Members in Attendance

Councillors Rhoda Bailey, A Barratt, G Baxendale, L Brown, K Edwards,
M Grant, P Groves, B Livesley, R Menlove, A Moran, B Murphy, D Newton,
L Smetham, A Thwaite and J Wray

Officers in Attendance

Peter Bates, Lorraine Butcher, Anita Bradley, Heather Grimbaldeston,
Barbara Dale and Paul Mountford

Apologies

Councillor David Brown and Mike Suarez

1 DECLARATIONS OF INTEREST

Councillor A Moran declared a non-pecuniary interest in Item 6 on the agenda, relating to single person discounts for Council Tax.

2 PUBLIC SPEAKING TIME/OPEN SESSION

A Mr Wainwright asked what would happen with regard to the land required for the proposed Congleton Link Road if the Council did not receive the necessary funding for the scheme. The Leader replied that if the funding were not received the scheme would be cancelled. However, he was confident that the scheme was fundable and he expected an announcement on funding for a number of the Council's infrastructure projects in the summer.

3 QUESTIONS TO CABINET MEMBERS

Councillor L Smetham asked for an update on gypsy and traveller provision. The Leader referred to a briefing circulated recently to all members of the Council regarding work commissioned to determine the need for permanent transit site provision and to identify suitable sites. The Cabinet would be bringing forward proposals for a transit site as soon as possible. It was anticipated that a planning application would be brought forward by the autumn.

Councillor K Edwards referred to reports in the press that some local authorities were considering a model of care for the protection of children based on the wholly-owned company model. He asked if there were any plans to change the pattern of childcare provision and protection at Cheshire East. The Leader replied that no proposals had come forward for consideration by the Cabinet and that while the wholly-owned company model worked well in many areas, he was personally doubtful about the use of the model for the delivery of care services. He added that safeguarding services should be provided by the Council's in-house social workers.

Councillor Edwards also referred to the statement made by the Leader at the Annual Council meeting regarding the Council's engagement with and support of people living with dementia, their families and carers. He asked if the Council's thinking had since moved forward in this area. The Leader replied that this was a significant issue for Cheshire East and that the Cabinet would be bringing forward proposals in the summer.

Councillor L Brown asked if there were likely to be any more resources to support the work of the voluntary, faith and community sector which provided assistance for many vulnerable people within the community. The Leader agreed on the need to support the sector and referred to the Council's budget surplus for the year, suggesting that it might be appropriate to pass this back to people.

Councillor Rhoda Bailey asked if there had been any progress with regard to the future use of the Lyme Green site at Macclesfield. The Leader replied that the Council was waiting to hear from a local business that was thinking of moving onto the site. Both Councillor Bailey and the local parish council would be informed once the final position was known.

Councillor R Menlove asked if there were any plans for the Council to investigate the funding available to exploit coal-bed methane in Cheshire East after a neighbouring authority had incurred substantial costs in conducting a similar investigation. The Leader replied that he would look to the Government or private sector to fund any such investigations and not the taxpayers of Cheshire East.

Councillor B Murphy asked when the political group leaders would meet to resolve the outstanding issue of the new Deputy Cabinet Member posts and their proposed remuneration. The Leader replied that this would happen very soon.

Councillor Murphy also asked why the Cabinet was not willing to enhance the role of the Macclesfield Local Service Delivery Committee. The Leader replied that the Council would not prejudge the outcome of the Macclesfield Community Governance Review and would wait until the preferences of local people were known regarding future governance arrangements for Macclesfield.

4 MINUTES OF PREVIOUS MEETING

RESOLVED

That the minutes of the meeting held on 29th April 2014 be approved as a correct record.

5 NOTICE OF MOTION - SINGLE PERSON DISCOUNT

Cabinet considered the following motion which had been moved by Councillor S Corcoran and seconded by Councillor M Sherratt at the Council meeting on 10th April 2014 and referred to Cabinet for consideration:

“This Council supports the proposals of the Local Government Association for reforming the single person discount. Under the plans, councils would have the flexibility to adjust the discount for working people living alone in large homes – rated council tax band E and above. Discounts for single people in smaller homes and all pensioners would remain protected.”

The motion had followed a press release on the matter by the Local Government Association on 17th March 2014.

Whilst it was recognised that the flexibility to restrict single person discounts would remain at the discretion of the Council it was felt that the proposal was not appropriate for Cheshire East for the following reasons:

- § The claim that Band E property is considered a large home was not substantiated in relation to the tax base in Cheshire East.
- § Welfare data confirmed that some single residents in Band E properties were themselves considered on lower incomes, and received Council Tax Support. The number of such cases could increase if Council Tax charges were increased by 33% following the removal of the discount.
- § Taxpayers currently affected by recent Council Tax Support reductions would be further impacted by a reduction in discount.
- § The proposals would present an unwelcome impact on families where children still resided with a single parent.
- § Taxpayers who have adaptations to their property to accommodate a disability currently received a reduction in council tax. The removal of single person discount would increase their council tax above the pre-disabled reduction level.
- § Council Tax legislation also provided for reductions of 25% for households where more than one person resided but the other resident

was 'disregarded'. A number of inequities could arise if single person discount were removed in isolation.

- § There was unlikely to be any impact from the proposal that would make better use of existing housing stock.

Councillor S Corcoran was unable to attend the meeting but Councillor D Newton spoke on his behalf.

RESOLVED

That Cabinet does not support the motion for the reasons set out above.

6 SCHOOL ORGANISATION SUB COMMITTEE - DECISION-MAKING PROCEDURE

Cabinet considered proposed changes to the procedure for considering statutory school reorganisation proposals and decisions on non-statutory education reorganisation proposals which attracted objections.

Changes were now proposed to the formal procedure to comply with the most recent DfE guidance. The proposed change was intended to provide an equal opportunity for proposers and objectors to question each other's case or to provide oral responses, as appropriate, in the interests of transparency. This had been a recommendation of the School Organisation Sub-Committee at its meeting on 19th September 2013. The proposed procedure was attached as Appendix 2 to the report.

RESOLVED

That the proposed procedure for considering statutory school reorganisation proposals and decisions on non-statutory education reorganisation proposals which attract objections, as set out in Appendix 2 to the report, be approved.

7 VULNERABLE AND OLDER PEOPLE'S HOUSING STRATEGY

Cabinet considered a report seeking the ratification of a Vulnerable and Older People's Housing Strategy for Cheshire East Council.

The report summarised the nature of the Strategy, its construction, and the findings of the Strategy's consultation process.

The Strategy championed a holistic and integrated approach towards improving the prospects and well-being of vulnerable and older people, seeking to unite the work of the Council, community partners and providers in a concerted direction. Extensive liaison had taken place across Adults' Services, Children's Services, Public Health, Housing and Planning to ensure that the Strategy reflected the priorities and initiatives of those services.

RESOLVED

That the Vulnerable and Older People's Housing Strategy and action plan, as appended to the report, be ratified and become operative for Cheshire East Council.

8 CONGLETON LINK ROAD - PREFERRED ROUTE ASSESSMENT AND NEXT STEPS

Cabinet considered a report which highlighted the findings of the recent public consultation on the proposed Congleton Link Road, recommended a preferred route for the road and sought approval to undertake the further work necessary to submit a planning application for the scheme.

The proposed Link Road was a key component of the Council's economic growth strategy and new Local Plan, enabling job creation, delivering housing growth and addressing longstanding traffic congestion and environmental issues in the town.

RESOLVED

That Cabinet

1. notes the findings of the Public Consultation report;
2. approves the findings of the Preferred Route Assessment report, namely that a modified hybrid of the Red and Purple routes be taken forward as the preferred route;
3. approves that the necessary steps are taken to protect the preferred route shown in Annex A from future development including introducing the necessary modifications (as a minor amendment) to the submission draft of the Local Plan Core Strategy at the earliest opportunity; this protection also to apply to the linking spur roads to Radnor Park and Congleton Business Park;
4. authorises the Director of Economic Growth and Prosperity in consultation with the Portfolio Holder and other relevant Cabinet members to determine the proposed boundaries of the 'strategic locations' as set out in the submission draft of the Core Strategy to reflect the preferred route as the boundary of development;
5. approves a minor amendment to the submission draft of the supporting Policy Principles document of the Local Plan (Policy C0 2) to specify that the protected route status of the proposed new highway will extend to 100m either side of the proposed new centre line;
6. approves that the alignment of the preferred route and spur roads be further developed and notes the costs of the project development to

enable the submission of a planning application and further development of the business case and that the professional support required for this is provided by Jacobs through the Highways Contract with Ringway Jacobs;

7. approves that officers commence detailed discussions immediately with affected landowners, local residents, businesses, parish councils and recognised community groups to refine the design details (including access arrangements and traffic management measures) and that supplementary formal consultation be undertaken to inform planning submission material;
8. approves that a 'pre-planning application' consultation be held and that the details and arrangements be delegated to the Head of Strategic Infrastructure in consultation with the Portfolio Holder;
9. notes the anticipated programme for the next stage of work;
10. delegates authority to the Director of Economic Growth and Prosperity to authorise entering into licences for the purpose of gaining access to third party land for the purpose of carrying out surveys or, in the event that the use of a licence is not possible or appropriate, to authorise the use of the Highway Authority's powers to gain access to land pursuant to ss289-290 of the Highways Act 1980; and
11. agrees in principle that a capital provision be identified in 2015/16 to make allowance for possible acquisition of land/blight claims subject to a more detailed business case.

The meeting commenced at 2.00 pm and concluded at 3.20 pm

M Jones (Chairman)

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	1 st July 2014
Report of:	Head of Legal Services and Monitoring Officer
Subject/Title:	Notice of Motion - Blacklisting of Workers
Portfolio Holder:	Councillor J Paul Findlow, Governance

1.0 Report Summary

- 1.1 The Council resolved at its meeting on the 10th April 2014 that a motion concerning the use of blacklists be amended and referred to Cabinet. This report facilitates Council's referral.

2.0 Recommendations

- 2.1 That Cabinet
- i) Fully endorse the motion referred by the Council that Cheshire East Council deplores the practice of blacklisting carried out by some building and construction companies, which have denied employment to workers who were carrying out legitimate trade union activities such as health and safety representatives and the Cabinet, subject to the legal requirements incumbent on a public authority, will not work with such companies.
 - ii) Make clear to all construction companies bidding for Council contracts that any unlawful blacklisting of workers will not be tolerated

3.0 Reasons for Recommendations

- 3.1 To enable Cabinet to consider the matter raised in the motion.

4.0 Wards Affected

- 4.1 All wards

5.0 Local Ward Members

- 5.1 All Ward Members

6.0 Policy Implications

- 6.1 There are no immediate policy implications in relation to blacklisting.

6.2 The Council has developed a clear policy as part of its procurement process to identify via the Pre Qualification Questionnaire whether any bidders have breached legislation such as the Blacklisting Regulations

6.3 The Council also has a policy of including compliance with legislation, which includes the Blacklisting Regulations in contract terms and conditions and has a policy of regularly reviewing the same.

7.0 Implications for Rural Communities

7.1 All similarly affected

8.0 Financial Implications

8.1 No direct financial implications

9.0 Legal Implications

9.1 The background to the Employment Relations Act 1999 (Blacklist) Regulations 2010 "Blacklisting Regulations" is set out in section 11. In summary the Regulations draw on and extend existing legislation to protect employees who are discriminated against because of their current or prior Trade Union Membership.

9.2 The Blacklisting Regulations stipulate that it is illegal to discriminate in relation to the employment of an individual simply because of their current or prior membership of a trade union. In particular the Regulations:

- Make it unlawful for organisations to refuse employment to or to dismiss any individuals because they appear on a blacklist
- Make it unlawful for employment agencies to refuse to provide a service on the basis that an individual appears on a blacklist
- Make it unlawful to compile, use, sell, or supply blacklists containing details of people who are, or were, trade union members, or who are taking part, or have taken part, in trade union activities, where the blacklist may be used by employers to discriminate in relation to the recruitment or treatment of existing workers.

10.0 Risk Management

10.1 The content of this report aims to mitigate the following risks:-

Key Risks

- That Cheshire East Council fails to properly develop, implement

and demonstrate an effective procurement and contracting framework which ensures that its suppliers comply with Employment Relations Act 1999 (Blacklist) Regulations 2010 impacting upon its objective of being a responsible organisation and resulting in possible reputational damage.

- That Cheshire East Council fails to take action if it becomes aware that a supplier breaches the Employment Relations Act 1999 (Blacklist) Regulations 2010 resulting in possible reputational damage to the Council.

11.0 Background and Options

11.1 A motion titled Blacklisting of Workers was proposed to Council on 10th April 2014 by Councillor Roy Cartlidge and Seconded by Councillor Sam Corcoran.

11.2 The content of the Motion was as follows:

“Cheshire East Council deplores the practice of blacklisting carried out by some building and construction companies, which have denied employment to workers who were carrying out legitimate trade union activities such as health & safety representatives. In noting the Prime Minister’s comments that blacklisting is ‘a completely unacceptable practice, and the previous government were right to bring in legislation to make it unlawful.’

Council resolves:

To make clear to all construction companies bidding for Council contracts that any unlawful blacklisting of workers will not be tolerated.”

11.3 In accordance with the Council’s Procedure rules within the Constitution, Council resolved that this matter stand referred to Cabinet.

11.4 In March 2009 the Information Commissioner’s Office raided the offices of the Consulting Association (TCA) and exposed the existence of a blacklist containing the details of 3,213 construction workers including active union members and shop stewards, health and safety representatives and political activists which appears to have been used by over 40 UK construction companies for employment vetting purposes.

11.5 The Blacklisting Regulations and related guidance are silent in respect of third parties, such as the Council, who enter into contracts with companies who have compiled or used blacklists and there is no other legislation which covers this aspect.

- 11.6 Therefore the Council has developed its own provisions within its procurement procedure to identify whether any potential bidders have breached the Blacklisting Regulations.
- 11.7 The Council has checks and balances in place to ensure that it remains vigilant when entering into contracts to ensure that it does not do so with contactors who have breached The Blacklisting Regulations and the Cabinet endorses this continued approach.

12.0 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:	1 st July 2014
Report of:	Chief Operating Officer (Section 151 Officer)
Subject/Title:	2013/14 Final Outturn Review of Performance
Portfolio Holders:	Cllr. Peter Raynes, Finance; Cllr. Barry Moran, Performance

1.0 Report Summary

- 1.1. This report sets out the Council's improved overall performance for 2013/14. The Council's strong financial position reflects its enhanced governance, innovative delivery arrangements and effective stewardship of public money. Its pre-audited accounts for 2013/14 report an underspend of £0.897m, (0.35%), compared to an approved revenue budget of £260m. The overall financial health, performance and resilience of Cheshire East Council is strong despite taking £50m out of its cost base from 2011/12.
- 1.2. Cheshire East is the third largest Council in the Northwest of England, responsible for over 500 services, supporting over 370,000 local people. Annual spending is more than £750m. The complexity of customer demands and the size of the organisation make it very important to manage performance and control expenditure to ensure the best outcomes for residents and businesses.
- 1.3. The Council's journey to becoming a strategic commissioning council is now well developed and 2013/14 was the first year of the Council's 3 year plan and commitment. An ambitious but measured approach is being taken to achieving the Council's aims whilst effectively dealing with the challenges of austerity. This approach provides a platform to redefine and reinvent the Council in a systematic way. The Council's focus is to deliver a high level of sustainable, quality, and cost effective services that are needed by Cheshire East residents and businesses.
- 1.4. The Council's philosophy is about more than simply reducing costs through arranging cheaper provision or about traditional outsourcing. New approaches to service delivery are being developed to get the best from in-house services. These include joint ventures between the Council and other providers, and new delivery vehicles including Council owned and controlled companies, social enterprises and Trusts
- 1.5. The 3 year plan sets out the purpose of the Council, the main outcomes it wants to achieve – putting residents and businesses first. The framework sets clear objectives and targets for action and shows how the Council will measure its performance and manage any risks to achieving its targets. A summary of the plan is shown below. This repeated, in a more readable form, on page 37.



- 1.6. During 2013/14 the Council has accelerated its programme of significant change and innovation. The Council's review of its management structure, roles and responsibilities, completed in early 2014 is a significant step forward.
- 1.7. On 1st July 2014 Cabinet will recommend the creation of new reserves of £12.4m to Council. This increase will secure the overall level of reserves considered sufficient to continue to protect the Council against its assessed financial risks as well as providing opportunities for future investment in its identified priorities. It is now well placed to meet the challenges set out in its medium term financial strategy that was approved at Council in February 2014.
- 1.8. In addition to its strong financial performance the Council can also reflect on a large number of operational successes throughout 2013/14. Some highlights include:
- Strong service performance in key areas including:
 - success in attracting new businesses places it as only one of three hot spots outside London for new business creation;
 - now the best performing council in the North West, (and one of the best overall), in decreasing the number of young people classed as not in education, employment or training (NEET);
 - highest ever number of good and outstanding schools - 87.3%;
 - adoption timeliness and outcomes have improved;
 - Adult Social Care (ASC) project launched to redesign assessment and care management responsibilities;
 - developed a compelling business case for Crewe as a HS2 Hub station, providing high-speed connectivity to London but, more critically, the potential to drive major growth and regeneration benefits for Crewe and the wider region;
 - recycling rates increased to an all time high of 54%;
 - collecting over 99% of Council Tax and Business Rates within three years – collection rates amongst the top third of all unitary councils;
 - successful completion of circa £65m capital programme; and

- rolling out superfast broadband across the sub-region through the £28.5m 'Connecting Cheshire' project.

1.9. The attached report, Annex 1, sets out further details of how the Council achieved the best outturn in relation to performance and revenue and capital budgets since it became a unitary authority in 2009. It is structured into three sections:

Section 1 Summary of Council Performance - brings together the positive impact that service performance, the change management programme and financial performance have had on the 5 Outcomes in the Council's 3 Year Plan.

Section 2 Financial Stability - provides an update on the Council's overall financial position. It demonstrates how spending in 2013/14 has been funded, including the positions on overall service budgets, grants, council tax and business rates, treasury management, centrally held budgets, and the management of the Council's reserves.

Section 3 Workforce Development, provides a summary of the key issues relating to the Council's workforce development plan.

2.0 Recommendations

2.1 Cabinet is asked to consider and comment on the outturn review of 2013/14 performance, (pre-audit), in relation to the following issues:

- the summary of performance against the Council's 5 key outcomes (**Section 1**);
- the final service revenue and capital outturn positions, overall financial stability of the Council, and the impact on the Council's reserves position (**Section 2**);
- the achievement of the overall capital programme (**Section 2, paragraphs 134 to 144 and Appendix 4**);
- supplementary capital estimates and virements up to £250,000 in accordance with Finance Procedure Rules (**Appendix 5**);
- reductions to Capital Budgets (**Appendix 7**);
- treasury management investments and performance (**Appendix 8**);
- the Council's invoiced debt position (**Appendix 10**);
- the workforce development and staffing update (**Section 3**).

2.2 Cabinet is asked to approve:

- supplementary capital estimates and virements over £250,000, in accordance with Finance Procedure Rules, (**Appendix 6**);
- an amendment to the approved Capital Programme regarding the funding requirement for the A500 / Junction 16 Widening Scheme with £1.1m to be financed from Council resources, (**Section 2, paragraphs 135 – 138**).

2.3 Cabinet is asked to request Council approval for:

- the creation of earmarked reserves of £12.4m as set out in **Appendix 9**.

3.0 Reasons for Recommendations

- 3.1 The Council's quarterly reporting structure provides forecasts of a potential year-end outturn. This final report for 2013/14 highlights the Council's achievements against its planned outcomes.
- 3.2 The overall process for managing the Council's budget, promoting value for money and complying with its Finance Procedure Rules, ensure that any changes that become necessary during the year are properly authorised. This report sets out those areas where any further approvals are now required.
- 3.3 This strong approach to budget management will continue into business planning for 2015/16, and the Corporate Overview and Scrutiny Committee will be considering progress on 21st July 2014. This is earlier than in previous years, reflecting the ongoing improvement in processes and financial control.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications

- 6.1 Performance management supports delivery of all Council policies. The final outturn position, ongoing considerations for future years, and the impact on general reserves will be fed into the assumptions underpinning the 2015/18 medium term financial strategy.

7.0 Financial Implications

- 7.1 The Council's financial resources are aligned to its priorities and provide funding to support the achievement of agreed outcomes for local residents and communities. Monitoring and managing performance helps to ensure that resources are used effectively and that business planning and financial decision making are made in the right context of performance – to achieve better outcomes from an appropriate cost base.

8.0 Legal Implications

- 8.1 Although the Council is no longer required to report to Government on its performance against measures in the National Indicator Set, monitoring and reporting on performance is essential if decision-makers and the public are to be assured of adequate progress against declared plans and targets.

9.0 Risk Management

- 9.1 Performance and risk management are part of the management processes of the Authority. Risks are captured both in terms of the risk of underperforming and risks to the Council in not delivering its objectives for its residents, businesses, partners and other stakeholders. Risks identified in this report will be used to inform the Corporate Risk Register.

- 9.2 Financial risks are assessed and reported on a regular basis, and remedial action taken if and when required. Risks associated with the achievement of the 2013/14 budget - and the level of general reserves - were factored into the 2014/15 financial scenario, budget and reserves strategy that was approved by Council in February 2014.

10.0 Access to Information

- 10.1 The background papers relating to this report can be inspected by contacting:

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Designation:	Chief Operating Officer, (Section 151 Officer)
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Final Outturn Review of Performance 2013/14

July 2014

Introduction – Putting Residents First

This report demonstrates that the overall performance, financial health and resilience of Cheshire East Council is strong. It is the third largest Council in the Northwest of England, supporting over 370,000 local people with annual spending of more than £750m. The Council continues to strive for further improvements across all aspects of the 500+ services that it is responsible for - delivering more for less.

Central Government's commitment to reduce the high levels of national debt has contributed to local government going through a period of unprecedented change and financial challenge. Cheshire East Council's response continues to be based on innovation and creativity. The Council also continues to be relentless in its pursuit of greater efficiency and productivity to enable it to deliver a high level of sustainable, quality services for a lower overall cost.

Our commissioning intentions to develop better ways to achieve the Council's five stated outcomes by using a mix of delivery mechanisms is continuing to gain momentum. The Council's philosophy is about much more than simply reducing costs through arranging cheaper provision or about traditional outsourcing. Our new approaches and range of service delivery mechanisms will all have a more commercial and 'Resident First' outlook.

The Council's strong financial position reflects its enhanced governance, innovative delivery arrangements and effective stewardship of public money. There are many challenges ahead but the pre audit outturn for 2013/14 highlights the best ever overall financial and operational performance for Cheshire East Council. Given the national context and austerity challenge the results achieved in 2013/14 are even more impressive.

PJ Bates

Peter Bates CPFA CIPD MBA

Chief Operating Officer (Section 151 Officer)

To support openness and transparency the report has three main sections, to provide background and context, and then ten supporting annexes with detailed information about allocation and management of public money during 2013/14:

Section 1 provides a summary of council performance and brings together service achievement highlights against the 5 Outcomes in the Council's three year plan.

Section 2 provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2013/14 has been funded, including the positions on overall service budgets, grants, council tax, and business rates, treasury management, centrally held budgets and the management of the Council's reserves.

Section 3 provides a summary of the issues relating to the Council's workforce development plan.

- **Appendix 1** shows the Three Year Council Plan.
- **Appendix 2** explains changes since the Third Quarter Review.
- **Appendix 3** shows the closing position for Corporate Grants.
- **Appendix 4** shows the revised Capital Programme expenditure.
- **Appendix 5** lists approved Supplementary Capital Estimates and Virements up to £250,000.
- **Appendix 6** lists requests for Supplementary Capital Estimates over £250,000.
- **Appendix 7** lists Capital Budget reductions.
- **Appendix 8** provides details of Treasury Management investments.
- **Appendix 9** lists Earmarked Reserves.
- **Appendix 10** analyses the position on Outstanding Debt.

This report receives scrutiny and approval from members of Cheshire East Council. As a public report, anyone can provide feedback to the information contained here.

Anyone wanting to comment can contact the Council at:
shapingourservices@cheshireeast.gov.uk

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2013/14 Final Revenue Outturn Summary

2013/14 Final Outturn (GROSS Revenue Budget £631.8m)	Revised Budget (NET) £m	Final Outturn Position £m	Over / (Underspend) £m	Change from TQR £m	For further information please see the following sections
Commissioning Services					
Children & Families	56.6	56.0	-0.6	-0.5	Section 1 - Paragraphs 31 - 38
Adult Social Care	93.3	92.6	-0.7	-1.1	Section 1 - Paragraphs 78 - 85
Public Health	-	-	-	-	Section 1 - Paragraphs 86 - 87
Environmental Protection & Enhancement	38.1	38.5	0.4	0.1	Section 1 - Paragraphs 13, 50 - 52
Public Protection & Enforcement	-0.4	0.8	1.2	-0.2	Section 1 - Paragraph 10
Economic Growth & Prosperity	13.2	13.0	-0.2	0.3	Section 1 - Paragraphs 11 - 13
Communities	11.8	11.6	-0.2	0.7	Section 1 - Paragraph 10
Chief Operating Officer					
Assets	17.9	16.6	-1.3	-1.5	Section 1 - Paragraphs 94 - 95
Comm.Strategy, Business Improvement & Performance	19.5	18.4	-1.1	-0.8	Section 1 - Paragraph 98, 103
Organisational Development	4.5	3.3	-1.2	-1.0	Section 1 - Paragraph 102
Monitoring Officer	1.7	1.7	0.0	-0.1	Section 1 - Paragraph 104
Governance & Democratic Services	4.1	4.1	0.0	-0.1	Section 1 - Paragraph 104
Total Services Net Budget	260.3	256.6	-3.7	-4.2	
CENTRAL BUDGETS					
Specific Grants	-16.3	-20.2	-3.9	-2.2	Section 2 - Paragraphs 111 - 116
Capital Financing	11.9	11.0	-0.9	0.0	Section 2 - Paragraphs 145 - 147
Capital related costs	0.0	3.2	3.2	3.2	Section 2 - Paragraph 154
Contingencies / Central budgets	5.6	3.8	-1.8	-1.5	Section 2 - Paragraphs 151 - 153
Relocation costs repayment	0.0	0.5	0.5	-0.1	Section 2 - Paragraph 152
Supplementary estimates inc LGO pay award	-1.5	0.0	1.5	0.0	Section 2 - Paragraphs 155 - 156
Pension Contributions reserve		0.2	0.2	0.2	Section 2 - Paragraph 152
NNDR Deficit reserve		1.9	1.9	1.9	Section 2 - Paragraph 154
Add to Investment Reserve		2.1	2.1	2.1	Section 2 - Paragraph 154
Invest to Save Reserve	-0.2	-0.2	0.0	0.0	
Total Central Budgets	-0.5	2.3	2.8	3.6	
TOTAL NET BUDGET	259.8	258.9	-0.9	-0.6	
	Planned Contribution 2013/14 £m	Forecast Quarter 3 £m	Variance Actual Quarter 4 £m	Impact on reserves Final Outturn £m	
Impact on Reserves	0.0	0.3	0.9	0.9	
General Reserves Balance	2013/14 Budget £m	Final Outturn £m			
Opening Balance April 2013	13.2	Actual	18.9		Section 2 - Paragraphs 160 - 171
2013/14 Impact on Reserves (see above)	0	Forecast	0.9		
Closing Balance March 2014	13.2	Forecast	19.8		

Overview of Performance ~ Putting Residents First

ACHIEVING THE COUNCIL'S FIVE OUTCOMES

Cheshire East Council provides more than 500 services, supporting over 370,000 residents, and over 17,500 businesses.

In 2013/14 the senior leadership team has been fully appointed to permanent posts, following significant restructuring, to deliver:

1 ~ Our local communities are strong and supportive

- 16.2% reduction of first time entrants to the Youth Justice System, and reduction in the total number of young people committing offences from 427 in 2012/13 to 358 in 2013/14
- Reduction in persistent absentees in Cheshire East primary schools, from 4.3% in 2011 to 2.5% in 2013 (lowest compared to statistical neighbours). Over the same period percentage for secondary schools has also fallen significantly from 9.5% to 6.0% (less than average)
- Rural proofing has now been adopted
- "School uniform swap" scheme set up to save parents up to £170,000
- Leisure Service volunteers are on track to increase by 10%

2 ~ Cheshire East has a strong and resilient economy

- Local Sustainable Transport Fund programme has delivered a number of schemes, including the 1st phase of the Crewe to Crewe Station multiuser route, the Cranborne Fields pedestrian and cycle link and the improvement of 19 bus stops as part of the One Link bus service
- The successful Connecting Cheshire Broadband project, worth £28.5m, is the fastest rollout of fibre broadband across the country and is on target to meet 96% connectivity by 2016
- Success in attracting new businesses places the Borough as only one of three hot spots outside London for new business creation
- Developed a compelling business case for Crewe as a HS2 Hub station, providing high-speed connectivity to London and driving major growth and regeneration benefits for Crewe and the wider region
- Latest publication shows a 9% increase in the value of tourism
- 100 kilometres of road re-surfacing completed

3 ~ People have the life skills and education they need in order to thrive

- Significant reduction for those not in education, employment or training (NEET), from 5.3% (598) as at April 2013 down to 3.5% (397) as at April 2014. Cheshire East is the best performing council in the North West (and one of the best overall) in this work
- The number of good and outstanding schools in Cheshire East is the highest it has ever been at 87.3% overall
- Childcare options for two year olds have been increased

4 ~ Cheshire East is a green and sustainable place

- Tonnage of materials re-used has increased from our 2012/13 baseline of 977 to 1,116 tonnes in 2013/14, ahead of target (1,000 tonnes)
- Collective energy switching has saved participants over £125 each
- Recycling rates increased to an all time high of 54%

5 ~ People live well and for longer

- Total leisure service usage and attendances averaged a 4% increase on the previous year
- The level of long term empty homes across Cheshire East has fallen to 1.18% of the housing stock, and direct action by the Authority has brought 60 more properties back into use
- Adoption timeliness and outcomes have improved, with 32 children adopted by the end of March 2014 – an increase from 26 in the previous year. The number of new adopters increased from 18 to 31.
- Adult Social Care (ASC) project launched to redesign assessment and care management responsibilities
- Junior participation in sport is up 5% compared to last year
- 89% of users surveyed agreed Care4CE has helped to improve their quality of life

FINANCIAL STABILITY

Cheshire East Council is achieving outcomes based on sound financial management. In 2013/14 the Council operated on an annual budget of more than £750m.

- At Outturn an **overall underspend of £0.9m** compared to budget is reported (this follows the Mid Year Review and Three Quarter Year Review which had already demonstrated significantly better budget management compared to previous years)
- The underspend, of just 0.3%, provides clear evidence that the Council's **net revenue budget of £259.8m is robust** and well managed despite the pressures being experienced generally in public sector finances
- The Council is among the top third of Unitary Councils in terms of **Council Tax collection**. Over 99% of Council Tax and Business Rates are collected within three years.
- **Investment income** is £0.1m higher than budget. The average rate earned on investments (0.5%) is higher than the London Inter Bank 7 day rate.

- **Service Budgets** - service underspend of £3.7m is an improvement of £4.2m since the Three Quarter Review.
- **Central Budgets** – service underspend and additional grant has created flexibility to fund capital investment and create earmarked reserves.
- **Net Revenue Outturn** of £0.9m less than the Revised Net Budget is an improvement of £0.6m from Quarter 3.
- **General Reserves** will increase this financial year by £0.9m to £19.8m. This is more than the revised net budget due to previously strong performance in 2012/13.
- Reserves are now in line with the Council's assessment of its financial risks and also provide opportunities for future investment.
- The revised **capital budget of £78.6m** has underspent by £13m.
- Outstanding **Debt** (excluding local taxation) is £7.4m. Only £2.4m of debt is over 6 months old and this is completely covered by provisions to meet potential write-offs.

1. Summary of Council Performance

Introduction

1. Cheshire East Council is responsible for delivering more than 500 local public services across an area of over 1,100km² for over 370,000 residents. The budget to deliver these services in the period April 2013 to March 2014 is more than £750m, which is raised from a combination of local taxes, national taxes (in the form of Government Grants) and payments direct from service users.
2. In terms of spending power per head, Government figures highlight the impact of different levels and sources of funding on total Council spending. The financial resilience of the Council is supported by a strong local tax base and low dependence on government grant:

Spending Power per Head Comparison 2013/14			
	Cheshire East	Rural	Urban
	£	East Riding of Yorkshire £	Liverpool £
Government Grants	317	405	955
Total Spending Power	756	787	1,206
% of Spending Power funded by government Grant	41%	51%	79%

Band D Council Tax 2013/14	1,216.34	1,215.68	1,331.03
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3. The Council's Three Year plan, which was agreed by Council on 28th February 2013, has five outcomes that will focus service delivery in the medium term. This section of the report highlights progress towards achieving each of the five outcomes, in addition to inward-facing work undertaken during 2013/14 to support the delivery of a responsible, effective and efficient organisation.
4. This report reflects activity that has taken place mostly in the period April 2013 to March 2014 including progress against the Council's change programme. Commentary is also provided on the financial impacts (both revenue and capital) of this activity.

1 ~ Our local communities are strong and supportive

5. Cheshire East Council continues to promote mutual respect and personal responsibility in our communities, demonstrated as follows (not exhaustive):
 - Skilling up community groups so that they can develop and become sustainable such as Buglawton Group, Senior Forums and Moss Rose Partnership.
 - Co-ordinating public-facing activities such as Winter Warmth campaigns, Nantwich Road Safety Week (May 2013), Feeling Good Event 2014.
 - Establishing new community events to promote strategic issues, which are then taken over and run by the community. For example, Crewe Health Fayre now attracts over 500 people a year to promote health improvements in the local population.
 - Setting up Work Clubs and then recruiting volunteers to run them – 16 new clubs established in 2013/14.
 - Co-ordinating the establishment and use of the Community Hub at Crewe Market.

- Supporting groups to develop community led action plans – e.g. Crewe South Community First Panel and Parish Planning.
 - Enabling people to decide how to spend public money such as Wilmslow young people who now decide how money should be spent on their priorities to develop new local facilities and activities.
 - Linking community initiatives to strategic issues like the a community garden in St Barnabas, Crewe which has provided opportunities for young people not in education, employment or training to gain skills and work.
 - Lead local consultation exercises and creating community surveys. For example the Nantwich Transport Survey helped gain an understanding of why and how people choose to use local transport options, and also the barriers to using these options.
6. Efforts to reduce anti-social behaviour being addressed with partner agencies to improve the reduction of first time entrants to the Youth Justice System are yielding results. There has been a 16.2% reduction in the total number of young people committing offences, down from 427 to 358 in 2013/14.
7. Efforts to ensure young people reach their potential continue to drive work to improve attendance in schools, which in Cheshire East primary and secondary schools remains above the national average. The percentage of persistent absentees in Cheshire East primary schools has fallen significantly since 2011 from 4.3% to 2.5% and is ranked 1st when compared to its statistical neighbours. The percentage for secondary schools has also fallen significantly by 3.5% from 9.5% (2011) to 6.0% (2013) - below the national average.
- Communities**
8. Efforts have been taken to strengthen communities through the following (not exhaustive):
- Cheshire Community Action commissioned by the Council have worked with local rural communities to develop community led plans to reduce social isolation.
 - Community Transport grants have been given this year to Cheshire Community Action to increase the number of people who can drive people in rural communities to hospital appointments for example. Several new community transport schemes have been established in Poynton and Disley and also a further shopmobility scheme. Usage will be reported in Quarter 1 2014/15 as these are in development stage at the moment. Dial-a-Ride continues to be a well used popular service for older people. The majority of customers use this for shopping.
 - Continued work to develop libraries as key centres promoting community life. For instance, over 1.5 million people visited Cheshire East libraries in 2013/14. Success in how these are viewed as community hubs continues to grow, an example being the Lego Club in Crewe Library which regularly attracts over 150 young people to come to the library and increases their chances of reaching good literacy and numeracy levels. A volunteer lending service has developed to visit the housebound.
 - Cheshire East Council won the Improvement and Efficiency Social Enterprise - Delivering through Efficiency 2014 award - for its 'Best Fit Approach to Strategic Commissioning' service delivery, entirely focussed on delivering positive outcomes for residents and improving service delivery in several key areas while delivering excellent value for money.
 - Emergency Planning, which is a shared service with Cheshire West and Chester Council has co-ordinated the response to 20 incidents in 2013/14 especially the extreme bad weather which impacted on Sandbach and Crewe (including 9 Major Incident Standbys). The team has largely maintained service delivery in

line with planned targets despite operating at 70% capacity for six months due to staffing issues. The end of year budget showed an under spend of £23,000. In summary, the team has performed strongly during 2013/14 increasing preparedness and resilience levels across both authorities.

Civic Pride

9. Securing public participation in influencing services is evidenced by consultation and engagement in Adult Social Care (ASC) with service users and carers in relation to the self assessment for the "Think Local Act Personal" agenda which takes the personalisation agenda in ASC to the next stage of implementation. The results of the engagement exercises have been incorporated into a prioritised plan to improve the experience of people who use our services and to assist us in prioritising the many elements of our ASC redesign programme.
10. Financially, it is important to emphasise the following key points:
 - The Revenues service has a favourable variance of £0.7m, which is predominantly due to an increase in court cost income due to the change in the council tax scheme and an increase in the number of people taken to court for non payment of council tax. This is £0.2m more than what was predicted at Third Quarter Review (TQR).
 - A favourable variance of £1.1m, within the Benefits Services, mainly due to increased income from housing benefit overpayments; this is an increase over the forecast levels at TQR. The underspend on Benefits allows an earmarked reserve of £0.4m to be created to extend the life of the Emergency Assistance scheme. This will allow the Council to provide funding to the most vulnerable beyond 2014/15 when the guaranteed funding comes to an end.
 - In addition, several reserves have been created, including a Resident First Fund, to support local initiatives which will

help make our communities stronger, promoting independence of communities and individuals. Aided by the overall favourable outturn, Communities have made a contribution of £1.8m towards the creation of this reserve.

- The final outturn for the Public Protection and Enforcement service is £1.2m overspend against a -£0.4m net revenue budget. This is an improvement of £0.2m since TQR and allows the establishment of an earmarked reserve of £40,000 in the 2013/14 accounts for the Leisure Services new service delivery model.

Other key variances include:

- The Leisure Service reported a £0.9m overspend against a £0.6m net budget in line with TQR. In year pressures arose from delays in realising savings included in the budget, relating to the Leisure Trust together with cost pressures across leisure facilities.
- Car Parking, Neighbourhood Enforcement and Regulatory Services reported a net £0.4m overspend against a -£1.2m net budget, which is largely due to slippage to 2014/15 in realising budget savings.
- Building Control and Enforcement Services achieved a £0.1m underspend against a -£0.2m net budget through vacancy management savings.

2 ~ Cheshire East has a strong and resilient economy

11. The final outturn for the Economic Growth and Prosperity service is a £0.2m underspend against a £13.2m net revenue budget. This is after provision has been made in the 2013/14 accounts to support creation of an earmarked reserve of £0.8m for Planning Appeal/legal costs (£0.3m) and planned initiatives in the Investment and Culture Economy services (£0.5m).

12. Since TQR, approval has been given to support the development of the Macclesfield Silk Museum. A revenue contribution of £0.2m is reflected in the outturn.
13. The key variances include:
 - The final outturn for the Transport service is a £0.5m underspend, against a £6.6m net budget. This is an improvement of £0.25m since TQR. The position has improved due to the effective control of bus contract spending, a reduction in level of grants offered and a reduction in the concessionary fares reimbursement to bus operators.
 - In relation to 2014/15 there is unlikely to be an ongoing benefit against Concessionary Fares due to the new scheme being implemented and related policy savings in the budget. However if there is stability in the East Cheshire bus network there may be a benefit against the Public Transport Support budget in 2014/15.
 - Development Management achieved a net £0.4m underspend, allowing an earmarked reserve to be set up for £0.35m for known planning appeal legal costs in the early part of 2014/15. The final outturn improved by £0.2m since TQR. This was as a result of income levels in respect of Planning Fees exceeding forecasts, which was partially offset by an increase in the forecast planning appeal costs.

Creating the conditions for sustainable economic growth

14. Significant progress has been made in 2013/14 to create the conditions for long term sustainable economic growth. Key achievements to support economic growth should be noted including

- The successful £31m Connecting Cheshire Broadband project is the fastest rollout of fibre broadband across the country and is on target to meet 96% connectivity by 2016. Following mobilization, the first of the planned five phases of high speed broadband deployment was completed by the 2013/14 year-end, connecting 16,000 premises. Furthermore, an additional £0.6m has been also secured for rural areas of Cheshire.
- The development of a Strategic Infrastructure Programme leveraging £35m of committed investment and the largest programme outside of any metropolitan area including: Pinch Point funding of £4.67m for the A500 at M6 Junction 16 and Basford West Spine Road, and £7.97m awarded in principle by the Cheshire and Warrington Local Transport Body (CWLTB) for the Poynton Relief Road and Sydney Road Railway Bridge schemes for up to 2019.
- The Local Sustainable Transport Fund programme has been delivered successfully which consisted of a £1.87m spend (£1.08m revenue and £0.8m capital) delivering a number of schemes, including the first phase of the Crewe to Crewe Station multiuser route, the Cranborne Fields pedestrian and cycle link and the improvement of 19 bus stops as part of the One Link bus service, which saw an increase in patronage of 35% between Q2 2013/14 and Q4 2013/14.
- The Council led a high profile HS2 submission to the public consultation with a compelling economic and transport case for inclusion of a new Superhub HS2 Station for Crewe, which would provide unrivalled high-speed connectivity to London but, more critically, drive major growth and regeneration benefits for Crewe and the wider region. Subsequent papers published by Sir David Higgins (HS2 Plus) and Lord Deighton's review recommended the inclusion of the Hub Station at Crewe.

- The Council has helped securing the future of the 142 hectare Alderley Park site through collaboration with an industry and government Task Force. In March 2014, this led to the Council procuring an interest in Manchester Science Park which has successfully acquired the Alderley Park site from AstraZeneca.
- Commencing the delivery of sustainable, renewable energy for the Borough, its residents and businesses, including the exploration of deep geothermal energy opportunities in Crewe, following a successful bid for £98,000.
- Securing planning consent for the 19,000 sqm Silk Street development in Macclesfield town centre. Led by developer Wilson Bowden, the £90m scheme will comprise a department store, 19 high street shops, an eight screen cinema complex, restaurants and a multi-storey car park.
- Developing Local Infrastructure Plan and Highways studies to inform Local Plan Strategy and future Community Infrastructure Levy strategy.
- Completion of an Open for Growth Peer review led by the Local Government Association and Planning Advisory Service to ensure our services are fully aligned to realise the economy's growth potential.

Fostering productive and competitive businesses

15. The Council is committed to growing productive and competitive businesses. In 2013/14 significant progress was made to help businesses bounce back from the economic crisis. Key achievements include:
 - Cheshire East is ranked as only one of three places outside of London as a hot spot for new business creation. The

business birth rate is well above North West and UK average.

- Securing the £800m expansion of Bentley Motors in Crewe to accommodate its new SUV model, which will secure existing jobs and create 1,000 more new high-value, high-skill jobs.
- Astra Zeneca announced the development a £120m facility to manufacture its treatment for prostate cancer. The plant will be at the company's Macclesfield complex and will create 300 jobs, which was a welcome boost after the decision to move the company's research and development activities from Alderley Park to Cambridge.
- Investment activity in the retail and industrial sectors has been strong as has the rental market and whilst the office investment market has been slower, rental take up is accelerating sharply.
- Submitting plans for a new University Technical College to be located in Crewe, to ensure that engineering employers including Bentley, are able to draw upon a local, skilled workforce.

Maximising Investment and Business Engagement

16. 2013/14 saw another increase in economic activity in Cheshire East, with the Council playing a leading role in a wide range of investments and initiatives outlined below:
 - Supporting the creation of the BioHub Life Science incubator at Alderley Park. By December 2013 it was home to 20 businesses and approaching 500 employees, with a further 1,000 in the pipeline.

- The Connecting Cheshire Superfast Business Programme initiated in September, and to be completed by June 2015 will provide 12 hours of support to 900 businesses to help them make the most of digital technologies.

Developing the Workforce

17. Skills and talent for employers is a critical component of a successful business. As such the Council is proactively developing the workforce to meet employer needs. Key achievements include;
 - Adjusted NEETs figures significantly reduced from the same time as compared with previous year: 5.3% (598) in April 2013 down to 3.5% (397) in April 2014 - partly due to reshaping of Youth Support Service (YSS) and their hard work in reducing 'not knowns': 4.1% (473) in April 2013 down to 2.65% (299) in April 2014.
 - Overall 16-18 Advanced Apprenticeships in 2012/13 had grown by 16.3% against 2011/2012 levels; this was higher than both the regional and national levels of 7.1% regionally and 3.6% nationally.
 - In the 2012/13 academic year (ending in 2013/14) a total of 5,097 learners benefitted from participating in Community Learning and Adult Skills provision. The total retention rate was 95.73%, the total achievement rate was 94% and the total success rate was 89.98%.
 - The Ofsted inspection of Adult and Community Learning programmes – indication was that the self assessment report grading of 2 (Good) was indicative of inspection team's view of provision – official grading is pending publication of the Ofsted report.

Environment, heritage and quality of life

18. Recognising the importance of our environment, heritage and quality of life is fundamental to a place based approach. The following achievements have been made in 2013/14:
 - The value of the visitor economy increased by 7% in 2013 to £737m (up by 35.5% since 2009) while the number of full time equivalent jobs increased by 6.2% to 10,461 (up by 21.5% since 2009).
 - Tatton Park became England's Large Visitor attraction of the year 2014 getting 'Gold' in the Visit England 'Awards for Excellence'. The Park attracted 842,000 visits in 2013/14, up by over 5% on the previous year. The Gardener's cottage opened as a new tea room operated by Tatton Park Enterprises Ltd.
 - Macclesfield Visitor Information Centre sales increased by almost 41% in 2013/14 and Congleton Visitor Information Centre sales increased by almost 19% for the same period.
 - Cultural Services won a National Drawing Inspiration award for the Big Draw Campaign at Poynton Library.
 - The Council has also supported over 80 public events of over 500 people, with total attendance of almost 200,000.
 - Heritage Lottery Fund 'Skills for the Future' grant secured to fund two full-time posts for 2015/16 and 2016/17, aimed at providing young people with heritage skills and employment opportunities.
 - The Building Control team continues to excel as they became National LABC Building Excellence Awards winners for the best Conversion category for Brown Street Mill, playing a major part in improving local living standards.

- Our Building Surveyors responded out of hours during the storms on the 12th February 2014, safe guarding lives. Achievement of income targets by the Building Control service for 2013/14 whilst retaining a 77% market share in the face of stiff competition.
- At the end of 2013/14, the Council had completed 100% of High Risk (A-C Category) food inspections, and 100% of High Risk inspections for food standards.
- Business and public satisfaction with local authority regulation services at the end of 2013/14 was 96%, ahead of our 95% target (146 out of 152 businesses and customers expressing satisfaction).

Making best use of our assets

19. In May 2013, the Council formally established its new arms-length Development Company, East Cheshire Engine of the North (EOTN) to drive forward development on some of the Council-owned strategic development sites. £34m of investment has been approved to implement EOTN's three year Business Plan. Key achievements to date include:
 - Pegasus selected as preferred bidder for Remenham in April 2014 following competitive tendering exercise generating a receipt of £5m (Subject to Planning) with a £0.5m deposit on exchange.
 - Strategic acquisition of 88 Moss Lane South Macclesfield Development Area (SMDA) in September 2013 securing competitive advantage on adjacent development site.
 - Planning application submitted in May 2014 for 80,000 sqft food store, 325 homes, relocation of community sports facilities and major road infrastructure at SMDA.

- Secured allocation of land for Handforth East Local Plan ahead of the examination in public.

20. 2013/14 included successful completion of a £35m capital programme consisting of 37 projects to maintain and enhance the Council's asset estate.
21. Planned property asset disposals were carried out with a Capital Value of £3.77m. A further £1.18m of other receipts were also delivered. 51 Asset Transfers were also agreed with 32 completed so far.

3 ~ People have the life skills & education they need in order to thrive

Securing the Best Start in Life

22. Changes to the Early Years Foundation Stage Profile in 2013 make comparison with previous years invalid. Under the new method of assessment, the Cheshire East rate is 56% in 2013, above the national average of 52% and North West average of 50%.
23. One of Cheshire East's priorities is to close the achievement gap between the lowest 20% of pupils and the rest in Cheshire East – this is 35% in 2013, wider than national, regional and most of our statistical neighbours.

Highest Achievements for All Learners

24. The number of good and outstanding schools in Cheshire East is the highest it has ever been at 87.3% overall. There are now significantly more outstanding schools (40) than 'Requires Improvement' (18). This highlights the fact that more young people are accessing the highest quality provision.

Achieve Aspirations

25. Cheshire East is now the best performing local authority in the North West and one of the best in the country in decreasing the number of young people classed as not in education, employment or training (NEET). This has been achieved through a combination of targeted intervention where it is most needed and robust and accurate information gathering.

Inclusion

26. 1,812 disabled people were assisted to maintain independence in their own home, reducing pressure on health and social care.
27. The level of long term empty homes across Cheshire East has fallen to 1.18% of the housing stock, and direct action by the Authority has brought 60 properties back into use.
28. Improved housing conditions and quality of life for 724 low income home owners and private tenants.
29. The successful launch of the Enhanced Housing Options system giving people personalised housing action plans was utilised by 1,203 people in the first two months.
30. The use of bed and breakfast for homeless households in 2013/14 has significantly reduced saving the Authority £0.1m on the previous year's spend.
31. Financial outturn for Children's services shows an underspend of £0.6m, against a £56.6m budget. Tight financial management, including the early achievement of 2014/15 budget savings (in particular the £0.5m placements budget reduction) has been crucial in achieving this final position.
32. Cared for Children numbers have reduced by 10% from 370 in April 2013 to 333 in March 2014. Better placements for the individual children have been made, resulting in a further

reduction of children placed in residential settings outside the Borough. As well as meaning children are nearer home, the reduction in these high cost placements provides a financial benefit for the Council. Children placed in external residential placements are down by a quarter from 31 in April 2013 to 23 in March 2014.

33. Along with the above factors, measures such as vacancy management have enabled provision to be made for investment in areas of improvement, as highlighted by the Ofsted improvement plan, without the need for recourse to further Council funds - this includes some £1.25m to enable investment in key priorities (including supporting the implementation of a new care and assessment system) and to manage expected areas of risk such as the impact of the social care bill).
34. In addition to improvements in Children in Care placements the service has also achieved some notable successes within the year. These include 4forAdoption, NEET's, Youth Offending Service, and excellent educational outcomes.
35. The service has major financial savings targets in 2014/15 of over £3m and it is therefore pleasing to report that the outturn for 2013/14 is a significant step towards achievement of these savings, especially those concerned with the children's social care placements budget.
36. The service carried forward an overspend on the Dedicated Schools Grant of £2.2m from 2012/13 and was asked by the Schools Forum to implement a recovery plan which would claw back the overspend before the implementation of a National Funding Formula for Schools. Corporate Managers identified the Special Educational Needs (SEN) placements budget as a potential area for savings and through careful budget management, and with the aid of the Borough SEN Co-ordinator, savings were made both in the placements made out of county, in independent provision, and in the amount of statement requests from schools. National guidance regarding building up

the provision of places for 2 year olds has resulted in a reprofiling of spend to ensure successful implementation of this initiative.

37. In addition the Education Funding Agency reviewed the allocation of post 16 High Needs Funding and in recognition of the misallocation of the previous SEN Block grant, allocated Cheshire East an additional £3.6m as one off funding. This significant carry forward has enabled additional funding to be allocated to schools through the increase in the Low Cost High Incidence Formula factor of £1.5m; budgets for Resource Provisions within mainstream schools have been increased by £0.8; £0.44m is intended to be earmarked for Priority Projects to Narrow the Gap and improve attainment for Vulnerable Children. A further £1.0m is intended to be earmarked as the service is aware of pressures likely to be faced in 2014/15 with the Children's Act, the new Autistic Specialism school which is due to be opened, and pressure on the post 16 High Needs budget. The National Funding Formula is not going to be implemented in 2015/16, however in recognition of the current disparity in funding an additional £350m has been made available nationally for 2015/16, of which the indicative allocation for Cheshire East is £4.7m – this will be added to the schools block and fully delegated in accordance with Council policy in the schools funding formula for 2015/16.
38. Schools brought forward surplus balances of £12.6m from 2012/13. During 2013/14, 15 schools converted to academy status, taking their budget surplus with them. A new policy for holding earmarked reserves for specific projects within schools has been implemented this year, meaning that at the end of 2013/14, schools have a total carry forward of £8.9m, with £3.3m held in earmarked reserves, and the remaining £5.6m held as uncommitted balances.

4 ~ Cheshire East is a green and sustainable place

Development Management

39. Significant progress has been made on refining the Local Plan Strategy following two rounds of further public consultation during May / June and November / December 2013:
 - Completion of Local Plan Strategy and associated supporting documents / evidence base including Sustainability Appraisal, Infrastructure Delivery Plan, traffic modelling, site viability, Gypsy & Traveller accommodation assessment, Green Belt Assessment and Sites Justification Papers.
 - Local Plan Strategy sign off by Council for publication and submission to Secretary of State.
 - Significant reduction in the number of people commenting on the Local Plan Strategy following its formal publication in March 2013. A 70% reduction in the number of representations made and an 84% reduction in the number of parties that made representations since the Development Strategy / Policy principle consultation in January 2013. An indication of greater satisfaction in the proposals contained in the Local Plan.
 - Working with 13 neighbouring authorities to progress and fulfil Duty to Co-operate requirements including the development of Memorandums of Understanding.
 - Updated 5 year housing supply position to assist with planning appeal work.
40. Despite all of the pressure from housing appeals the Planning Service met its annual target for 2013/14 in handling minor and householder planning applications (82% within the eight week period for the latter). Cheshire East Planning determined 4,406 applications in 2013/14.
41. In addition, the housing team have worked with our Registered Provider partners to deliver 199 new units of affordable housing

in 2013/14, including seven units of supported housing and two units provided as a result of Council site disposal. Three stalled sites also commenced development as a result of Housing Challenge funding. Housing Association submitted bids to the Homes and Communities Agency for 633 new affordable homes for the 2015/18 bidding round.

Waste Management

42. In 2013/14, 53.3% of household waste was sent for recycling, reuse and composting, ahead of the Council's target of 50%
43. The tonnage of materials re-used increased from our 2012/13 Baseline of 977 to 1,116 tonnes in 2013/14, ahead of our target of 1,000 tonnes.

Carbon Management

44. In 2013/14 the Council reduced the CO₂ (carbon dioxide) emissions from its corporate buildings and transport to 24,608 tonnes, representing a 23% reduction in emissions on the baseline, and is projected to be on track to achieve 25% by 2016.
45. ICT Strategy savings reported were mainly through the reduction of older PC's. Total tonnes of CO₂ produced by the desktop estate (base stations only) was estimated at 268.42 tCO₂. Estimated total savings for 2013/14 were reported as 299.89 tCO₂. Total ICT savings to date 312.17 tCO₂.

Environmental Management

46. Achievements were the establishment of the Council's Environmental Services Company – ANSA and its Bereavement Services Company - Orbitas.
47. The Ranger Service will continue to strive to deliver a high quality service, managing facilities and delivering events and activities whilst preserving the conservation value of the assets.

48. Six 'Green Flag' Awards, the measure of high quality green space, were retained in 2013/14: Brereton Heath Local Nature Reserve, Congleton, The Moor, Bollington Rec, Sandbach Cemetery, and Teggs Nose Country Park.

Sustainable Energy

49. Cheshire East is pursuing ambitious plans to progress a Council Energy Company to provide the framework for the achievement of the identified aims of: addressing fuel poverty; increase the production of energy from renewable and low carbon sources; increase the level of income for the Council from energy; increase the number of jobs in the Borough in the low carbon economy; reduce carbon emissions of both businesses and residential areas in the Borough, make Cheshire East a flagship local authority in the area of renewable energy technology and R&D; and make Cheshire East energy independent.
50. Finally, the outturn for Environmental Protection & Enhancement is a £0.4m overspend against a £38.1m net revenue budget. This reflects an adverse movement of £0.1m since TQR, however the position does allow for the establishment of a provision for future closed landfill site maintenance of £0.3m which was not forecast through revenue at TQR and therefore the underlying operational position is reporting a £0.3m improvement from TQR.
51. In addition, the Service has made further provision in the 2013/14 accounts to establish earmarked reserves of £1m for Environmental Operations and Bereavement Services new service delivery (£0.4m), Highways Service Contract (Contract liabilities, winter maintenance provision and Permit scheme development) (£0.3m) and Highways Flood Management and Countryside bio-security matters (£0.31m).

52. The key variances include:

- The final outturn for the Waste & Recycling Service is a £0.2m overspend. Despite also including the Closed Landfill Provision £0.3m, this is an improvement of £0.1m since TQR (£0.4m improvement excluding the provision). The improvement has been through the early achievement of 2014/15 efficiency savings particularly in the frontline collection service.
- Streetscape Services are reporting a net £0.4m overspend against a £4.5m net budget which is largely due to slippage to 2014/15 in realising planned budget savings due to Streetscape services being incorporated into the broader Environmental Services alternative delivery model (Ansa Environmental Services) with effect from 1st April 2014.
- Highways Services achieved a £0.2m underspend against a £9.4m net budget after allowing the establishment of an earmarked reserves of £0.6m for contract liability, winter provision and flood management responsibilities. The final outturn improved by £0.1m since TQR, mainly as a result of control of spending particularly regarding winter salt costs as a consequence of the milder winter.

5 ~ People live well and for longer

Facilitating people to live independent, healthier and more fulfilled lives

53. Integrated Services Development programmes: Public Health, Communities and Adult Social Care service areas have worked together with Health partners on two major change programmes to develop integrated services within our Local Authority area.
54. The programmes are redesigning how health and social care services across primary and secondary care services are delivered. The new service model will ensure a shift towards community based services and ensuring we have in place a co-

ordinated approach to care with integrated services wherever possible.

55. In the Eastern Cheshire Clinical Commissioning Group (CCG) area, the programme is called Caring Together and has continued to progress at pace.
56. Stakeholder events have taken place with a proactive approach to public involvement and engagement. Design groups are well underway looking at the development of 4 key areas of the service redesign model:
- The empowered person
 - Community based services
 - Acute hospital based services
 - Primary care services
57. In the South Clinical Commissioning Area the programme is called Connecting Care. As with the Eastern Cheshire CCG area progress is moving at pace and both areas have a formal programme management structure. Representation from the Council is strong within both programmes and includes active involvement from the Portfolio Holder.
58. The use of a range of initiatives, including proactive use of advice and information, care navigation and carer support services and reablement services, has resulted in more people being cared for at home. The focus on community support options and earlier support to people within their community and neighbourhood settings has been effective in ensuring that people who can access local support earlier are supported to do this. The provision of information and advice regarding what is available in the local communities for people to support themselves is starting to be effective in preventing longer term needs and dependency of statutory services.

59. Care4CE Quality Standards returns for 2013/14 show that 99% agree they are treated with dignity and respect; 92% feel they have the right support from people who do the job well.

Early Intervention, Help and Prevention

60. The Mental Health Reablement service has continued to work effectively with adults of all ages who are experiencing mental health problems and who need some additional intensive support to enable them to move on and achieve for themselves. This is an area where the success of the team and their interventions can be seen by the short term interventions (maximum of 6 weeks) which have achieved 84% engagement rates with customers and 99% successfully completed a period of reablement support without any further input needed at the end of it.
61. The Sub Regional Community Safety Alcohol work-stream includes activity to raise awareness amongst under 18s of the dangers of excessive alcohol consumption and to restrict access to high strength cheap alcohol (that tends to be consumed by younger drinkers). Although the number of admissions has fallen, other areas are also improving so work needs to progress in this area.
62. The multi-agency 'Winter Wellbeing' group continues to meet to co-ordinate initiatives that might help reduce the numbers of excess winter deaths. This includes sharing data to allow the targeting of vulnerable people; raising awareness of insulation schemes and other means of keeping warm and building capacity within communities to better support their vulnerable residents. The group is extending its remit to cover hot weather impacts.
63. The Leisure Development Team continues to run successful programmes in outdoor settings; in particular regular Nordic Walking sessions at country parks. We continue to improve play areas on a rolling programme of works and this includes the installation of outdoor sports equipment, notably at Queens Park

in Crewe and at Sandbach Park. The Council's performance has improved nationally.

64. ICT strategy delivered a project to model and analyse data regarding winter vulnerable adults to support the proactive identification and delivery of services.

Accessible Services

65. Based on a return of 1,300 responses the annual leisure centre survey continued to show a high level of satisfaction with the service provided including those responding good or very good in the following categories:
- Quality of the centre 97%
 - Cleanliness 96%
 - Range of programmes offered 98%
 - Value for money 96%
66. Total leisure service usage and attendances averaged a 4% increase on the previous year, including 3% adults, 6% young people and 1% older people.
67. The new Everybody Sport & Recreation Trust was successfully established for the delivery of the Council's Leisure Facility and Development Services with the transfer taking place on 1st May 2014.

Access to Information and Advice

68. Adult Social Care services continue to offer information and advice to customers in addition to the commissioning of services which aim to promote independence and maintain the focus on a model of recovery and reablement. Links with local community and faith groups together with broader community facilities are being further strengthened to provide a proactive response to customers, in that they are being supported to access local

support networks as a real alternative to traditional service responses.

69. The range of options for support is continually being enhanced with the work of staff who source support options in localities for people to be signposted to, ensuring full use of local support networks and promoting self reliance. The mapping of the local resources will form part of a local resource directory going forward.

Public Protection and Safeguarding

70. In 2013/14 the Adult Social Care (ASC) Redesign project was launched. This project is redesigning how ASC services carry out their assessment and care management responsibilities. This major change programme has involved regular staff engagement workshops and engagement events with service users and carers. The programme has had excellent engagement from all groups and the development of a new way of delivering our front line to customers is now emerging. This is clear evidence of co-design and co-production of new ways of working with the aim of delivering improved experience and outcomes for local residents.
71. Cheshire East is performing within national targets for multi-agency child protection. There is a robust multi-agency auditing programme for children and a new multi-agency performance framework for adults.
72. The appointment of new Independent Chairs to both the Children and Adult Safeguarding Boards in 2013/14 has brought robust challenge and additional capacity to the partnerships.
73. Reflective reviews for both adult and children safeguarding and a thematic review for children have been commissioned to ensure that where multi-agency practice can be improved from single cases, this learning is obtained.

74. There have been no requirements for a Serious Case Review or a Domestic Homicide Review in 2013/14.
75. The increase in the participation of children in their child protection plan has been the result of a focus on the need to place the child at the centre of activity. Of the initial review conferences held in March 2014, 92% had evidence that the Child's wishes and feelings were being heard either by attendance at the conference, wishes clearly expressed in reports or noted within visits. This illustrates good performance and the focus will be to ensure the participation is reflective of a wider improvement in the quality of practice. It is unlikely that a performance of 100% is achievable as some children and young people are unwilling to participate.
76. Adoption timeliness and outcomes have improved. 32 children had been adopted by the end of March 2014 – an increase from 26 in the same period last year. Similarly, 31 new adopters were approved, compared to 18 last year.
77. Assessment timescales have improved significantly since the same period last year. 82% of assessments were completed within the timescale by the end of March - a good performance.
78. The Adults Social Care budget is reporting an underspend (£0.7m) for the first time in the lifetime of Cheshire East Council. This has been achieved in the context of considerable and well known financial pressures being faced by the service. These pressures include the increased complexity of needs and risks of the service users and the impact of the changing demographics of the Borough both of which inevitably bring cost pressure with them.
79. The underspend results from a mixture of permanent and one-off temporary actions.
80. Permanent actions include increased budget accountability and financial control by front line social work teams, which in turn,

reduces care costs, and savings negotiated with external care providers following the implementation of the Care Fund calculator tool. It is envisaged these savings will continue to rise during 2014/15 as further assessments are undertaken, resulting in a positive contribution towards savings targets in this year and beyond.

81. Further impact has been made with the robust practice of identifying service users with health needs and requesting funding as appropriate from the respective CCGs. This practice is now embedded and we expect to see this deliver a further positive impact in 2014/15.
82. One-off actions that have also helped to deliver the outturn position include vacancy management, and reimbursements achieved from care costs (such as direct payments and prepaid card), which achieved more than double the budgeted level of £1m.
83. Investment of the Section 256 monies in the identified pilot areas of assistive technology for people with a learning disability, dementia reablement and a pre front door service for advice and information have all been designed to test the impact in the short to medium term of demand for more traditional and higher cost provision.
84. Plans for investment (including £0.5m Social Care Bill implementation; £0.3m assessment care and management system, £0.1m respite review; and £1.8m health to social care monies) have been provided for, to be delivered in 2014/15 along with reserves for service risk areas.
85. Major financial challenges lie ahead in 2014/15 and beyond, including the planned commitment to deliver care cost efficiencies of £6m over the MTFS period. In the short term, actions such as reducing expenditure on respite care and the successful delivery of pilot schemes aimed at permanently reducing care costs will need to be progressed. Beyond this,

there is the development of the Better Care Fund, integration with Health (initiatives such as Connecting Care, Caring Together with Health colleagues) and the implementation of the Care Bill.

86. During 2013/14 the Public Health service worked through all areas of expenditure and reviewed and re-negotiated contracts. Prudent financial management supported the reversal of inherited financial risk and will enable the redistribution of expenditure in 2014/15 and beyond.
87. In line with the ring-fencing regulations that accompanied the transfer, the service will take forward redistributed funds via a Public Health reserve. Plans are already in place for a Public Health Transformation Fund which will use monies from the reserve to invest in areas identified in key reporting documents (such as the Director of Public Health annual report, the Joint Strategic Needs Assessment and the Council's Outcome 5 "Live Well and For Longer"). Partners including the Voluntary, Community and Faith Sectors can also bid for resources from the fund to deliver initiatives that tackle key health and wellbeing issues.

A Responsible, Effective and Efficient Organisation

88. Underpinning the provision of valued services to residents are processes and procedures that support efficiency and transparency in all activities of the Council. Such services do not produce an outcome which is easily measured by the community, but professional services, such as legal and accountancy are monitored closely to create value from systems and assets.
89. During 2013/14 the Council's professional services focused on developing the structure for a commissioning council. HR led on the significant management restructure and the transfer of staff to new service delivery models, whilst Accountancy, Legal and ICT services worked at creating the technical environment for new delivery models to function.

90. In summer 2014 the Chief Operating Officer will be benchmarking professional services to gauge relative costs and increase options to follow-up on best practice. This will provide further challenge to the costs and operating models for support services.
91. Service and financial measures can demonstrate activity towards being a responsible, effective and efficient organisation as detailed in the following paragraphs.

Best Use of Property and Assets

92. The Location Independent Workforce programme delivered enhanced software in support of efficient service delivery. This included SharePoint, Web GIS and Virtual Records Centre. Pilots are underway around mobile technologies: iPads for councillors to reduce printing costs and improve access to data, and Tablets for building control to improve offsite working. The development of agile and flexible working policies and best practice will be integrated within the programme.
93. Planned property asset disposals were carried out with a Capital Value of £3.77m. A further £1.18m of other receipts were also delivered. 51 Asset Transfers were also agreed with 32 completed so far.
94. The financial outturn for the Assets Service is a £1.3m underspend (7.3%). The main reason has been reduced spending across the operational property portfolio. For example £0.4m was saved from lower than forecast costs of remedial works against asbestos, legionella and fire precautions. Some schemes will be reconsidered in 2014/15 budgets in reaction to progress on the disposals programme. But some expenditure planned for 2013/14 has not been required due to positive activity on disposals.
95. Changes to the portfolio, including devolution, but also improved billing and metering and a mild winter, led to £0.6m of savings on

utility bills. A further £0.25m was saved from implementing further efficiency in street lighting.

Effectual Operating Processes

96. As an example of joined up working the Council shares 48% of its ICT non-staffing budget and 31% of ICT staffing spend with Cheshire West and Chester Council through the jointly owned company CoSocius. During 2013/14 competing priorities and changing operating structures within the Council led to a significant challenge on ICT projects commissioned from CoSocius being delivered to time and budget. However a number of notable successes were recorded as detailed below:
 - The mobile device contract was purchased via a framework with the Association of Greater Manchester Authorities valued at £0.2m per annum. This includes phones, smart phones, blackberry and tablets.
 - Core systems and infrastructure refresh and upgrades were completed, and some projected work for Structured Query Language upgrades 2014/15 was brought forward.
 - The Public Service Network procurement was successfully completed in February 2014 with the award of the call off contract to Updata, with indicative revenue savings 10-20% more than forecast.
 - The Next Generation Desktop Programme has built the necessary underpinning infrastructure and packaged the key corporate business applications in preparation for rollout in the first six months of 2014.
 - Business analysis reports for all work streams were completed. This work is now pending alignment with PWC consultancy - resuming in 2014/15.
 - Re-tender and implementation of new payment systems completed.
97. In addition to the above successes there has been significant build activity for new service providers related to Leisure, shared

services, environmental services, bereavement and the development company.

98. ICT Strategy underspent by £0.2m, which has been offset by the intended establishment of an earmarked reserve of £0.5m to cover potential Public Sector Network dual running costs during the implementation phase in 2014/15. The ICT and Finance Shared Services also reported an underspend of £0.2m.

Staff Engagement

99. Leading and achieving the transformational agenda demanded a significant shift in expectations and accountabilities of senior managers. During 2013/14 all 120 senior management jobs were newly created and appointments made through a phased “Management Review” based on a rigorous assessment of leadership and management attributes and behaviours alongside professional competence.
100. For senior managers all incremental progress has been removed in favour of ‘spot’ salaries and an incentive payment for exceptional performance. This approach was designed to ensure that rewards for senior post holders are directly linked to achieving outcomes and to support successful implementation of the new operating model. We are the first Council in the Region to have taken this step on this scale.
101. A number of senior managers completed the sub-regional Cheshire and Warrington Collaborative Leadership programme which the Council runs in partnership with Cheshire West and Chester, Warrington and other partners including Police and Fire which has further developed collaborative change leadership capabilities.
102. The Organisational Development service underspent by £1.2m from the early achievement of 2014/15 savings, effective control of spending on staff and associated supplies and services and

deferment of the Performance Related Pay project until 2014/15 (funding has been provided for in the 2014/15 budget).

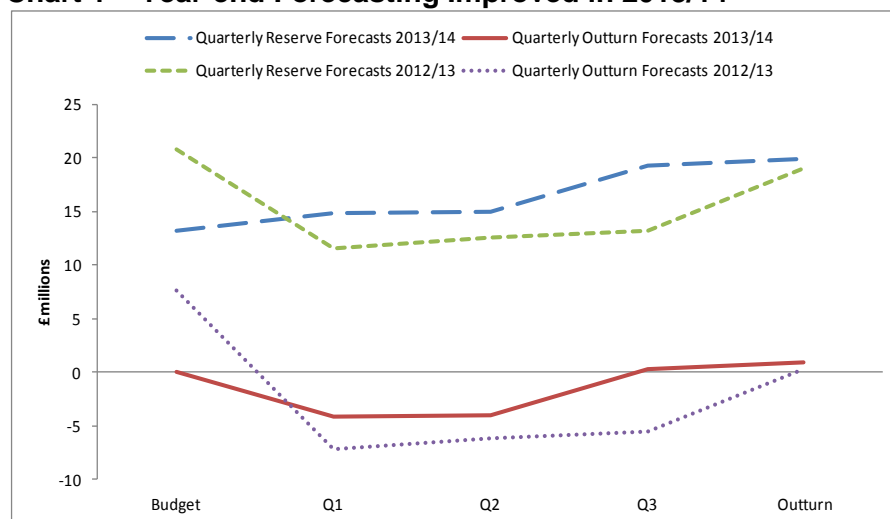
103. Commercial Strategy, Business Improvement & Performance services underspent by £1.1m. This has been achieved by management review savings, holding vacancies and early realisation of 2014/15 savings. The service has also generated additional income, including PATROL; Growing Places, and Public Health, totalling £0.12m.
104. A small overspend of £32,000 is reported against the Monitoring Officer and Head of Legal Services / Governance & Democratic Services budget. Costs of interim managers have been partially offset by effective control of spending within Health & Safety, and income exceeding forecasts within both Legal Services and Governance & Democracy.

2. Financial Stability

Introduction

105. Financial performance in 2013/14 has continued to improve compared to previous financial years. Estimates moved closer to budget showing how improvements in financial planning, governance and stewardship are having a clear impact on the Council's ability to manage its budget and create greater confidence in the medium term plans. The improved management of the 2013/14 budget has become clear as demonstrated in the chart below.
106. **Chart 1** (below) shows how forecasting throughout 2013/14 was close to budget and better than last year's forecasts. The forecast of an underspend at year-end reported at Quarter 3 had not been possible in any previous quarterly report for Cheshire East. At outturn an overall underspend against budget of £0.9m has been achieved.

Chart 1 – Year-end Forecasting Improved in 2013/14



Service Revenue Budget - Overview

107. **Table 1** provides a service summary of financial performance at Quarter 4. For further descriptions please see Section 1. Changes to service net budgets since the Three Quarter Year Review are analysed in **Appendix 2**.

Table 1 Service Revenue Outturn Summary 2013/14

	Revised Net Budget	REVENUE		Over / (Underspend)	Over / (Underspend)	OUTCOME NUMBER 1-5
		Final Outturn Position	Over / (Underspend)	Over / (Underspend)		
	£m	£m	£m	%		
Commissioning						
Children & Families	56.6	56.0	-0.6	-1.1%	3 / 5	
Adult Social Care	93.3	92.6	-0.7	-0.8%	5	
Public Health	0.0	0.0	0.0	0.0%	5	
Environmental Protection & Enhancement	38.1	38.5	0.4	1.0%	2 / 4	
Public Protection & Enforcement	-0.4	0.8	1.2	#	1 / 4 / 5	
Economic Growth & Prosperity	13.2	13.0	-0.2	-1.5%	2 / 5	
Communities	11.8	11.6	-0.2	-1.7%	1 / 2	
TOTAL COMMISSIONING	212.6	212.5	-0.1	0.0%		
Chief Operating Officer						
Assets	17.9	16.6	-1.3	-7.3%	2	
Commercial Strategy, Business Improvement and Performance	19.5	18.4	-1.1	-5.6%		
Organisational Development	4.5	3.3	-1.2	-26.7%		
Monitoring Officer	1.7	1.7	0.0	0.0%		
Governance and Democratic Services	4.1	4.1	0.0	0.0%		
TOTAL CHIEF OPERATING OFFICER	47.7	44.1	-3.6	-7.5%		
TOTAL SERVICE OUTTURN	260.3	256.6	-3.7	-1.4%		

% change not shown against negative net budget

108. The reported underspend in services (£3.7m) provided the flexibility for investment and costs associated with central budgets as detailed in the paragraphs below.
109. The Council has made considerable improvements in the way it manages its major change programmes. This has included extensive training, a refreshed methodology, the setting up of new monitoring and reporting arrangements and monthly reporting. In April 2013 the Council launched a corporate project and programme management framework to support achievement of the Three Year Plan. The framework focuses on capital or revenue projects or programmes where the total value exceeds £250,000, or poses significant risk to the Council. Progress is reviewed by a Member-led governance group, called the Executive Monitoring Board, which is supported by a Technical Enabler Group and the Programme Management Office.
110. Monitoring of the current projects and programmes focuses on whether projects are expected to achieve the benefits set out in each business case within the timescales and budget initially agreed. Where progress on a specific project or programme is impacting on the outcomes contained in the Council's Three Year Plan details will be provided in Section 1 of this report. Where projects are not meeting time, quality or cost standards these will be considered by Cabinet as part of a regular summary report.

Government Grant Funding of Local Expenditure

111. Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. The overall total of Government grant budgeted for in 2013/14 was £405.6m. This includes the new Public Health Grant.
112. **Table 2** is a summary of the budgeted and updated position for all grants in 2013/14. A full list is provided at **Appendix 3**.
113. **Table 2** shows that in 2013/14 Cheshire East Council's specific use grants held within the services were budgeted to be £291.6m based

on Government announcements to February 2013. This includes funding for schools, public health and housing benefits. Further announcements revised this figure to £291.4m. Spending in relation to specific use grants must be in line with the purpose for which it is provided. General purpose grants were budgeted to be £114.0m based on Government announcements to February 2013. Further announcements increased this figure to £118.4m. However £5.2m of NHS Reablement funding previously included as grant has now been correctly categorised as service income and transferred to the service budget, reducing this figure to £113.2m.

Table 2 – Summary of Grants to date

	Original Budget 2013/14 £m	Revised Forecast TQR 2013/14 £m	Final Outturn 2013/14 £m	Change from TQR 2013/14 £m
SPECIFIC USE				
Held within Services	291.6	295.6	291.4	-4.2
GENERAL PURPOSE				
Central Funding	93.0	93.0	93.0	0.0
Service Funding				
Children & Families Services	1.6	3.0	3.0	0.0
Adult Social Care & Independent Living	5.4	5.4	0.3	-5.2
Environmental Protection & Enhancement	0.1	0.1	0.1	0.0
Economic Growth & Prosperity	0.0	0.2	0.2	0.0
Monitoring Officer	0.0	0.0	0.0	0.0
Communities	3.5	3.5	3.5	0.0
Chief Operating Officer	10.4	11.4	13.2	1.8
Total Services	21.0	23.6	20.2	-3.4
Total General Purpose	114.0	116.6	113.2	-3.4
Total Grant Funding	405.6	412.2	404.6	-7.6

114. Specific use grants have decreased by £4.2m since TQR, mainly due to in-year academy conversions.
115. During Quarter 4 additional general purpose grants were received for Small Business Rate Relief (£1.9m) and Capitalisation Provision Redistribution (£0.3m). This was partly offset by a reduction in Education Services Grant of £0.4m.
116. Services general purpose grant was originally budgeted at £21.0m. Allowing for the £5.2m transfer to service budgets above, additional grant of £4.4m has been received in year. £0.5m of this has been allocated to services for their use, with the remaining £3.9m being retained within general balances.

Collecting Local Taxes for Local Expenditure

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

Council Tax

118. Council Tax is set locally and retained for spending locally. Council Tax was frozen for 2013/14 at £1,216.34 for a Band D property. This is applied to the taxbase.
119. The taxbase for Cheshire East reflects the equivalent number of domestic properties in Band D that the Council is able to collect Council Tax from (after adjustments for relevant discounts, exemptions and an element of non collection). The taxbase for 2013/14 was agreed at 137,122.19 which, when multiplied by the Band D charge, means that the expected income for the year is £166.8m.
120. In addition to this, Cheshire East Council collects Council Tax on behalf of the Cheshire Police and Crime Commissioner, the Cheshire Fire Authority and Parish Councils. **Table 3** shows these amounts separately, giving a total collectable amount of £201.6m.

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

	£m
Cheshire East Council	166.8
Cheshire Police & Crime Commissioner	21.0
Cheshire Fire Authority	9.3
Town & Parish Councils	4.5
	201.6

121. This figure may vary slightly during the year if more discounts and exemptions are granted or more properties are built.
122. The Council expects to collect at least 99% of the amount billed, but will always pursue 100% collection. However, to allow for any delay in collection the amount billed should therefore be slightly more than the actual budget. The amount billed in 2013/14 was £203.7m.
123. **Table 4** shows collection rates for the last two years, and demonstrates that 99% collection is achievable after two years.

Table 4 – Over 99% of Council Tax is collected after two years

Financial Year	Cumulative Collection Rates	
	2011/12 %	2012/13 %
After 1 year	97.7	98.4
After 2 years	99.1	99.3
After 3 years	99.4	*
*data not yet available		

124. The Council Tax in-year collection rate for 2013/14 is currently 98.1% compared to 98.2% for the same period in 2012/13. This represents a reduction in collection rate of 0.1% on last year and equates to a reduction in cash collection of £0.2m.
125. Council Tax support payments (incl. Police and Fire) were budgeted at £18.9m for 2013/14 and as at the end of the year the total benefit

awarded totalled £17.4m. Members have agreed to retain the scheme in its current form for 2014/15.

126. Council Tax discounts awarded as at the end of the year are £18.6m which is broadly in line with the same period in 2012/13. The figure now includes a long term empty premium of £0.6m and a Landlord Discount figure of £0.8m.
127. Council Tax exemptions awarded during 2013/14 totalled £3.6m. This is lower than the same period in 2012/13 where the amount awarded totalled £6m. This reduction is due to the changes to exemption rules introduced at the beginning of 2013/14 and is broadly in line with estimates.

National Non Domestic Rates (NNDR)

128. NNDR is collected from businesses in Cheshire East based on commercial rateable property values and a nationally set multiplier. The multiplier changes annually in line with inflation or Government prescription and takes account of the costs of small business rate relief. The inflation factor used is 2.6% which reflects the Retail Price Index as at September 2012.
129. The small business multiplier applied to businesses which qualify for the small business relief has been set at 46.2p in 2013/14. The non-domestic multiplier has been set at 47.1p in the pound for 2013/14.
130. The amount of business rates set by Department for Communities and Local Government (DCLG), to be collected by Cheshire East at the start up of the business rates retention scheme, was £132.5m (including an allowance for appeals). Local estimates in March increased this figure to £138.9m. Any increase in business rates collected are to be split 49% to central government, 1% to the Fire Authority with the remainder being retained by Cheshire East. Mid-Year estimates were calculated to include a much larger estimate for potential appeals bringing our forecast outturn more in line with original DCLG estimates.

131. The final outturn position resulted in a net rates collected of £129.2m. This was due in part to an increase on the mid-year estimate for the provision required for possible successful appeals. The final provision was set at £3.3m.
132. **Table 5** demonstrates how collection continues to improve even after year end. The table shows how over 99% of non-domestic rates are collected after two years.

Table 5 – Over 99% of Business Rates are collected after two years

Financial Year	Cumulative Collection Rates	
	2011/12 %	2012/13 %
After 1 year	98.1	98.0
After 2 years	99.1	98.8
After 3 years	99.4	*
*data not yet available		

133. The business rates in-year collection rate for 2013/14 is currently 98.3% compared to 98.0% for the same period in 2012/13. This represents an increase in collection rate of 0.3% on last year and equates to an increase in cash collection of £0.4m.

Capital Programme 2013/16

134. Since the TQR the overall programme has increased by £3.9m as shown in **Table 6**.

Table 6 – Summary Capital Programme

	TQR Total Forecast Budget 2013/17 £m	Amendments to TQR Forecast Budget 2013/17 £m	Amended TQR Forecast Budget 2013/17 £m	Budget Reductions £m	SCE's £m	Revised Total Forecast Budget 2013/17 £m
Children Services	20.9	0.0	20.9	-0.1	0.5	21.3
Early Help & Protection	1.0	0.0	1.0	0.0	0.0	1.0
Adult Services	2.4	0.0	2.4	0.0	0.0	2.4
Environmental Protection & Enhancement	58.9	0.0	58.9	-0.1	1.3	60.1
Public Protection & Enforcement	17.4	0.0	17.4	0.0	0.1	17.5
Economic Growth & Prosperity	57.9	3.0	60.9	-0.4	0.1	60.6
Communities	1.6	0.0	1.6	0.0	0.0	1.6
Commercial Strategy & Business Innovation	65.2	0.0	65.2	-0.5	0.0	64.7
	225.3	3.0	228.3	-1.1	2.0	229.2

135. The amendment since TQR of £3m relates to the A500 Junction 16 Widening Scheme, this was reported to Cabinet on 15th October 2013 and was approved by Council on 27th February 2014 as part of the 3 Year Capital Programme. The Council has received an allocation of Pinch Point funding of £1.966m towards the scheme from the Department for Transport (DfT).
136. Since the programme was approved there is a risk that the developer's contribution to fund the remainder of the scheme costs may not be received and the shortfall of £1.1m will have to be met from Council resources. The developer's contribution is dependent on the delivery of the Basford West Spine Road being substantially completed by March 2015.
137. The Council is required to enter into an Agreement with the Secretary of State for Transport under Section 4 of the Highways Act that will enable the Highways Agency to deliver this work as a joint scheme together with their programme modifications to Junction 16. This will ensure economies are achieved and delays reduced by works being undertaken solely by the Highways Agency.

138. In order to secure the agreement with the Secretary of State, funding of £1.1m will be met by the Council's own resources in the first instance. Any subsequent receipt of external contributions from development in Crewe and surrounding areas will then be used to reimburse the Council's contribution.
139. The programme has also been revised to reflect Supplementary Capital Estimates of £2m contained in **Appendices 5 or 6** depending on value, and Budget reductions of £1.1m contained in **Appendix 7**.
140. The revised programme is funded from both direct income (grants, external contributions) and the Council's own resources (prudential borrowing, revenue contributions, and capital receipts). A funding summary is shown in **Table 7**.

Table 7 – Capital Funding Sources

	TQR Total Forecast Budget £m	Outturn Total Forecast Budget £m	Variance £m
Grants	103.4	102.2	-1.2
External Contributions	19.4	23.1	3.7
Council Resources	102.5	103.9	1.4
Total	225.3	229.2	3.9

Capital Budget 2013/14

141. At the Outturn stage the Council has incurred actual expenditure of £65.6m in 2013/14 against an Approved Budget of £78.6m. The underspend of £13.0m has been re-profiled to spend in future years. This includes the net impact in 2013/14 of supplementary capital estimates, virements and budget reductions listed in **Appendices 5 to 7**.

Table 8 – Changes to the 2013/14 Capital Budget

	TQR Budget	Revised Outturn Budget	Actual Expenditure	(Over/ Underspend)
	£m	£m	£m	£m
Children Services	7.7	7.9	7.1	-0.8
Early Help & Protection	0.5	0.5	0.4	-0.1
Adult Services	1.1	1.2	1.3	0.1
Environmental Protection & Enhancement	32.2	32.8	31.8	-1.0
Public Protection & Enforcement	2.7	2.8	2.2	-0.6
Economic Growth & Prosperity	16.6	16.5	10.9	-5.6
Communities	0.7	0.8	0.6	-0.2
Chief Operating Officer	16.6	16.1	11.3	-4.8
Grand Total	78.1	78.6	65.6	-13.0

142. **Appendix 5** lists approved supplementary capital estimates and virements up to and including £250,000 approved by delegated decision which are included for noting purposes only.

143. **Appendix 6** details requests for:

- (1) A virement of £549,457 for the Core System Stability project which is to be funded from other ICT projects.
- (2) A Supplementary Capital Estimate of £611,000 for Closed Landfill Sites funded partly by a revenue contribution and the remainder by prudential borrowing. This is to cover future liabilities on the sites. The financing costs of the prudential borrowing will be met from existing revenue budgets.

144. **Appendix 7** lists details of reductions of £1.1m in Approved Budgets where schemes are completed and surpluses can now be removed. These are for noting purposes only.

Central Adjustments

Capital Financing Costs

145. The capital financing budget includes the amount charged in respect of the repayment of outstanding debt and the amount of interest payable on the Council's portfolio of long term loans. These budgeted costs are partly offset by the interest the Council anticipates earning from temporary investment of its cash balances during the year. The capital financing budget of £11.9m accounts for 4.6% of the Council's net revenue budget.

146. The budget is underspent by £0.9m for the year 2013/14, which is the same position as reported at TQR. As cash balances remained stable throughout the year no additional external borrowing was undertaken, resulting in lower external interest charges than budgeted. Return on investments has also exceeded target. These factors produce an underspend of £0.6m.

147. The administrators of Heritable Bank have continued to make repayments in 2013/14 bringing the total amount recovered to 94%. The original expectation was for around 88% of this to be recovered. The additional receipt over and above the original estimated recovery rate of 88% has resulted in additional revenue in 2013/14 of £300,000. It is possible a further distribution could be received dependent on the outcome of court cases affecting the balance of Heritable Banks assets.

Treasury Management

148. The net investment income received in 2013/14 after allowing for fees and interest due to the Growing Places fund was £418,000. This is favourable compared to the budget of £320,000.

Table 9 – Investment Returns

Sources of Income	£000
In House Managed Investments	416
Fund Manager Gains in Value	91
Heritable Bank in Administration (inc notional interest)	335
Other Interest Income	24
TOTAL INCOME	866
Less – Fund Manager Fees	-53
Less – Growing Places Fund	-60
NET INCOME	753

- The average lend position (the 'cash balance') including fund manager in the year was £90.2m.
 - The average interest rate received on in-house investments in the year was 0.60%
 - The average interest rate (after fees) received on the externally managed pooled funds in the year was 0.19%.
149. The Council's total average interest rate received in the year was 0.50%. Although favourable when compared to the London Inter-bank Bid Rate for 7 days at 0.41% this only matched the base rate which remained at 0.50% for the full year. Disappointing performance from the externally managed pooled funds prevented a higher overall return.

Table 10 – Interest Rate Comparison

Comparator	Average Rate
Cheshire East	0.50%
LIBID 7 Day Rate	0.41%
LIBID 3 Month Rate	0.45%
Base Rate	0.50%

150. All investments are made in accordance with the parameters set out in the Treasury Management Strategy Statement (TMSS) approved by Council on 28th February 2013 and updated on 27th February 2014. Further details of counterparty limits and current investments are given in **Appendix 8**.

Central Contingencies and Budgets

151. The 2013/14 budget contained £0.7m contingency provision to meet the impact of increases in Employer Pensions contributions. This has been fully allocated to services.
152. A provision of £4.2m was included in the 2013/14 budget to meet ongoing actuarial charges relating to Voluntary Redundancies (VR), and relocation costs arising from Local Government Reorganisation. Spending on actuarial costs was £4.0m. However services are absorbing relocation costs within their budgets, and consequently £0.2m of the contingency will be returned to balances. Overall though, relocation costs are lower than originally forecast. Budget provision of £0.5m made in 2012/13 to return surplus funding transferred to the Council on reorganisation to Cheshire West and Chester Council was carried forward in general reserves. A payment of £0.5m from reserves has been made in 2013/14.
153. Services have absorbed the costs of investment in securing Management Review savings and the central budget of £1.3m has been returned to balances.
154. The service underspend has also created flexibility to fund costs associated with the Alderley Park development of £2.6m as well as the revenue impact relating to capital projects that did not go ahead of £0.6m. Risks associated with Non-Domestic Rate appeals are being mitigated by not releasing £1.9m funds to the General Fund. Transfers to centrally managed earmarked reserves for sustainable investment of £2.1m are also possible following the receipt of additional grants.

Use of Reserves

155. At First Quarter Review approval was given to allocate £0.5m to service budgets from General Reserves relating to Flood Grant, Flood Levy, and income shortfall from sale of CLS Care Service Leases.
156. The National Joint Council for Local Government Officers agreed a Pay Award of 1% (for staff up to Grade 12) with effect from 1 April 2013, and the removal of Spinal Column Point 4 from 1 October 2013. At Mid-Year Review the estimated cost of £1m was removed from service outturn forecasts and factored in centrally to be met from reserves. Services have now been allocated the additional budget to meet these costs.

Debt

157. A summary of outstanding invoiced debt by Service is contained in **Appendix 10**.

Outturn Impact

158. The impact of the projected service outturn position is to increase balances by £3.7m as reported above (**para 108**).
159. Taken into account with the central budget items detailed above, the impact of these issues is to increase balances by £0.9m, as summarised in **Table 11**.

Table 11 – Impact on Balances

	Paragraph	£m
Service Outturn	108	-3.7
Specific Grants	116	-3.9
Capital Financing	146	-0.9
Contingencies	151-153	-1.6
Relocation costs	152	0.5
Earmarked Reserves	154	4.0
Capital investment	154	3.2
Use of Reserves	155	0.5
LGO Pay Award	156	<u>1.0</u>
		<u>-0.9</u>

Management of Council Reserves

160. The Council's Reserves Strategy 2013/16 stated that the Council would maintain reserves to protect against risk and support investment. The Strategy forecast that the level of reserves would remain constant at £13.2m throughout this period in line with the risk assessed minimum level.
161. The opening balance at 1st April 2013 on the Council's General Reserves increased from a budgeted £13.2m to an actual position of £18.9m, due to the final outturn position for 2012/13.
162. In light of the impact of the revised outturn position on general reserves and the emergence of other potential pressures on the budget, the Reserves Strategy was updated at First Quarter Review.
163. The 2013/14 budget made no provision for a contribution to or from general reserves.

164. The overall impact of service and central budget outturn issues identified above is therefore a net increase in general reserves of £0.9m to £19.8m as shown in **Table 12** below.

Table 12 – Change in Reserves Position

	£m
Opening Balance at 1 April 2013	18.9
Final Outturn Impacts	0.9
Closing Balance at March 2014	19.8

165. The balance of £19.8m is above the Reserves Strategy risk assessed minimal level for 2013/2014 of £13.2m.
166. The Council also maintains Earmarked Reserves for specific revenue purposes. In setting the 2014/15 budget, Council approved the establishment of a £5.3m earmarked reserve to support activity that will increase longer term financial resilience of the Council, particularly in relation to growth in income from local sources.
167. General reserves will remain adequate, in line with the overall strategy to protect the Council against risk and support investment.
168. The approved Reserves Strategy also identified the potential need for a Business Rates Retention Scheme earmarked reserve to manage cash flow implications of the scheme. It is proposed that reserve initially be set up with a value of £5.1m, based on the assessed liability in future years.
169. Services have also made provision within their outturns to reflect slippage in spending plans, carry forward of grant backed initiatives and provisions for service specific liabilities. It is proposed that this expenditure be met from a combination of carry forward via the service manager earmarked reserve under Finance Procedure Rule A 40, as listed in **Table 13** below, together with the establishment of specific earmarked reserves as detailed in **Appendix 9**. Cabinet are asked to request Council approval to the newly created reserves at 31st March 2014.

170. The Council did not receive external funding to support the implementation of Local Government Reorganisation in 2009, but the considerable expenditure associated with such significant change has been managed, and reserves have now been restored to similar levels as existed pre-2009. General Reserves have closed at 7% of the net budget. The overall level of reserves is adequate to continue to protect the Council against financial risks and to provide opportunities for investment in the medium term.

Table 13 – Service Manager Carry Forward Earmarked Reserve

Service	Type	Description	Amount £000	Total £000
Children & Families	Grant	Lifelong Learning	107	734
	Grant	SEN Reform	75	
	COI	Home to School Transport	10	
	COI	Young Persons Advice	272	
	Other	Domestic abuse - new initiatives	150	
	Other	Catering Trading account	120	
Adult Social Care & Independent Living	Grant	New Burdens	60	1,330
	COI	Social Care Bill implementation	510	
	COI	Respite Placements Review	100	
	COI	Housing accommodation	126	
	COI	Care4CE	210	
	COI	Assessment Care System	272	
	Other	NHS S256 funding	52	
Environmental Protection & Enhancement	Grant	Flood Management	310	901
	COI	Countryside Biosecurity	10	
	COI	Environmental Operations Programme	265	
	COI	Bereavement Orbitas	66	
	COI	Highways & Transport - NRSWA Permit	100	
	Other	Highways Contract	150	
Economic Growth & Prosperity	Grant	Heat Networks	198	861
	Other	Energy Manager contract	57	
	Other	Tatton park - RHS Subsidy	75	
	Other	Planning Appeals	350	
	Other	CBL partner contributions	49	
	Other	WW1 Commemoration - Cultural	94	
	Other	Young Persons Advice Officers / Nightstop	38	
Public Protection & Enforcement	COI	Leisure Services	35	35
Chief Operating Officer	COI	Workforce Development	40	624
	COI	Organisational Change	84	
	Other	PSN provision	500	
GRAND TOTAL				4,485

3. Workforce Development

171. This section sets out the Council's activities in relation to HR, OD, Workforce Development plans and changes to staffing levels.

Workforce Development Projects

172. The Council has a number of key workforce development projects underway to support the Council's continued transformation. Under the major change project 8.2, which is specifically about building capability and engaging the workforce, a workforce engagement survey was run earlier this year and the results will provide a baseline for the Council regarding staff engagement and morale and, importantly, enable the development of focused action plans to build on strengths and make improvements in key areas where necessary.
173. An extensive series of staff road shows, led by the Leader of the Council and Chief Executive, took place in January and February 2014. Entitled "one direction, many pathways." the roadshows sought to keep staff informed on the direction, priorities and successes of the Council and build momentum behind our ambitious plans for the future.
174. Recognising the very different organisation we are and will become, a review of our core organisational values, associated behaviours and employee recognition scheme is nearing completion to ensure our core values reflect what matters most and provide a strong and enduring foundation for future success. At the recent series of staff road shows, more than 800 staff and managers were invited to discuss and share their thoughts on how our core organisational values may need to change. A number of different perspectives emerged and recognising the extent of change underway, further work is now progressing to review our values base and associated behaviours so that they resonate strongly and provide a key lever for change.
175. A series of conferences took place during March specifically for middle managers, recognising their crucial role in helping to deliver the Council's ambitious change agenda. Led by the Leader of the Council, Chief Executive and Executive Director of Strategic Commissioning, the objectives were to share and discuss the future direction and priorities of the Council, and to explore the crucial role of middle managers in achieving and sustaining success.
176. Recognising that working in local government is complex and constantly changing with increasingly tough demands on all employees, leaders and managers, the Council is working to develop a broad portfolio of management and leadership tools and techniques, including coaching and mentoring which are particularly powerful tools and have been proven to be a highly effective way of developing individual and organisational performance, by unlocking capability, building confidence and increasing ownership.
177. A third cohort of managers has successfully completed the Cheshire and Warrington Collaborative Leadership Programme, which the Council runs in partnership with Cheshire West and Chester Council, Warrington Council and other partners including the Police, Fire and NHS. This is a hugely successful programme and an excellent example of collaborative working. The programme this year has been run in conjunction with North West Employers.
178. Work continues to develop a key set of organisational capabilities, including commercial awareness, commissioning skills and matrix working. A tailored development programme is being developed alongside this to ensure that the Council's managers and staff have the right skills and capabilities to operate at pace and deliver what is required as part of the Council's strategic commissioning operating model.
179. Investment for Major Change Project 8.1a (Performance Related Pay) was initially estimated to be £0.18m in the current financial year but, as previously reported, this investment has not been required in 2013/14. Work will continue to develop a

comprehensive Reward Strategy to take the Council forward for which funding has been provided in 2014/15.

180. In terms of the Major Change Project 8.1b, Flexible and Agile working, this is to be amalgamated with the larger Location Independent Working project, led by ICT. In doing this, the projects and inter-dependent streams of work will be pulled together to ensure maximum benefits are realised.

Senior Management Review

181. The senior management review, Major Change Project 7.1, concluded on the 31st March 2014 and will achieve full savings of £5m in 2014/15. Further restructures and service redesigns will continue to take place but these are outside the scope of the project and will be in line with usual Council policies and procedures.

Staffing Changes

182. **Table 14** below demonstrates that there has been a reduction in headcount of over 1.1% between January and March 2014. The headcount figure in March 2014 was 4,828 (a reduction over the financial year of 275). This is attributed in the main part to a number of resignations, voluntary redundancies and retirements. Staff transferring to CoSocius, ANSA and Orbitas on 1st April 2014 are included in the March 2014 headcount/FTE figures.

Table 14: Headcount and FTE figures for January to March 2014

	Jan-14		Feb-14		Mar-14	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
Former Places	1,901	1,400.9	1,890	1,391.5	1,869	1,380.1
Adults	1,299	993.5	1,293	988.6	1,304	995.6
Childrens	1,118	765.1	1,114	763.0	1,104	754.3
Finance	249	230.7	248	229.8	246	227.9
Shared Services	120	112.6	118	110.6	113	107.0
Legal / Dem	119	80.2	116	79.2	120	79.3
Apprentices	51	49.0	49	47.0	47	45.0
HR & OD	49	42.9	48	42.3	48	42.3
Total	4,883	3,675.0	4,853	3,652.1	4,828	3,631.4

Table 15: Comparison of average days lost to sickness in the Fourth Quarter of 2013/14 to the same period in 2012/13

	January	February	March
Q4 2013/14	9.53	10.53	11.33
Q4 2012/13	10.00	10.95	12.03

Whole Council excluding Schools – year to date cumulative effect

183. **Table 15** (above) demonstrates that there continued to be an overall reduction in the average number of days lost to sickness absence in the 2013/14 financial year in comparison to 2012/13.

Voluntary Redundancies

184. The Council's voluntary redundancy scheme continues to support organisational change and the delivery of the planned programme of change in the Council Plan. The effective use of voluntary redundancy in this way enables the Council to achieve its planned savings and efficiencies and also helps to maintain good employee relations within the Authority and minimises the prospect of compulsory redundancy.
185. 37 people have left the Council under voluntary redundancy terms in Quarter 4, 18 of who held posts within the management grades (grade 10 or above, including Soulbury staff). The total severance costs for all thirty-seven employees was £1.2m, inclusive of redundancy and actuarial costs. Over the next five years, these reductions are estimated to save the Council over £6.6m (which is the combined accumulated costs of the deleted posts).

Appendices to Final Outturn Review of Performance 2013/14

July 2014

Appendix 1 – The Three Year Council Plan



To assist with reading this page a PDF version is has been made available at: www.cheshireeast.gov.uk/budget

2013 2016

Our principles to underpin budget decisions

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

Priorities

Change Programmes

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

Appendix 2 – Changes to Revenue Budget 2013/14 since TQR

	TQR Net Budget	Additional Grant Funding	Allocations from Balances & Contingencies	Restructuring & Realignments	Other Virements	Final Outturn Net Budget
	£000	£000	£000	£000	£000	£000
Commissioning Services						
Children & Families	57,874	-554		-199	-492	56,629
Adult Social Care	96,534	-5,192		1,793	194	93,329
Public Health	0					0
Environmental Protection & Enhancement	38,007			435	-373	38,069
Public Protection & Enforcement	-240			-175		-415
Economic Growth & Prosperity	6,975			6,322	-74	13,223
Communities	18,449			-6,496	-156	11,797
Chief Operating Officer						
Assets	17,965				-25	17,940
Commercial Strategy, Business Improvement & Performance	21,622			-1,719	-353	19,550
Organisational Development	4,517			-37	-33	4,447
Monitoring Officer	1,683			41	-17	1,707
Governance & Democratic Services	4,110			-1	-22	4,087
Cross Cutting Items	0					0
TOTAL SERVICE BUDGET	267,496	-5,746	0	-36	-1,351	260,363
Central Budgets						
Specific Grants	-22,041	5,746				-16,295
Capital Financing	11,919				39	11,958
Contingencies	4,194			36	1,312	5,542
Contribution to/from Reserves	-1,514					-1,514
Invest to Save Reserve	-253					-253
	-7,695	5,746	0	36	1,351	-562
TOTAL BUDGET	259,801	0	0	0	0	259,801

Appendix 3 – Corporate Grants Register

Corporate Grants Register 2013/14 - Outturn	Original Budget	Revised Forecast TQR	Final Outturn	Change from TQR	Impact
	2013/14 £000	2013/14 £000	2013/14 £000	2013/14 £000	
SPECIFIC USE (Held within Services)					
Schools					
Dedicated Schools Grant	182,401	184,649	180,131	-4,518	
Pupil Premium Grant	5,228	5,427	5,778	351	
Sixth Forms Grant	6,722	6,406	6,326	-80	
Total Schools Grant	194,351	196,482	192,235	-4,247	
Housing Benefit Subsidy	84,518	84,518	84,518	0	
Public Health	12,726	13,762	13,762	0	
Local Enterprise Partnership	0	526	526	0	
Adoption Improvement Grant	0	350	350	0	
Restorative Justice Development Grant	0	1	1	0	
TOTAL SPECIFIC USE	291,595	295,639	291,392	-4,247	
GENERAL PURPOSE (Held Corporately)					
Central Funding					
Revenue Support Grant	55,855	55,855	55,855	0	
Business Rates Retention Scheme	37,159	37,159	37,159	0	
Total Central Funding	93,014	93,015	93,015	0	

Corporate Grants Register 2013/14 - Outturn	Original Budget	Revised Forecast TQR	Final Outturn	Change from TQR	Impact
	2013/14 £000	2013/14 £000	2013/14 £000	2013/14 £000	
GENERAL PURPOSE (Held by Services)					
Children & Families					
Skills Funding Agency	847	952	953	1	
Youth Offending Service Grant	0	353	353	0	
Troubled Families	586	586	586	0	
Troubled Families - Co-ordinator	100	100	100	0	
Remand Funding - New Burden	64	47	47	0	
Sector Led Improvement Grant	0	3	3	0	
Adoption Improvement Grant	0	554	554	0	
Extended Rights to Free Transport	0	284	283	-0	
Special Educational Needs Reform Grant	0	75	75	0	
Adults					
NHS S256 Reablement Funding	5,192	5,192	0	-5,192	Transferred to Service
Local Reform and Community Voices Grant (inc Deprivation of Liberties: £33k, Healthwatch: £100k and Mental Health: £121k)	254	254	256	2	
Adult Social Care Data Collection - New Burden		60	60	0	
Environmental Protection & Enhancement					
Lead Local Flood Authorities	52	52	52	0	
Economic Growth & Prosperity					
Neighbourhood Planning Grant	0	10	10	0	
Heat Networks Funding Stream	0	198	198	0	
Town Teams Partnerships - RIA	0	0	10	10	Balances
Monitoring Officer					
Individual Electoral Registration	0	13	13	-0	
Maximising Electoral Registration	0	0	18	18	Balances

Corporate Grants Register 2013/14 - Outturn	Original Budget	Revised Forecast TQR	Final Outturn	Change from TQR	Impact
	2013/14 £000	2013/14 £000	2013/14 £000	2013/14 £000	
Communities					
Housing Benefit and Council Tax Administration	2,000	2,000	2,000	0	
NNDR Administration Grant	562	562	562	0	
Social Fund - programme funding	612	612	612	0	
Social Fund - administration funding	129	129	129	-0	
Council Tax - New Burden	148	148	148	0	
Chief Operating Officer					
Education Services Grant	4,385	5,349	4,975	-374 Balances	
KS2 Moderation grant removed from ESG above - (transfer to services)	0	0	-21	-21 Balances	
New Homes Bonus 2011/12	870	870	870	0	
New Homes Bonus 2012/13	1,844	1,844	1,844	-0	
New Homes Bonus 2013/14	1,037	1,037	1,037	-0	
Affordable Homes 2012/13	85	85	85	-0	
Affordable Homes 2013/14	82	82	82	0	
New Homes Bonus 2013/14 - return of topslice	315	315	315	0	
Council Tax Freeze Grant 2013/14	1,794	1,805	1,805	0	
Community Rights to Challenge - New Burden	9	9	9	0	
Community Rights to Bid - New Burden	8	8	8	-0	
				0	
Small Business Rate Relief New Burden	0	0	1,879	1,879 Balances	
Capitalisation Provision Redistribution Grant	0	0	294	294 Balances	
Total Services	20,975	23,589	20,205	-3,384	
TOTAL GENERAL PURPOSE	113,989	116,604	113,220	-3,384	
TOTAL GRANT FUNDING	405,584	412,242	404,611	-7,631	

Appendix 4 – Summary Capital Programme and Funding

	TQR In-Year Budget	SCE's/ Virements/ Reductions Outturn	Revised Outturn In-Year Budget	Actual Expenditure	Forecast Expenditure		
	2013/14 £'000	2013/14 £'000	2013/14 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	Post 2015/16 £'000
Children & Families							
2013/14 New Starts	1,990	216	2,206	1,970	9,386	428	0
Ongoing Schemes	5,709	-14	5,695	5,096	3,768	600	0
Early Help & Intervention							
2013/14 New Starts	0	0	0	0	397	0	0
Ongoing Schemes	456	0	456	394	238	0	0
Adult Social Care							
2013/14 New Starts	611	0	611	791	767	0	0
Ongoing Schemes	538	19	557	475	325	0	0
Environmental Protection & Enhancement							
2013/14 New Starts	22,890	674	23,564	23,081	12,799	57	0
Ongoing Schemes	9,465	-222	9,243	8,740	15,250	62	0
Public Protection & Enforcement							
2013/14 New Starts	1,150	110	1,260	927	8,411	6,586	0
Ongoing Schemes	1,565	0	1,565	1,285	330	0	0
Economic Growth & Prosperity							
2013/14 New Starts	6,379	15	6,394	1,872	9,790	1,143	0
Ongoing Schemes	10,197	-74	10,123	9,038	27,362	10,099	1,409
Communities							
2013/14 New Starts	665	-7	658	611	481	200	0
Ongoing Schemes	79	18	97	-6	369	0	0

	TQR In-Year Budget	SCE's/ Virements/ Reductions Outturn	Revised Outturn In-Year Budget	Actual Expenditure	Forecast Expenditure		
	2013/14 £'000	2013/14 £'000	2013/14 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	Post 2015/16 £'000
Commercial Strategy & Business Innovation							
2013/14 New Starts	430	-362	68	1	49	0	0
Ongoing Schemes	16,190	-140	16,050	11,335	44,060	9,252	0
Total New Starts	34,115	646	34,761	29,253	42,080	8,414	0
Total Ongoing schemes	44,199	-413	43,786	36,357	91,702	20,013	1,409
Total Capital Expenditure	78,314	233	78,547	65,610	133,782	28,427	1,409

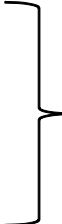
Funding Source	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Grants	34,886	65,522	1,760	0
External Contributions	2,579	10,955	9,406	150
Cheshire East Resources	28,145	57,305	17,261	1,259
Total	65,610	133,782	28,427	1,409

Appendix 5 – Approved Supplementary Capital Estimates and Virements up to £250,000 (note the figures are shown in £'s to assist the approval process)

Capital Scheme	Amount Requested £	Reason and Funding Source
Members are asked to note SCE and Virements up to and including £250,000		
SUPPLEMENTARY CAPITAL ESTIMATES		
Adult Services		
Building Base Review	5,067	Alteration and Refurbishment works at The Dean Row Centre and The Redesmere Centre. Agreed Revenue contribution for compliance items, works include decoration, flooring, electrical maintenance works, works to existing mechanical extract system etc.
Children's Services		
Styal Primary School	990	Additional funding provided from schools towards the works being undertaken to improve sites.
Suitability/Minor Works/Accessibility Block Provision		
Underwood West Primary School	200,000	
Wyche Primary School	6,000	
The Berkeley Primary School	48,000	
Acton CofE Primary School	764	
Haslington Primary School	1,603	
Little Bollington CofE Primary School	703	
St Johns Wood	12,787	
The Dingle Primary School	1,546	
Oakefield Primary School - Basic Needs 11-12	4,000	
Springfield Special School (School Funded Project)	156,000	
Elworth Primary School	94,000	

Capital Scheme	Amount Requested £	Reason and Funding Source
Chief Operating Officer		
Minor Works	17,685	Revenue contribution from Countryside to enable Assets to progress the relocation of the Rangers to Nelson Pit.
Economic Growth & Prosperity		
Tatton Vision	24,800	Revenue contribution towards additional construction/refurbishment work at Tatton Park's Gardeners Cottage. This involved the building of a new dry storage facility and toilet within the grounds of the Cottage.
Tatton Park - Conservatory	13,999	Revenue contribution to cover additional expenditure to the original scope.
Environmental Protection & Enhancement Section 278s		
S278 Aldi Knutsford	5,000	Funded by S278 Developer Contributions
S278 Waitrose, Knutsford	15	Funded by S278 Developer Contributions
S278 Hall Lane, Hankelow Houses	24	Funded by S278 Developer Contributions
S278 George & Dragon, Wilmslow	35	Funded by S278 Developer Contributions
S278 A534 Nantwich Road	20	Funded by S278 Developer Contributions
S278 Land, Mill Street, Congleton	14,000	Funded by S278 Developer Contributions
S278 Co-op Lawton Road	5,000	Funded by S278 Developer Contributions
S278 Parkers Road Crewe	5,000	Funded by S278 Developer Contributions
Brook Lane, Alderley Edge	5,000	Funded by S278 Developer Contributions
S278 Basford West Spine Road	170,000	Funded by S278 Developer Contributions
Bombardier, Crewe	30,000	Funded by S278 Developer Contributions
S278 Bombardier, Dunwoody Way	12,000	Funded by S278 Developer Contributions
Forge Lane, Congleton	5,000	Funded by S278 Developer Contributions

Capital Scheme	Amount Requested £	Reason and Funding Source
S278 Winlowe Court, Macclesfield	4,000	Funded by S278 Developer Contributions
Millfields, Blagg Avenue, Nantwich	3,000	Funded by S278 Developer Contributions
Warmingham Lane, Middlewich	25,000	Funded by S278 Developer Contributions
Local Development Framework Transport Infrastructure	2,500	Funded by a Revenue Contribution
Road Safety Schemes Minor Works	290	Funded by S106 Developer Contributions
Local Area Programme	63,441	Funded by S106 Developer Contributions
Elworth s106 Footpath Works	42,000	To provide additional play equipment to enhance the play area at Congleton park. Funded by a grant award from WREN (Waste Recycling Environmental Ltd)
Congleton Park Improvements	135,000	Funded by S106 Developer Contributions
Stanley Hall & Meriton Park	15,465	To supply play equipment at Meriton Road play area. Funded by S106 contributions
Stallard Way Play Area	61,000	To undertake a refurbishment of Stallard Way Play Area. Funded via section 106 developer contributions and grant funding.
Public Protection & Enforcement		
Lifestyle Centre Crewe	70,000	Contribution towards creating Public Health related benefits within the new lifestyle centre within Crewe.
Squash Court Refurbishment	110,000	To refurbish Squash Court's across the borough. 50% of the cost of this project is be funded via a grant award from the English Squash and Racketball Association.
Communities		
Customer Relationship Management & Telephone System	16,502	Revenue contribution to cover additional costs.
Customer Access	12,500	Revenue contribution to cover additional costs.
Total SCE's Requested	1,399,738	

Capital Scheme	Amount Requested £	Reason and Funding Source
<u>CAPITAL BUDGET VIREMENTS</u>		
Adult Services		
Building Base Review	16,852	Alteration and Refurbishment works at The Dean Row Centre and The Redesmere Centre. Agreed virement from the AMS Block funded by Prudential Borrowing, works include decoration, flooring, electrical maintenance works, works to existing mechanical extract system etc.
Lifestyle Centre Refurbishment - Macclesfield	744	Virement from Wilmslow Lifestyle Centre Refurbishment project to fund overspend of similar works at the Macclesfield Lifestyle Centre.
Children's Services		
Virement to be applied to eleven projects. A full breakdown of this adjustment can be obtained from Corporate Finance.	31,026	Virement from Capital Maintenance Grant Block Provision to cover the costs of Asset Management Fees incurred during December to March.
Pebblebrook Primary School - Expansion to increase pupil capacity - Phase 1	723	Virement of Grant from the Department of Education for second phase of works at Pebblebrook primary.
Alsager Secondary School	3,773	 Virement of Capital Maintenance Grant block to cover small overspends.
Minor Works / Accessibility	1,486	
The Quinta Primary School	5,491	
Goostrey Primary School	1,106	
Lostock Hall Primary School	2,184	
Capital Maintenance Grant Block Provision	21,858	Unused grant from completed schemes, at Egerton, Leighton, Pikemere and Cranberry Primary Schools, to the Capital Maintenance Block.

Capital Scheme	Amount Requested £	Reason and Funding Source
Economic Growth & Prosperity		
Regeneration & Development Prog	62,727	Virement from the Parkgate - Regeneration budget. The Parkgate site has now been sold.
Nantwich Schemes	20,000	Virement within the Engine of the North capital programme, for the purposes of monitoring individual sites. This is to come from the Parkgate project as the site has been sold.
Poynton Relief Road	50,000	Virement from the A6 SEMMS project.
Crewe Town Squares - Lyceum Square	33,515	Virement from Taylor Drive, Nantwich project which is now complete. LTP funded
Environmental Protection & Enhancement		
The Carrs Multi User Route	14,044	Transfer from Public Rights of Way and Cycling Investment budget for path surface improvements in the Carrs park in Wilmslow.
Shell House, Station Road, Wilmslow	5,099	Virement from The Blue Lamp Carrs Park, also funded by S106. These two projects are inter-related work taking places in the same place using two pots of S106 funds. Therefore the overspend on Shell House, Station Road, Wilmslow was offset by the underspend on the The Blue Lamp Carrs Park.
Road Safety Schemes Minor Works	989	Virement from Taylor Drive, Nantwich project which is now complete. Funded from LTP Grant.
Macon Way Cycle Improvements	2,688	Virement from Taylor Drive, Nantwich project which is now complete. Funded from LTP Grant.
Bentley Road Safety Project S106	2,716	Virement from Taylor Drive, Nantwich project which is now complete. Funded from LTP Grant.
Countryside Capital Projects	19,876	Virement funded by offsetting underspend on Programme Management. Funded from LTP grant.
Local Development Framework Transport Infrastructure	16,685	Virement funded by offsetting underspend on Programme Management. Funded from LTP grant.
De-Trunked Roads - A523 Bosley	42	Virement funded by offsetting underspend on Programme Management. Funded from LTP grant.
Local Area Programme	99,067	Virement funded by the Highways Maintenance Minor works project.

Capital Scheme	Amount Requested £	Reason and Funding Source
Communities		
Customer Access	74,000	Virement from the Sustainable Libraries budget, funded by Prudential borrowing.
Customer Relationship Management & Telephone System	1,356	The Website and Telephony project is now complete the remaining budget is being vired to the Customer Relationship Management & Telephone System.
Customer Access	6,085	Virement from the Radio Frequency ID (RFID) budget. The self service machines for Poynton will now be funded from the Customer Access budget.
Total Virements Requested	494,132	
Total SCE's and Virements	1,893,870	

Appendix 6 – Request for Supplementary Capital Estimates above £250,000 (note the figures are shown in £'s to assist the approval process)

Capital Scheme	Amount Requested £	Reason and Funding Source
<p>Cabinet are asked to approve the Virement above £250,000 up to and including £1,000,000</p> <p>CAPITAL BUDGET VIREMENTS</p> <p>Chief Operating Officer Core System Stability</p>	549,457	Virement from Location Independent Workforce and Enabled Citizens and Businesses projects.
Total Virements Requested	549,457	
<p>SUPPLEMENTARY CAPITAL ESTIMATES</p> <p>Environmental Protection & Enhancement Closed Landfill Sites</p>	611,000	Creation of a provision in the accounts as at 31st March 2014 to cover future liabilities on the closed landfill sites. To be funded by Prudential Borrowing and Revenue Contributions (£271k and £340k respectively).
Total SCE's Requested	611,000	
Total Virements & SCE's	1,160,457	

Appendix 7 – Capital Budget Reductions (note the figures are shown in £'s to assist the approval process)

Scheme	Approved Budget	Revised Approval	Reduction	Reason
	£	£	£	
Cabinet are asked to note the reductions in Approved Budgets				
Adult Services				
Lifestyle Centre Refurbishment - Wilmslow	772,679	769,935	-2,744	Project completed and closed.
Children's Services				
Tytherington High School	2,795,475	2,688,620	-106,855	Works to improve and expand the teaching accommodation, for sixth form pupils, at Tytherington High School have now been completed.
Accessibility Works on Schools	87,514	85,609	-1,905	Project completed and closed.
Leighton Primary School	411,111	408,164	-2,947	Project completed and closed.
Suitability Works on Schools	388,784	388,144	-640	Project completed and closed.
Economic Growth & Prosperity				
SMDA - Strategic Acquisition	450,000	444,880	-5,120	Acquisition completed.
Town Regeneration & Development	600,000	565,000	-35,000	The necessary changes to the S106 agreement have not been successful at this point, so it can not be used as funding.
Arighi Bianchi Feasibility	60,000	50,000	-10,000	Revised programme agreed for handover of completed studies due to additional highway considerations. Further pre-implementation feasibility may be required in the future.
Congleton Link Road	3,606,000	3,306,000	-300,000	Budget correction to remove double counting
Housing Grants - Ex MBC - S106	964,700	949,300	-15,400	This project is now complete, therefore the S106 funding can be released to be used against other projects.

Scheme	Approved Budget	Revised Approval	Reduction	Reason
	£	£	£	
Section 278 Agreements				
S278 Newton Hall Farm	4,144	4,000	-144	Funded by developer contributions.
S278 Rope Lane Apps.	854	406	-448	Funded by developer contributions.
S278 New Access Bulkeley Rd	2,500	567	-1,933	Funded by developer contributions.
S278 Brookland House, Wis'ton	3,000	1,129	-1,871	Funded by developer contributions.
S278 New Street / Lowe Avenue, Congleton	2,500	1,461	-1,039	Funded by developer contributions.
S278 Junc Fallibroome, Meg Lane	3,500	3,401	-99	Funded by developer contributions.
S278 Chapel Street, Sandbach, Seddon	12,400	11,962	-438	Funded by developer contributions.
S278 Cookesmere Lane	1,363	1,343	-20	Funded by developer contributions.
S278 Maplewood, Macclesfield	2,500	2,444	-56	Funded by developer contributions.
S278 Waitrose, Poynton	23,897	23,475	-422	Funded by developer contributions.
S278 Charter Way, Macclesfield	2,500	684	-1,816	Funded by developer contributions.
S278 Station Road, Wilmslow	3,000	727	-2,273	Funded by developer contributions.
S278 Tesco, Hibel Road, Macclesfield	100,756	766	-99,990	Funded by developer contributions.
S278 Stafford St, Crewe	5,000	3,379	-1,621	Funded by developer contributions.
S278 B5071 Gresty Road	15,190	15,000	-190	Funded by developer contributions.
Congleton Footpath No.10 S106	9,034	5,911	-3,123	Project completed and closed.
The Carrs Multi User Route	162,500	162,100	-400	The actual grant receipt from Paths 4 Communities was £400 less than the SCE request basis.
Malkins Bank Play Area	56,000	53,686	-2,314	The original WREN offer of £15,000 was based on estimated cost for the project. When the tenders were received they came in under estimate so the WREN offer was reduced accordingly.
Materials Transfer Facility	702,743	700,653	-2,090	Project completed and closed.
Keepers Close / Mill Close	18,434	18,233	-201	Project completed and closed.

Scheme	Approved Budget	Revised Approval	Reduction	Reason
	£	£	£	
Chief Operating Officer				
Feasibility Studies 2013/14	380,398	0	-380,398	} Removal of prior year budgets, replaced by 2014-15 allocation
Feasibility Studies 2011/12	174,619	163,223	-11,396	
Compliance	362,894	296,131	-66,763	Expenditure against this project now funded from Revenue.
Energy Consumption	280,000	234,364	-45,636	Project now complete.
Totals	12,465,989	11,360,697	-1,105,292	

Appendix 8 – Treasury Management

Counterparty Limits and Investment Strategy

1. Due to on-going changes in the banking sector, to reduce risk, all maximum limits that can be invested in any one organisation were lowered in the Treasury Management Strategy approved in February 2014. For named UK banks and building societies this had been set at 10% of our total investments subject to a maximum value of £10m. These limits apply to the banking group that each bank belongs to. Limits for each Money Market fund have been set at 25% of total investments subject to a maximum value of £10m. There is also a maximum that can be invested in all Money Market Funds at any one time of 50% of the value of all investments.
2. Our approved counterparties list also includes a number of foreign banks although as at 31st March 2014, none have been used. The reduction to maximum limits will lead to some highly rated foreign banks being used in 2014/15. The limits applicable to foreign banks are the same as those applied to UK banks.
3. Banks credit ratings are kept under continual review. There have been changes in 2013/14 resulting in some organisations being considered unsuitable or to limit the duration of any investments. In addition to ratings, other credit indicators, such as Swap rates are also monitored.
4. **Table 1** shows the current investments and limits with each counterparty. A full analysis of the types of investment and current interest rates achieved is given in **Table 2**.

Table 1 – Current Investments and Limits

Counterparties	Limits		Investments as at 31/03/14	
UK BANKS				
Barclays Bank	10%	£10m	9%	£5m
Co-operative Bank:	10%	£10m	-	-
Close Bros	10%	£10m	5%	£3m
HSBC Bank	10%	£10m	-	-
Lloyds TSB	10%	£10m	5%	£3m
Royal Bank of Scotland	10%	£10m	-	-
Santander (UK) plc	10%	£10m	9%	£5.3m
Standard Chartered Bank	10%	£10m	3%	£2m
BUILDING SOCIETIES				
Nationwide Building Society	10%	£10m	3%	£2m
Money Market Funds	50%		33%	
Deutsche	25%	£10m	1%	£0.9m
Ignis	25%	£10m	13%	£7.6m
Federated Prime Rate	25%	£10m	10%	£5.9m
Morgan Stanley	25%	£10m	7%	£4.5m
Scottish Widows	25%	£10m	2%	£1.5m
Pooled Funds - External Fund Manager	50%		33%	£20.4m
				£61.1m

Table 2 – Types of Investments and Current Interest Rates

Instant Access Accounts	Avg rate %	£'000's
Instant Access Accounts	0.40%	5,325
Money Market Funds	0.42%	20,433

Notice Accounts	Avg rate %	£'000's
Notice Accounts (up to 100 days)	-	0

Fixed Term Deposits	Start	Maturity	Rate %	£'000's
Close Bros	17/03/2014	25/06/2014	0.62	3,000
Lloyds TSB	05/02/2014	05/08/2014	0.70	3,000
Barclays	28/08/2013	28/08/2014	0.85	5,000
Nationwide Building Society	15/01/2014	14/01/2015	0.81	2,000
Standard Chartered – CD	26/11/2013	26/11/2014	0.69	2,000

Externally Managed Funds	£'000's
Pooled Investments	20,347

Maturity Profile	£'000's
Instant Access	25,758
Maturing < 1 month	0
Maturing within 1 - 6 months	11,000
Maturing within 6 - 12 months	4,000
Externally Managed Funds	20,347
Total	61,105

5. Benchmarking of investment returns is notoriously difficult as the level of returns is related to the level of risk and different Local Authorities take different views on risk. The Council's performance is slightly below average compared to other local authorities, partly influenced by lower than expected returns on the externally managed pooled funds. Returns could be increased by using lower credit rated counterparties or increasing the duration of investments. Many authorities with lower risk but higher returns than Cheshire East Council have longer investment horizons due to stability of long term cash resources or have lower and less volatile daily cash balances. Higher cash balance means spreading the risk among counterparties even if the rate paid by some counterparties is relatively low.

Performance of Fund Manager

6. The table shows the performance of the funds (net of fees) since the initial investment of £20m (£10m in each model) on 27th May 2011.

	STANDARD MODEL	DYNAMIC MODEL
April 2013	0.23%	0.27%
May 2013	-0.13%	-0.13%
June 2013	-0.25%	-0.29%
July 2013	0.05%	0.05%
August 2013	-0.20%	-0.25%
September 2013	0.22%	0.22%
October 2013	0.19%	0.22%
November 2013	0.00%	-0.02%
December 2013	-0.05%	-0.02%
January 2014	0.06%	0.02%
February 2014	0.06%	0.06%
March 2014	0.03%	0.06%
Cumulative 2013/14	0.19%	0.18%
Value of Investment at 31/03/14	£10,230,563	£10,207,666
Fees (since start)	£72,088	£77,632
Average Annual Rate as at 31/03/14	0.56%	0.46%

7. The nature of these funds is that performance can be volatile although there has been no significant value achieved since October. A general slowdown in emerging market economies and effects on the bond markets of changes in US policy affected performance in November and December with only marginal improvement since then.
8. Overall the performance of the funds in 2013/14 has been disappointing generating considerably less income than expected. The likelihood is that the Council will withdraw these funds in 2014/15 and manage the investments in house.

Appendix 9 – Requests for Establishment of Earmarked Reserves

The table below includes all earmarked reserves, with highlighted items requiring approval.

Name of Reserve	Opening Balances 1 April 2013 £000	Movement in 2013/14 £000	Balance at 31 March 2014 £000	Purpose
Children & Families				
Long Term Sickness	150	63	213	LTS Insurance Scheme, surplus premiums paid by schools ~ operated as a trading account
Education All Risks (EARS)	160	101	261	Carried forward surplus of insurance premiums paid by schools ~ operated as a trading account
Children's Social Care	0	650	650	To support implementation of Children's social care bill
Adult Social Care and Independent Living				
Extra Care Housing PFI	1,128	338	1,466	Surplus grant set aside to meet future payments on existing PFI contract which commenced in January 2009
Individual Commissioning	0	580	580	To provide capacity to perform Deprivation of Liberties and Best Interest reviews of care customers following recent case law
NHS Section 256	0	1,784	1,784	To support adult social care which also has a health benefit, as agreed with Eastern Cheshire and South Cheshire Clinical Commissioning Groups and governed by Cheshire East Health and Wellbeing Board.
Public Health	0	1,620	1,620	Ring-fenced underspend to be invested in areas to improve performance against key targets. Including the creation of an innovation fund to support partners to deliver initiatives that tackle key health issues.

Name of Reserve	Opening Balances 1 April 2013 £000	Movement in 2013/14 £000	Balance at 31 March 2014 £000	Purpose
Environmental & Leisure				
Crematoria	367	0	367	Mercury abatement income set aside to fund potential replacement cremators as per the capital programme.
Winter Weather	0	120	120	To provide for future adverse winter weather expenditure
Economic Growth & Prosperity				
Building Control	181	0	181	Ring-fenced surplus (could be used to offset service deficit, if applicable)
Tatton Park	238	3	241	Ring-fenced surplus on Tatton Park trading account
Economic Development	223	-82	141	Support for town centres and economic development initiatives
Communities				
Communities Investment <small>Note 1</small>	457	2,311	2,768	Amalgamation of Promoting local delivery; Grant support; New initiatives and additional funding from outturn to support community investment
Emergency Assistance	0	400	400	Underspend on Benefits to be used to extend the life of the Emergency Assistance scheme to provide funding to the most vulnerable beyond 2014/15 when the funding ceases
Chief Operating Officer				
Invest to Save	255	-255	0	Central reserve to support invest-to-save projects
Elections	0	486	486	To provide funds for Election costs every 4 years
Insurance & Risk	3,712	-936	2,776	To settle insurance claims and manage excess costs.
Climate Change	67	0	67	Renewable Energy project

Name of Reserve	Opening Balances 1 April 2013 £000	Movement in 2013/14 £000	Balance at 31 March 2014 £000	Purpose
Chief Operating Officer				
Invest to Save	255	-255	0	Central reserve to support invest-to-save projects
Elections	0	486	486	To provide funds for Election costs every 4 years
Insurance & Risk	3,712	-936	2,776	To settle insurance claims and manage excess costs.
Climate Change	67	0	67	Renewable Energy project
Investment (Sustainability) <small>Note 2</small>	0	2,050	2,050	To support investment that can increase longer term financial independence and stability of the Council
Pension Contributions	0	150	150	To meet impact of reduced workforce on fixed contribution to Past Service Pensions deficit
Business Rates Retention Scheme	0	5,071	5,071	To manage cash flow implications following changes from the 2012/13 NNDR system
Service Manager carry fwd	1,623	2,862	4,485	See Table 13 in main report
TOTAL <small>Note 3</small>	8,561	17,316	25,877	

Notes:

- Existing communities reserves now amalgamated under Communities Investment
- Additional to Investment reserve of £5.300m approved to be established from 1 April
- Figures exclude:
 - Schools balances £8.810m
 - Grants Reserves £0.467m
- Proposed earmarked reserves to be created at March 2014 are highlighted

Appendix 10 – Debt Management

1. In addition to the collection of Council Tax and National Non-Domestic Rates the Council also issues invoices to organisations or individuals for certain key services. Performance related to Council Tax and Non-Domestic Rates is contained in Section 2 of this report.
2. Annually, the Council raises invoices with a total value of around £50m. This includes around £25m in Adult Social Care relating to client contributions towards care packages and income from Health on pooled budget and partnership arrangements.
3. As shown in **Table 1**, Total Invoiced Debt at the end of March 2014 was £14.1m. After allowing for £6.7m of debt still within the payment terms, outstanding debt stood at £7.4m. This is £2.4m higher than at 30th December 2013, mainly due to year end invoices raised within Adult Social Care.
4. The total amount of service debt over 6 months old is £2.4m which is slightly less than the older debt reported at the TQR.
5. Services have created debt provisions of £2.5m to cover this debt in the event that it needs to be written off.
6. The Council uses a combination of methods to ensure prompt payment of invoices. Recovery action against unpaid invoices may result in the use of debt collectors, court action or the securing of debts against property.

Table 1 – Outstanding Debt at 31st March 2014

	Outstanding Debt £000	Over 6 months old £000	Debt Provision £000
Commissioning			
Children and Families	252	50	184
Adult Social Care and Independent Living	5,095	1,373	1,373
Environmental Protection and Enhancement	960	497	462
Public Protection and Enforcement	94	60	60
Economic Growth and Prosperity	807	303	306
Communities	4	3	3
Total Commissioning	7,212	2,286	2,388
Chief Operating Officer			
COO - Assets	117	96	87
Commercial Strategy, Business Improvement and Performance	21	18	8
Organisational Development	6	3	3
Monitoring Officer	22	1	2
Governance and Democratic Services	0	0	0
Total Chief Operating Officer	166	118	100
TOTAL	7,378	2,404	2,488

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	1 st July 2014
Report of:	Peter Bates, Chief Operating Officer Steph Cordon, Head of Communities
Subject/Title:	Cheshire East Putting Residents First Fund
Portfolio Holder:	The Leader of the Council

1.0 Report Summary

- 1.1 With the creation of community hubs we recognise the need to provide one-off funding to support generic community hubs. Cheshire East Council see community hubs as being the way we integrate a modern health service with localism and the provision of resident first services.
- 1.2 This is very much in line with our residents first approach and will enable our local communities the opportunity to deliver activities where they are most needed. As a Council we will encourage those activities that focus on early intervention and prevention.

2.0 Recommendations

- 2.1 That Cabinet agree to the
- i) establishment of a Putting Residents First Fund which will have some flexibility over revenue and capital provision;
 - ii) purpose and criteria of the fund as set out in Section 11 of the report; and
 - iii) delegation of the decision making to the Leader and all decisions to be made in consultation with the relevant Cabinet Member and any comments arising from the consultation to be included in a six-monthly report to Cabinet.

3.0 Reasons for Recommendations

- 3.1 To enable the Council to explore alternative service delivery mechanisms at no further cost to the Council.
- 3.2 Provide support to generic community hubs.
- 3.3 To further advance the delivery of stronger community priorities determined by the Council.

4 Wards Affected

- 4.1 All

5 Local Ward Members

- 5.1 Local Ward Members will be encouraged to express their views about need in their respective communities.

6.0 Policy Implications

- 6.1 The establishment and commissioning of this fund will enable the Council to flexibly commission the voluntary, community and faith sector to deliver against its key outcomes.

7.0 Implications for Rural Communities

- 7.1 All proposals will be considered for their impact on rural communities.

8.0 Financial Implications

- 8.1 This will support the development and delivery of services at no further cost to the Council.

9.0 Legal Implications

- 9.1 There are no legal issues preventing the establishment of this fund. However, it needs to be carefully managed to ensure that no issues arise at the time that grants are made.
- 9.2 Two of the stated aims of this fund are to enable the council to explore alternative service delivery mechanisms at no further costs to the council and to further advance the delivery of stronger communities priorities. In delivering these objectives, care must be taken to ensure that when funding is provided it is truly a grant. Any attempt to monitor output or apply terms and conditions could, dependent on the value, inadvertently create a service contract that may breach public procurement rules.
- 9.3 There is a small risk that State Aid could apply to the grants being made. However, it is understood that the grants are likely to be relatively small amounts and therefore are in themselves unlikely to meet the threshold of 200,000 euros at which State Aid applies. Assistance under this threshold is viewed as 'de minimis' as it is unlikely to distort competition. However, all 'de minimis' payments over the previous three years must be taken into account when deciding if the threshold has been crossed. It is therefore important that when a grant is awarded the recipient is made aware that the funding qualifies as de minimis aid and that the Council checks that the recipient has not received similar aid which over the previous three year period would cumulatively cross the threshold for State Aid.

10.0 Risk Management

- 10.1 There is minimal risk associated with the introduction of this fund. It is most likely that it could be seen as a competitive bidding process and this will be actively discouraged. It could be considered an opportunity to improve the reputation of the Council by taking positive action to promote and support stronger communities.

11.0 Background and Options

- 11.1 The fund will be used as a flexible resource to support stronger communities and to provide local facilities and services at no further cost to the Council. It will not be a competitive bidding process and use will be determined by the Leader in consultation with the relevant Cabinet Member whose portfolio would be affected.
- 11.2 There will be no application process and activities/facilities will be commissioned according to need in communities and contribution towards Council outcomes. This is a separate fund to community grants which are small levels of grant to activities and is a bidding process. Smaller scale activities which meet the criteria for community grants will continue to be signposted to that process.
- 11.3 A key priority of the fund will be that it will contribute towards the enablement of organisations in the voluntary, community and faith sector to provide services that are valuable to communities and local people that the Council can initially invest in to save money long term.
- 11.4 The alternative to this is that there is no fund put into place and this would mean more limited development of priorities and alternative methods of delivery and potentially prevent new ideas being explored.
- 11.5 The following sets out the principles of the fund.
- (a) Fund is non-recurrent revenue and capital funding
 - (b) Fund is source of one off funding for schemes that will principally allow the Council to advance its priority of creating stronger communities and achievement of key outcomes:
 - Our local communities are strong and supportive
 - Cheshire East has a strong and resilient economy
 - People have the life skills and education they need to thrive
 - Cheshire East is a green and sustainable place
 - People live well and for longer
 - (c) There is no bidding process for the funds, the Leader will determine its use against the criteria and priorities for the fund working with other Cabinet Member portfolio holders.

- (d) The funds can be granted to groups or organisations who show that their proposals will help achieve the Council's outcomes and budgetary requirements and by providing services in a more cost effective and sustainable way.
- (e) Proposals to be forwarded to Head of Communities.
- (f) Decisions on approval or rejection of use of the fund are delegated to the Leader in consultation with any Cabinet Member affected. There will most likely be cross over in terms of ideas coming forward and there may be times when more than one Cabinet Member will be involved.

11.6 Cabinet are asked to agree the following criteria:

- (a) Organisations developing proposals with the Council will be in the main voluntary, community and faith sector. However, social enterprises, mutuals and Town and Parish Councils may also be considered. (Other organisations may work with the Council on developing ideas, but it is expected that there will be a cash injection in exceptional circumstances).
- (b) Provision of match funding to the proposal of at least 30% including volunteer time.
- (c) Extent that they can demonstrate that this may generate efficiency savings within the Council and build stronger communities to carry on these services at no further cost to the Council.
- (d) Innovation in approach and commitment to early intervention and prevention.
- (e) Organisational ability to deliver the proposal past idea stage and make it sustainable.
- (f) Compatibility with key Council outcomes and needs of communities.
- (g) Level of focus on areas contributing towards the key outcomes and needs of communities.
- (h) Funding development of new proposals will be short term in nature usually as this is a one off resource.
- (i) Progress against the Council's key outcomes is provided on a six monthly basis for two years after scheme completion to enable full benefits to be realised and reported to Cabinet.

12.0 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:	1st July 2014
Report of:	Julie Lewis, Principal Manager Cared for Children and Care Leavers
Subject/Title:	Council Tax Exemption for Foster Carers (Ref CE 14/15-2)
Portfolio Holder:	Cllr Rachel Bailey, Safeguarding Children and Adults

1. Purpose of Report

- 1.1 To make proposals that all Cheshire East Foster carers are exempted from the payment of Local Authority Council tax.
- 1.2 To request Cabinet sign up to the proposals and their progression through the governance structure of the Council.

2. Background

- 2.1 It is a priority for Cheshire East Council to increase the number of local authority foster carers providing local homes for cared for children. Dedicated, focussed recruitment campaigning has delivered an additional 16 fostering households this year, but resignations of carers at the same time means that the net gain target is still not achieved and there remains an over reliance on the use of Independent Fostering Agency carers, which incurs additional cost to the Council.
- 2.2 The Cheshire East current recruitment strategy has the following elements:

- collaboration with other LAs to maximise recruitment opportunities.
- increased support to current carers including support groups for birth children of carers.
- increased fostering allowances and a Fostering Plus scheme for those children with the most challenging needs.
- foster carer capacity scheme which assists in home improvements to enable carers to increase the number of children they can foster at any one time.
- media campaigns including television prime time slots.

- 2.3 An additional 20 fostering households were recruited last year but there is still need for further recruitment.

- 2.4 An additional priority for the Council is the retention of carers and it is anticipated that the proposals contained in this report will contribute to both the recruitment and retention of local authority foster carers for cared for children
- 2.5 A review of the Fostering Service recruitment processes has recently been undertaken and recommendations from this will assist further with timely responses to enquiries.
- 2.6 Under Section 13 A of the Local Government Finance Act 1992 the Council has the power to reduce liability for Council tax in relation to individual cases or class(es) of cases that it may determine and where national discounts and exemptions cannot be applied. Section 13 A(1)(c) states that the amount of Council tax which a person is liable to pay in respect of any chargeable dwelling and any day in any case, may be reduced to such extent (or, if the amount has been reduced to any extent required by the authority's Council Tax Reduction Scheme, such further extent) as the billing authority for the area in which the dwelling is situated thinks fit.
- 2.7 This report proposes that Foster Carers approved by Cheshire East Council and living within the Borough are exempted from the Council tax liability for the duration of their fostering careers.
- 2.8 Carers approved by Cheshire East but living outside of the Borough will receive reimbursement on a monthly basis equivalent to the amount of Council tax for which they are liable.

3. The Proposal/Process

- 3.1 Placement service in Cheshire East will inform Revenues section of those local authority foster carers living in the Borough. Council Tax service will then be able to apply discount to the carers Council tax record.
- 3.2 Cheshire East Foster carers have been sent their council tax bill for 2014/15. If the proposals are approved, discount will be applied and they will receive another bill showing the discount applied to their account.
- 3.3 Foster carers caring on behalf of Cheshire East Council will be exempted from full payment of Council tax for the duration of their fostering career.
- 3.4 Placement service will inform Revenues when a new carer is approved, when a carer leaves and when a carer moves house.
- 3.5 Children's Services will write to foster carers to advise them of the Council tax discount and when this will be applied. The discount will only be valid if they remain as foster carers. Exemption from the payment of Council tax will cease when a foster carer resigns or is deregistered.

- 3.6 At time of writing the report, Cheshire East had 108 fostering households within the Borough. The cost of Council tax for these households amounts to £139K per annum.
- 3.7 There are also 37 households fostering for Cheshire East located outside of the borough. It is proposed that these carers will receive reimbursement equivalent to their Council tax which amounts to approx £48k per annum. These carers will need to provide a copy of their paid Council tax bill in order to claim their reimbursement.
- 3.8 The current total amount required to meet the cost of this proposal equates to £187K.

4. Next Steps

- 4.1 Cabinet approval for the proposal is sought.

5. For Discussion

- 5.1 The means by which Cheshire East carers living outside of the Borough may be recompensed for their Council tax.

6. Financial Implications

- 6.1 It is anticipated that the annual cost of the proposal will be approximately £187K.
- 6.2 Costs within the first year of the scheme will be met via the adoption reform grant monies 2014/15.
- 6.3 It is anticipated that the scheme will become self-funding. A further 5 Cheshire East Fostering placements generated by this proposal will cost the Council approx £100K (including exempted Council tax). However, a reduction of 5 IFA placements will generate £200k in savings.

7. Recommendations

- 7.1 That Cabinet approve the proposals in this report.

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CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	1 st July 2014
Report of:	Director of Adult Social Care and Independent Living, Brenda Smith
Subject/Title:	Dementia Commissioning Plan
Portfolio Holder:	Cllr Janet Clowes, Care and Health in the Community

1.0 Report Summary

- 1.1 The Council is putting residents first and taking strong action as dementia matters in Cheshire East Council. This is a change of direction in response to the Council's growing commitment to an illness that affects and will affect many residents in Cheshire East, now and increasingly in the future.
- 1.2 The Council intends to lead the way in engaging with and providing support to both people living with dementia and their families and carers; this is a growing area of need. The impact of dementia on the person living with dementia and their family is substantial and distressing. This can be reduced or ameliorated if good information and support is provided early. Support from both informal/community and formal sources are crucial to improving outcomes. The Council is taking a strong leadership role in the 'moral charge' required to respond to this potentially devastating illness. This report outlines the Council's response.
- 1.3 This report to Cabinet provides a fuller description of the commissioning plans for dementia. Some of the key priorities in that plan that the Council is committed to are:
 - i) Early diagnosis
 - ii) Early support and reablement
 - iii) Crisis support
- 1.4 Existing best practice locally will continue to be developed to build on existing positive support and new innovative approaches are being created and tested. This will be an ambitious agenda for the Council over the next 12 months. It will include mobilising all agencies, businesses and communities to play their part in supporting those living with dementia and their families and carers. The Council will innovate to ensure that better outcomes can be achieved by achieving more results for fewer resources in all commissioning.
- 1.5 There are many aspects to address to develop leading edge support for those with dementia and their carers; these are described below in outline. The

Council's Commissioning Plan for Dementia is provided with further detail at Appendix 1. There is more work to be done in some aspects of the plan to determine all the detailed actions required but many things are already in place or in progress. The Dementia Commissioning Plan is a strategic commissioning plan that covers the whole system, including communities. This encompasses key Adult Social care commissioning plans but also outlines whole system leadership, as that is what is required for this challenge.

Plans are already in place with CCG partners to ensure that:

- Individuals with symptoms are diagnosed in a timely and accurate way
- Individuals, their carers/families have information and support to enable them to help them make choices appropriate to their needs
- Individuals, their carers/families are supported and provided with information and about local travel schemes to enable them to access services
- All public facing health and social care staff will receive appropriate dementia training to support individuals, carers/families
- Individuals have access to treatment and support to enable them to have a sustained and improved quality of life

These are additional actions now in our commissioning plan:

- Ensure the Council as a whole is the leading example to all in its commitment to dementia support.

The Council has developed a number of innovative responses to dementia; one example is the dementia friendly library at Nantwich. To build on these positives the Council is developing the next stage action plan for all service areas to ensure all Council functions support Dementia aims. The Council has pledged to join the Alzheimer's Society campaign for 'Dementia Friends' as part of this.

- Encourage as many organisations and businesses as possible across Cheshire East to become 'Dementia Friends'.

A Council run launch event on 13 June 2014 at Tatton Park, sponsored by the Leader of the Council, brought together over 100 organisations, such as banks and supermarkets, to make pledges to become Dementia Friends. These pledges will be followed up in September 2015 to hold organisations to account for the pledges they make. The Council is providing some short term funding support for a co-ordinator role to help these organisations to make their pledges a reality.

- Continue to build on the strong independent sector market for care homes and domiciliary support that responds effectively to the needs of people living with dementia.

This market is critical to providing choice across all areas of Cheshire East and as the need for this support grows it is essential that the market is managed/expanded to meet that need.

Residential respite for people, to support their carers will be provided in the independent sector. This will increase choice and control for carers. The care will be flexible and in a range of locations across Cheshire East so that carers can choose any where they prefer.

The quality of any of the commissioned services will be monitored by the Council's new care quality monitoring system in strategic commissioning which will cover all care provision in the independent sector.

- Develop a new pilot "Dementia Reablement Service".

This builds on the existing best practice in the Mental Health Reablement Service and the Older People Reablement Service. It will provide specialist intervention to seek to improve the outcomes of those living with dementia and their families and carers.

- Pilot an increased role for dementia advisers

These advisers work with individuals in the community to enable effective self-help to maintain life in the community.

- Provide stimulation to the voluntary sector and local communities to build inclusive community activities for those living with dementia and their families and carers.

Adult Social care have recently commissioned a number of dementia support services to the voluntary sector. These were launched at an event on 23 June 2014 to promote awareness.

- Continue to work with all other areas, such as Public Health, Leisure and Libraries to ensure they further develop their approaches to meet the dementia challenge.
- Build strong multi-agency approaches including Police, Housing, transport operators and others to ensure signs of dementia are recognised and responded to appropriately.

This will result in more early notification of the potential for support, ensure access to care and safeguard those living with dementia in communities.

There is more action to be planned to ensure all resources are making an effective contribution to this agenda.

2.0 Recommendation

- 2.1 That Cabinet endorse and support the Dementia Commissioning Plan.

3.0 Reasons for Recommendation

- 3.1 Dementia is a national issue of major and growing significance. There are 800,000 people living with dementia in the UK and this is set to rise to one million by 2021. Cheshire East has an estimated 5402 residents aged 65+ living with dementia and it is predicted that this will reach 6710 by 2020. Supporting those individuals currently with dementia in Cheshire East are 4500 carers.

There has not been a comprehensive whole system commissioning plan for dementia in Cheshire East, although there has been a lot of good practice locally. The scale and impact of dementia on the lives of the people of Cheshire East now and in the future requires a strong new vision and actions which this Dementia Commissioning Plan provides. It will ensure that all resources, including businesses, communities and the public sector, are garnered to best effect to improve the lives of those living with dementia and their families and carers.

This commissioning plan increases the focus on early help and support. This support is key to improving outcomes and also to help slow the progress of the effects of dementia. This support will also have an impact on reducing the future cost implications of dementia.

Dementia is a key priority area in the Cheshire East Health and Well-Being Strategy; this commissioning plan will support the delivery of improvements against that priority.

4.0 Wards Affected

- 4,1 All Wards

5.0 Local Ward Members

- 5.1 All members

6.0 Policy Implications

- 6.1 The decisions in this report support The Strategic Direction of Travel for Adult Social Care Services – Promoting Open Choice as agreed at Cabinet of 4 February 2014. They contribute to the delivery of the Cheshire East Council Three Year Plan outcomes:

Outcome 1: Our Local Communities are Strong and Supportive

Outcome 2: Cheshire East has a Growing and Resilient Economy

Outcome 5: Local People Live Well and for Longer

7.0 Financial Implications

7.1 None

8.0 Legal Implications

8.1 None

9.0 Risk Management

9.1 No identified risks.

10.0 Access to Information

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Appendix 1 – Dementia Commissioning Plan

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CHESHIRE EAST COUNCIL

Dementia Commissioning Plan 2014-2015

1. Introduction

This is Cheshire East Council's commissioning plan for dementia. It is a working document that will be updated annually to reflect progress and provide for continuous improvement of all our support. The priorities identified are based on our current understanding of customer needs and gaps but this understanding is work in progress; hence annual updates will refine this.

Its aims are to:

- Map the current picture of needs, available support and gaps in support
- Consider customer insights and feedback and ensure they are driving improvement in support
- Enable the identification of priority areas of joint commissioning with health, public health, children's services, housing and others
- Use this analysis to clarify and prioritise the commissioning plan to improve support and address gaps

2. Scope

Support to people living with dementia and their family and carers across the whole system. This plan seeks to ensure that all levels of support from communities, businesses, council services, other public sector and specialist support from health and social care are designed to provide a coherent whole system response to this challenge.

3. Key Strategic Outcomes

- Enable people to live well and for longer – (Council Outcome 5)
- Enable people to live at home and as independently as possible – this is what people say they want
- Enable people to fully contribute to and be supported in strong and supportive communities – (Council Outcome 1)
- Enable people to access information, advice, early help and prevention so that they can avoid dependency

- Enable carers of people to live well and be supported to fulfil their caring roles

4. Specific Commissioning Intentions

Whilst all current support seeks to achieve the strategic outcomes above the analysis in this strategy indicates where commissioning plans are needed to improve on achieving these. Those areas are in summary:

- Provide support that informs, advises and encourages self-help and self-management to maintain healthy independence.

For example: information and advice. Having a range of information easily available helps people to stay independent, customers tell us this needs to improve.

- Stimulate and enable a range of early help and prevention activity and informal support that prevents the need for more specialist social care support and improves outcomes.

For example: Community group support to provide stimulating recreational activities using volunteers.

- Greatly increase the choices of support available for social care need so that it can be tailored to particular needs and individual's preferences – personalising support.

For example: By developing a wide and diverse range of choices in support across geographical locations individuals can choose their preferences. This is particularly important for the rural communities in Cheshire East to ensure that people can continue to live well where they prefer.

- All people should access the same opportunities to enjoy social/recreational activities in the community as others; strong and supportive communities enable this.

For example: a wide range of community activities that people can enjoy as individuals, for daytime and social activity. This improves outcomes by helping people to choose how they prefer to meet their needs, not fit to a service that excludes them from the community. This area requires joint working with the Council's communities, housing and leisure functions and with the voluntary, community and business sectors. Customers tell us that some day activities offered now are not appropriate for them and that more opportunities in the community need to be available.

- Further develop support that helps people to gain or regain the capacity to live well independently.

For example: specialist reablement support for people living with dementia.

- Redesign assessment and care management processes and systems to ensure customers receive a timely, effective, outcome- focused service.
- Develop the range and coherence of the health, social care and community support for people living with dementia and their family/carers.

For example: Better information for carers about what to expect at diagnosis so that both the carer and the person living with Dementia can accept their diagnosis and plan for their future. When good information is not provided early this leads to greater anxiety and opportunities to mitigate the consequences for both the person living with dementia and family/carers are lost.

- Increase the range of respite care choices available to ensure that family/carers can have periodic respite from their caring roles that meets their particular needs and preferences.

For example: choices for respite for carers that are non-residential. The pre-dominant type of respite currently is residential and is focused on a small number of locations. A much wider choice can be provided by developing this market so that carers can select their preference. Other choices are needed to include non-residential options so that the cared for person does not need to be moved from their home environment.

5. Service Mapping and Need

Dementia is a national issue of major and growing significance. There are 800,000 people living with dementia in the UK and this is set to rise to one million by 2021. Cheshire East has an estimated 5402 residents aged 65+ living with dementia, and it is predicted that this will reach 6710 by 2020. Supporting those individuals currently with dementia in Cheshire East are 4500 carers.

The predicted increase in dementia is already emerging but as yet is not fully understood locally as diagnosis levels appear lower than comparators. The local Dementia Commissioning Plan Strategy is being further developed and with customers central to that work. This then needs to be used to continue to influence commissioning priorities. There are already some key things that customers want us to do better and these are informing this commissioning strategy.

The commissioning intentions driving this area are:

- Further develop support that helps people to gain or regain the capacity to live well independently.
- Develop the range and coherence of the health, social care and community support for people living with dementia and their family/carers.

6. What we will do in 2014/15:

Implement a commissioning delivery plan for 14/15 – as below

Monitor the impact of support and continue to develop intelligence to inform future plans

The Dementia Commissioning Delivery Plan 2014/15

This first year plan will continue to be developed during the year and the outcomes of this year's activity and building intelligence on need will influence the future year delivery plans.

The key elements in the Dementia Commissioning Plan are to:

- a) Ensure the Council as a whole is the leading example to all in its commitment to dementia support

The Council has developed a number of innovative responses to dementia; one example is the dementia friendly library at Nantwich. To build on these positives the Council is developing the next stage action plan for all service areas to ensure all Council functions support Dementia aims. The Council has pledged to join the Alzheimer's Society campaign for 'Dementia Friends' as part of this.

- b) Encourage as many organisations and businesses as possible across Cheshire East to become 'Dementia Friends'.

- c) A Council run launch event on 13 June 2014 at Tatton Park, sponsored by the Leader of the Council, brought together over 100 organisations, such as banks and supermarkets, to make pledges to become Dementia Friends. These pledges will be followed up in September 2015 to hold organisations to account for the pledges they made. The Council is providing some short term funding support for a coordinator role to help these organisations to make their pledges a reality.

- d) Continue to build on the strong independent sector market for care homes and domiciliary support that responds effectively to the needs of people living with dementia.

This market is critical to providing choice across all areas of Cheshire East and as the need for this support grows it is essential that the market is managed/expanded to meet that need.

- e) Develop a new pilot “Dementia Reablement Service”.

This builds on the existing best practice in the Mental Health Reablement Service and the Older People Reablement Service. It will provide specialist intervention to seek to improve the outcomes of those living with dementia and their families and carers.

- f) Work with CCG partners to ensure that:

- Individuals with symptoms are diagnosed in a timely and accurate way.
- Individuals, their carers/families have information and support to enable them to help them make choices appropriate to their needs.
- Individuals, their carers/families are supported and provided with information about local travel schemes to enable them to access services.
- All public facing health and social care staff will receive appropriate dementia training to support individuals, carers/families.
- Individuals have access to treatment and support to enable them to have a sustained and improved quality of life.

- g) Pilot an increased role for dementia advisers.

These advisers work with individuals in the community to enable effective self-help to maintain life in the community.

- h) Provide stimulation to the voluntary sector and local community activities for those living with dementia and their families and carers.

Adult Social Care have recently commissioned a number of dementia support services in the voluntary sector. These were launched at an event on 23 June 2014 to promote awareness.

- i) Increase the range of respite care choices available to ensure that families/carers can have periodic respite from their caring roles that meets their particular needs and preferences.
- j) Redesign assessment and care management processes and systems to ensure family/carers receive a timely, effective, outcome-focused service.
- k) Continue to work with all other areas, such as Communities, Public Health, Leisure and Libraries to ensure they further develop their approaches to meet the dementia challenge.

There is more action to be planned for future years to ensure all resources are making an effective contribution to this agenda.

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 1st July 2014
Report of: Director of Adult Social Care and Independent Living, Brenda Smith
Subject/Title: Mountview Services Review – Block Purchasing Respite Provision in the Independent Sector (Ref CE 14/15-3)
Portfolio Holders: Cllr Janet Clowes, Care and Health in the Community

1.0 Report Summary

- 1.1 The Council is putting residents first and taking strong action as dementia matters in Cheshire East Council. This is a change of direction in response to the Council's growing commitment to an illness that affects and will affect many residents in Cheshire East, now and increasingly in the future.
- 1.2 A further report to Cabinet provides a fuller description of the commissioning plans for dementia. Some of the key priorities in that plan that the Council is committed to are:
- i) Early diagnosis
 - ii) Early support and reablement
 - iii) Crisis support
- 1.3 The Council is taking positive action to increase the range of respite provision to increase the choice and control for carers. The commissioning intentions are to:
- (a) widen the range of choice to include non-residential support; and
 - (b) provide a range of residential respite in the independent sector to meet individual preferences and needs.
- 1.4 Mountview resource centre in Congleton will remain open providing day care for local residents as now.
- 1.5 Quality provision has now been secured in the independent sector to ensure that the needs of carers in the Congleton area continue to be met effectively. This will ensure that carers can book planned residential respite.

- 1.6 The Commissioning of residential respite will provide a more flexible response and greater choice. The commissioned support will be monitored by the Council's new care quality monitoring system which will cover all care provision in the independent sector.
- 1.7 The independent sector capacity to provide respite was assessed as part of the original cabinet report, that options appraisal report concluded that the range, quality and availability of potential respite care was sufficient and strong and in excess of demand. This strong market has now been tested and a number of beds all within 5 miles of Congleton centre have been offered by the market, 3 of which it is proposed are accepted. The decision required now is to confirm this purchase of 3 beds to be dedicated to planned/booked respite care for 12 months as a pilot. Modelling has demonstrated that 2 beds would be likely to be sufficient for planned/pre-booked respite; a third bed will be purchased to ensure ample provision initially. This period of 12 months will allow further monitoring of the need for this care and allow the Council to change the scale of provision as necessary for future years.
- 1.8 In addition the Council provides unplanned respite for carers. This is currently purchased from the independent sector as required giving carers flexibility and choice to meet their particular preferences. This together with the planned respite support gives carers a range of choice and control options.
- 1.9 The recommendations within this report support the delivery of the Cheshire East Council Three Year Plan:

Outcome 1: Our Local Communities are Strong and Supportive
Outcome 2: Cheshire East has a Growing and Resilient Economy
Outcome 5: Local People Live Well and for Longer

2.0 Recommendations

- 2.1 That Cabinet note the block-purchase of 3 residential respite care beds in the independent sector in the Congleton area for 12 months.
- 2.2 That officers be authorised to take all necessary steps to implement the decision taken by Cabinet on 24th June 2014 to commission residential respite care in the independent sector.

3.0 Reasons for Recommendations

- 3.1 The strategic direction of travel for Adult Social Care as authorised at Cabinet of 4 February 2014 sets out the intention to increase choice and control to

ensure personalisation of individual care and support. These proposed block-purchased beds in the independent sector will provide choice and control for carers. Respite care for carers is a critical support to the carer's role and needs to be a flexible offer. These beds will ensure that carers can book respite care in advance, when required, so that for example they can make holiday arrangements.

- 3.2 In addition to these 'block -purchased' beds for advanced planning there is also an existing arrangement for carers to purchase unplanned respite care in the independent sector in any home of their choice providing the home will accept the Council fee level. These two means of securing residential respite care ensure that there is choice for carers.

4.0 Wards Affected

- 4.1 Principally Congleton wards: Congleton East and Congleton West.

5.0 Local Ward Members

- 5.1 Councillor David Brown
Councillor Peter Mason
Councillor Andrew Thwaite
Councillor Gordon Baxendale
Councillor Roland Domleo
Councillor David Topping

6.0 Policy Implications

- 6.1 The decisions in this report support The Strategic Direction of Travel for Adult Social Care Services – Promoting Open Choice report as agreed at Cabinet of 4 February 2014. They contribute to the delivery of the Cheshire East Council Three Year Plan outcomes:

Outcome 1: Our Local Communities are Strong and Supportive
Outcome 2: Cheshire East has a Growing and Resilient Economy
Outcome 5: Local People Live Well and for Longer

- 6.2 This decisions in this report are supported by The Dementia Commissioning Plan commissioning intentions, provided in a further report to cabinet in July 2014.

7.0 Financial Implications

The commissioning of residential respite in the independent sector provides more flexibility of choice. The financial costs of these changes are fully budgeted for in the Council's Medium Term Financial Strategy.

8.0 Legal Implications

8.1 As original Mountview report 24 June 2013, which have been complied with.

9.0 Risk Management

9.1 This block-purchase of beds will ensure statutory responsibilities are met and carers needs are supported in line with legislation.

10 Access to Information

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

Name: Ann Riley
Designation: Corporate Commissioning Manager
Tel No: 01270 371406
Email: ann.riley@cheshireeast.gov.uk

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	1 st July 2014
Report of:	Strategic Housing and Intelligence Manager
Subject/Title:	Strategic Housing – Delivering Affordable Housing Provision (Ref CE 13/14-91)
Portfolio Holder:	Councillor D Stockton, Housing and Jobs

1. Report Summary

- 1.1 The Local Plan creates a vision for the future which is to deliver jobs-led growth and sustainable vibrant communities. Affordable housing in Cheshire East plays a fundamental role in realising this ambition. Affordable housing creates balanced, sustainable communities whilst driving superior health and well-being for modest-income households. Moreover, it provides the vital impetus for economic activity and aspiration. The provision of affordable housing can stimulate spending and governmental yields, and crucially equips an area with the long-term capacity for labour and economic fluidity that will attract and develop business.
- 1.2 As such, Cheshire East has a robust strategy to appropriately grow our provision of affordable housing, underpinned by a number of innovative policies. This will ensure that the housing composition in Cheshire East has the diversity to cater for every element of society and engage the entire community in a mutual drive for greater prosperity.
- 1.3 Across Cheshire East affordability is an issue, residents are struggling to access the housing market. In Cheshire East the average lower quartile house price, which is the usual access point for first time buyers, is £122,500. Average lower quartile incomes are £18,559 which represents 6.6 times income levels in order to purchase a property. Even with deposits many of our first time buyers will be excluded from the market and the recent Mortgage Market Review changes will make it increasingly harder to access mortgages at above 3.5 times income levels. We therefore need to provide innovative solutions to enable first time buyers to access appropriate housing products, which are accessible and affordable.
- 1.4 Affordable housing can take the form of both rental and intermediate housing. Our priority is to support those residents who have the financial ability and who aspire to become home owners. We also have to recognise that due to the economic climate and the ability of those on low income to access a mortgage, affordable rental units also forms a fundamental part of our housing supply. Following the completion of the Vulnerable Persons Housing Strategy we now have the opportunity to develop specialist accommodation to meet the needs of some of our most vulnerable residents.

- 1.5 The level of affordable homes developed since 2009 has decreased significantly, which is due to a number of factors including the reduction in the level of subsidy provided by the Homes and Communities agency, which has placed a reliance on Registered Providers to secure funding through commercial channels and increase rents to affordable rental levels and the reduction of affordable housing on new developments as a result of viability issues.
- 1.6 Cheshire East's clear proactive action in these times of austerity has delivered a strong financial position for the Authority. The pooling of capital resources is good practice and ensures both flexibility and investment alignment with our Corporate priorities. The enabling of appropriate housing provision is a key priority for the authority. This is evidenced by the commitment to invest in the provision of affordable and specialist homes to a value in line with the level of right to buy receipts received. This commitment will enable the authority to influence the development of the right type and tenure of homes in the right locations to provide housing solutions to meet increasing need.
- 1.7 This report brings forward two policies which will help to stimulate and accelerate the development of affordable homes. These initiatives will help us to not only to provide new provision, exploring the use of modular construction, but there is also the opportunity to explore new innovative ways to bring empty homes back into use or contribute towards the regeneration of some of our most deprived areas.

2.0 Recommendations

2.1 Cabinet is recommended to

1. approve the policy and the process outlined in Appendix 1 for the allocation of commuted sums for the provision of affordable housing;
2. approve a supplementary capital estimate for an annual sum of £500,000 for the provision of affordable housing initiatives and the process for allocation as outlined in Appendix 2; and
3. delegate authority to the Director of Economic Growth and Prosperity in consultation with the Portfolio Holder for Housing and Jobs to make the award of funding in line with the agreed criteria.

3.0 Reasons for Recommendations

- 3.1 Housing is a vital element of developing the 'place', assisting in the creation of sustainable communities and our ambition for economic growth. It is a fundamental part of everyone's life and is essential to our health, children's educational achievement, economic wellbeing and to social inclusion.

3.2 Cheshire East need to facilitate the development of a range of housing types and tenures in order to meet the needs of our diverse community and ensure that residents have access to affordable, decent accommodation.

3.3 Through the development of our Vulnerable Persons Housing Strategy we now have the evidence which will influence commissioning decisions and the ability to shape the development of appropriate accommodation to meet the sometimes complex needs of our most vulnerable residents. This will give residents the ability to either retain their independence, reducing early entrance into residential care or to provide the skills to enable independence.

4.0 Wards Affected

4.1 All Wards

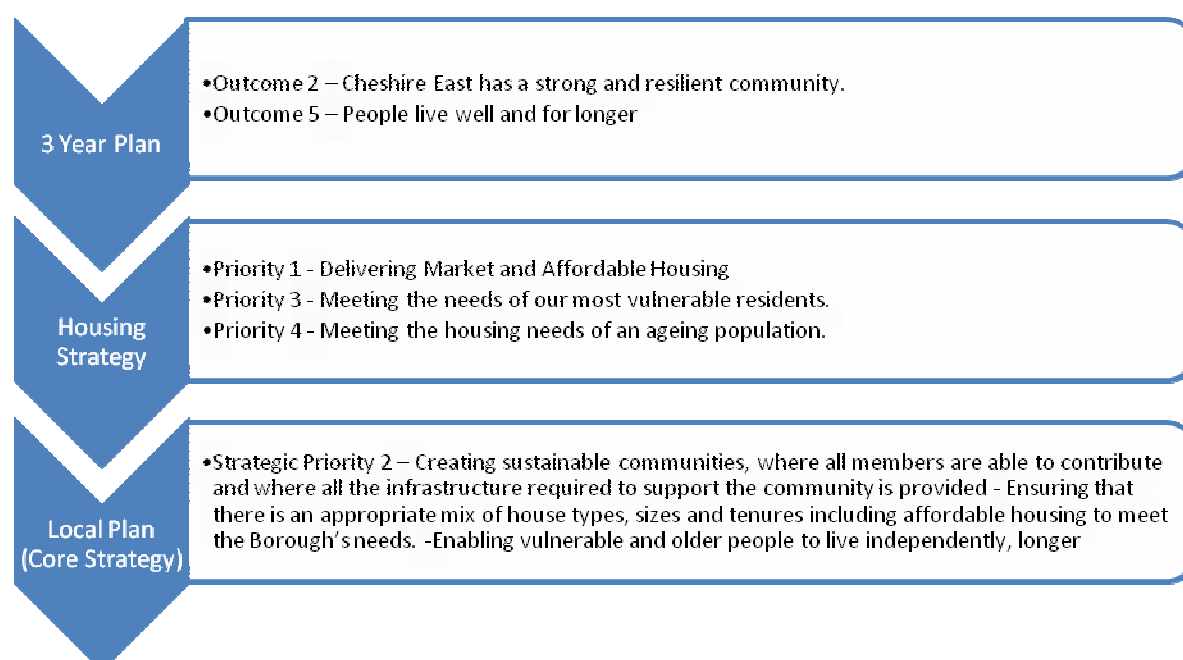
5.0 Local Ward Members

5.1 All Wards

6.0 Policy Implications

6.1 Housing is fundamental to the well being and prosperity of the Borough. There are direct connections between the quality of the housing stock and health, educational attainment, carbon reduction and care for older people. Providing sufficient housing of good quality is essential to maintain economic growth and vitality.

6.2 Housing is intrinsically connected to a range of strategic priorities emanating from national directives and Cheshire East's strategic and service initiatives as outlined below:



7.0 Financial Implications

7.1 The financial implications for each initiative are outlined below.

- 7.2 **Commutated Sums** - S106 receipts are held within the Council's balances as either a Creditor (time limited) or as a Useable Reserve (no time limit) until such time when the receipts are required to fund either revenue or capital expenditure.

In the case of capital projects to be funded by the S106 monies, approval to spend is required through the Council's Approval Processes and will subsequently be added to the capital programme to be monitored. The tables below outline the sums of money currently held by the Council and the agreements where money has not been yet been paid to the Council

7.3 Sums of Money currently held by the Council

Address	Commutated sum
	£
195/199 Wilmslow Rd. Handforth	361,035
Smallwood Storage Smallwood	239,400
Land at Eden Park, Macclesfield Rd, Alderley Edge	87,929
Holly Lodge Hotel, London Road, Holmes Chapel.	237,564
Land off Congleton Road & Davenport Arclid	3,913
Land at Walgherton Garage, London Road, Walgherton (stage 2)	11,900
Various s106 payments from Macclesfield Borough Council	82,604
Total	1,024,345

7.3 Sums of Money included in legal agreements but not yet paid to the Council

Address	Commutated sum
	£
33 to 45 Mill Green, Congleton	153,091
Beech Lawn, Alderley Edge	280, 047
County Hotel, Alderley Edge	277,014
Land at Walgherton Garage, London Road, Walgherton (stage 2)	11, 900
Total	722,052

7.4 **Capital allocation for the provision of affordable/specialist accommodation.**

Permission is being sought for an annual capital allocation of £500,000 to be approved for the provision of affordable housing initiatives. This would be reviewed on an annual basis and funding will be required from the Council's capital resources.

- 7.2 Income from Right to Buy (RTB) receipts are pooled centrally in the capital reserve. The level of RTB receipts received by Cheshire East from the three Registered Social Landlords (RSL's) – Peaks & Plains, Dane Housing and Wulvern Housing since April 2009 are outlined below:

Financial year	Receipts received
2009/10	£496,478
2010/11	£223,980
2011/12	£247,192
2012/13	£442,368
2013/14	£476,450

- 7.3 The RTB receipts are shared in accordance with the original transfer agreement and take account of net income foregone, i.e., the amount of money the RSL's will lose due to the loss of rent from the property.
- 7.4 Under the Council's Capital Receipts Policy, all receipts are pooled centrally in the capital reserve and are fully allocated in line with corporate priorities as part of the overall development of the capital programme.

8.0 **Legal Implications (Authorised by the Borough Solicitor)**

- 8.1 **Commutated Sums** – s106 agreements are legally binding agreements between the Council and the Developer. In some cases these agreements do contain clear obligations on the Council to follow a set of criteria when deciding how to allocate the commuted sums. They can also require the Council to use the money within a set time period (following which if the money has not been dissipated it may need to be returned to the developer) and within an agreed area. In all cases they require the Council to account to the developer for its use of its sums in accordance with the criteria set out in the agreement.

In those cases where the wording of the agreements is so clear as to be unequivocal as to how the commuted sum is to be allocated then the Council will not have discretion in how to use those commuted sums. These sums can be distributed in accordance with the legal agreement.

However, in a number of cases application of the criteria in the legal agreement does involve the Council exercising some discretion (such as identifying suitable off-site projects, choosing between two identical projects or

defining affordable housing). There may be discretion for the Council to implement its own schemes.

A policy setting out the criteria that the Council uses when considering spending commuted sums will provide a consistent means by which available funds can be applied to affordable housing projects.

The terms of the legally binding agreements with third parties must be adhered to and implemented in precedence to the Council exercising any discretion under the policy.

In all cases the Council must account to the developer who provided the commuted sum for its use of the money and so must be able to evidence that it has been used in accordance with the terms of the particular s106 agreement. Accordingly, the recipient will be required under the terms of the policy to present to the Council invoices evidencing that works have been carried out and the Council will approve payment which will evidence the Council's compliance with its obligations under the s106 agreements.

- 8.2 **Capital allocation** – There are no legal implications for the allocation of a capital sum for the provision of affordable housing, however legal consideration must be given when allocating to specific projects if they are to be delivered externally.

When awarding grants the Council must satisfy its public law duties. In essence this means that in making the decision the Council must have taken into account only relevant considerations, followed procedural requirements, acted for proper motives and not acted unreasonably. A grant policy is a clear statement of the criteria that the Council is applying and is essential if the Council is to defend any challenge to its decision making process.

The proposed policy for the allocation of capital receipts for affordable (specialist) housing provision deal with the allocation of grants which are competitively awarded to Registered Providers and Developers following an open application process and against a set criteria. Conditions can be imposed requiring that the recipient report back to the Council upon expenditure of the grant. The decision making process is delegated to the Portfolio Holder in order to ensure that decisions can be made expeditiously and at the appropriate level. Grant funding following a competitive applications process and based on the application of the Council's grant policy satisfies the Council's public law duties and reduces the risk of challenge.

State Aid may apply if grant funding is awarded over the State Aid threshold and other than at market comparable rates.

If State aid is not granted legally, it may lead to investigation and condemnation by the European Commission. This in turn can lead to a project being terminated or the Council being required to recover any illegal aid from a beneficiary at a later stage, plus interest.

If, there is an element of State Aid, this must be managed. Either the project is restructured to avoid containing aid, or else the aid must be made legal. State aid may only become legal if authorised by the European Commission, for which there are two routes that can be followed. Either:

The aid package must be notified to the European Commission for individual prior approval; or

It may receive deemed approval without notification on the basis that it fits within an already notified and approved aid scheme in the Member State concerned (approved as a framework scheme), or a so-called "block exemption" Regulation (in which the Commission has outlined the conditions under which a State aid can be granted lawfully). A State aid qualifying for approval via a block exemption or prior-approved national framework scheme may be implemented immediately on the basis that the benefit of the grant or loan funding will be used by the Registered Providers for the purposes of fulfilling their statutory duty, namely the delivery of social housing, it is believed that the aid is automatically legitimate without any need for prior notification on the basis of Article 2.1(b) of the European Commission's 2005 "block exemption" decision in respect of services of general economic interest (SGEI).

Any implementation outside these boundaries results in the aid being illegal unless and until such time as individual European Commission approval is given.

An illegal aid is subject to interest recovery (for the period of illegality) even if subsequently approved by the European Commission.

Advice should be sought from legal services at the earliest opportunity to ensure that any aid can be granted legitimately and in time to meet our timescales.

9.0 Risk Management

- 9.1 The economic climate has impacted significantly on the housing market and the ability to bring forward the required level of housing development to meet our ambition for growth and also enable those who can access the market. The authority can chose not to intervene and leave it to market forces, however exploring new approaches and initiatives to bring forward new housing supply could stimulate the market. In stimulating the market it will help us to maximise the New Homes Bonus.
- 9.2 **Commuted Sums** - Some of the commuted sum payments currently immediately available to be allocated are time limited so there is a risk if they are not allocated over the next few years they will have to be returned to the developer. By agreeing a policy for the distribution of the commuted sums the Council will be mitigating against this happening

- 9.3 **Capital allocation** - The Registered Providers have seen a significant reduction in the subsidy which available to them and this has impacted on the level of development they can achieve. By approving an annual allocation available to both Registered Providers and developers we can stimulate growth but also tackle some of the issues of poor design on some of our most deprived estates, as well as bringing empty homes back into use.
- 9.4 Some areas have seen a high level of sales through the right to buy initiative. To ensure that provision is re-provided within these areas, additional priority will be awarded through the bidding process.

10.0 Background and Options

10.1 The following initiatives have been put forward for approval:

a) The utilisation of commuted sums for the provision of affordable housing:

Through the development of the Supplementary Planning Document for affordable housing, there is a requirement for the provision of 30 per cent affordable housing to be delivered on all allocated sites. As a rule, the Council would prefer to see affordable housing provided on-site. However, there may be physical or other circumstances where an on-site provision would not be practical or desirable. In such exceptional cases and entirely at the Council's discretion, developers may, in lieu of such provision, provide off-site affordable housing, or offer financial or other contributions towards the provision of affordable housing on an alternative site. This provides the opportunity for the funds to contribute towards a scheme for affordable housing that meets the Council's priorities. This is specified within the Local Plan which was approved by Full Council in February 2014 – Policy SC5

Section 106 agreements are legally binding agreements between the Council and the landowner and/or developer. In some cases these agreements do contain clear obligations on the Council to follow a set of criteria when deciding how to allocate the commuted sums. They can also require the Council to use the money within a set time period (following which if the money has not been dissipated it may need to be returned to the developer). In all cases they require the Council to account to the developer for its use of its sums in accordance with the criteria set out in the agreement.

In those cases where the wording of the agreements is so clear as to be unequivocal as to how the commuted sum is to be allocated then the Council will not have discretion in how to use those commuted sums. These sums can be distributed in accordance with the legal agreement.

However, in a number of cases application of the criteria in the legal agreement does involve the Council exercising some discretion (such as identifying suitable off-site projects, choosing between two identical projects or defining affordable housing).

In these cases there is some discretion for the Council to implement its own schemes.

Appendix 1 outlines a suggested policy to enable us to determine the allocation of such sums which clearly sets out our priorities and the way in which funding can be allocated to bring forward the provision of affordable homes and which is in line with the policy set out within the Local Plan.

b) Capital investment to fund an annual bidding round.

The ability to bring forward housing development opportunities are sometimes hampered by financial constraints. The level of subsidy which is available through the Homes and Communities Agency has decreased significantly over the last three years and this makes some schemes or initiatives unviable for Registered Providers. There are also opportunities which the Strategic Housing service would like to progress (listed below), however they require an element of funding.

An accessible allocation of funding for the provision of housing would enable us to provide match funding, take forward initiatives or stimulate new ideas and products with either Registered Providers or Developers.

There are a number of initiatives which would benefit from a financial injection to ensure that they achieve their aims. These include:

New Provision: In 2011 the Coalition Government announced their intention to reinvigorate the Right to Buy initiative, which would support social housing tenants who aspire to own their own home. In 2012, the Right to Buy discount limit across England was raised to £75,000. In addition to helping social tenants to buy their homes, the Government set out their commitment that, for every additional home brought under Right to Buy, a new affordable home would be built. The expectation is that receipts received would be reinvested into the development of new provision.

In 2013/14 we lost approximately 25 properties through the Right to Buy initiative, a significant increase on 2012/13. A capital allocation would enable us to work with Registered Providers to replace properties lost through the Right to Buy scheme. Through the bid evaluation criteria, we can give priority to schemes in those areas where there has been a significant loss of properties through Right to Buy and where there is a demonstrated high level of housing need.

Empty homes (Affordable or Private rented): Funding has had to be returned to the Homes and Communities Agency for the provision of bringing empty homes back into use, due to the high values of properties across the authority and the costs to bring them up to a decent standard. The level of subsidy available did not make it viable.

Funding could be used to match fund or top up allocations to ensure that the scheme is delivered. This would also assist with the In Town Living project whose aim is to bring empty residential or commercial units into use within the town centre which will increase the provision of housing but hopefully stimulate the evening economy as well. Funding would be made available to both Registered Providers or developers.

Social Housing Regeneration Schemes: Registered Providers require a significant amount of investment in order to carry out regeneration projects on some of their

estates. For example the Sherborne Estate in Crewe was a rundown, low demand estate, however following significant investment from Wulvern they have turned the estate around, with selective demolition of properties and the introduction of new housing and improvement works. They are now on phase three of the project but require a contribution towards the scheme.

There are other regeneration projects which could turn some of our estates around and provide a mix of tenures and types.

Members could agree to the allocation of a capital sum of £500k per annum to invest into the provision of affordable housing, either social or specialist, which could be funded partly or completely through right to buy receipts.

In the same way as the Commuted Sums would be allocated, a bidding process would be initiated on an annual basis and then evolution would be carried out using a scoring process. Appendix 2 outlines the process including scoring matrix.

11.0 Access to Information

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

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**POLICY GOVERNING ALLOCATION OF AFFORDABLE HOUSING COMMUTED SUMS TO
SUPPORT HOUSING FOR PEOPLE IN HOUSING NEED IN CHESHIRE EAST**

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2.

Introduction

The Council, as the planning authority, receives payments made by developers, in lieu of on-site provision of affordable housing (commuted sums) under section 106 of the Town and County Planning Act 1990.

The Council enters into legally binding agreements which contain obligations on the Council to use the sums in accordance with the provisions of each particular legal agreement.

A Definition

The definition of affordable housing is different in each agreement. This Policy therefore provides the following definition for use in all future s106 agreements

“Affordable housing is subsidised housing provided at an affordable cost to households whose needs are not met by the market with regard to local incomes and local house prices”.

NB This wording is adopted from the Council’s definition of Affordable Housing as set out in the Council’s standard s106 agreement pro-forma and, should the Council’s standard definition change then the above definition will be amended in accordance with any changes to the Council’s standard.

The Council is contractually bound by the terms of the s106 agreements and so can only apply the criteria set out in the policy in so far as it does not conflict with the terms of the s106.

B Priorities in respect of allocating funds

In some cases the s106 agreements are prescriptive and funds will be distributed under the terms of the agreement.

In other agreements the terms are not so prescriptive and therefore this policy allows the Council some discretion in deciding how to allocate some of the funds available.

Where the Council does have discretion in deciding how the commuted sum will be allocated it will apply the following priorities:-

First Priority

In cases where discretion can be exercised consideration will be given to whether the terms of the legal agreement allow the funds to be used to help develop a Council owned site or Council led development. This will need to be achievable in the timescales (if any) outlined in the agreement, in the areas intended under the agreement.

3.

Second Priority

If no Council led development is possible then all planning applications in the relevant area will be checked to establish whether it would be appropriate to apply the funds to help bring these forward. (In these cases precedence will be given to projects which have already submitted an application for funding as set out below).

Third Priority

If there is no Council led development and there are no outstanding planning permissions in the relevant area which would be appropriate for use of the funds then existing applications via the Council's website will be considered.

In certain circumstances, where criteria of s106 agreement are not met from existing applications received, then adverts will be placed in suitable media to attract applications which do meet the criteria within the relevant area.

In the event of there being more than one application for funding which meets the criteria specified in the agreement the following factors should be taken into account in order to decide which application should take priority :-

- Planning permission is in place
- Land is in applicants ownership
- Applicant has passed a credit check
- The scheme can start on site within 3 months of being advised that bid for money has been successful
- Date order

In the event of a dispute the case should be referred to the Head of Investment whose decision shall be final.

Fourth Priority

If the funds cannot be allocated after all the preceding steps have been followed any remaining funds should be pooled and allocated to the delivery of affordable housing anywhere within the borough of Cheshire East provided that the terms of the particular s106 agreement allow this. In these circumstances funds will be allocated in accordance with the timescales in which they must be used under the terms of each individual agreement.

If the terms of the agreement do not allow pooling then the funds will be available for use on any new affordable housing schemes that are brought forward within the timescales set out in the particular agreement for the provision of affordable housing. The Council will continue to consider allocating funds to applications received.

4.

In applying its' discretion and the above criteria the Council will do so in deference to the terms of the individual agreement at each stage of the process and in all cases to ensure that the funding is used in the provision of affordable housing.

C Application Process

(A link to the Council's website will be included here)

Applications will be invited via an ongoing open invitation on the Council's website and considered against the commuted sums available at the time and the criteria set out in the s106 agreement.

- Applications will be received and considered in date order and a record of the submission and nature of the applications kept.
- If no commuted sum is available for allocation to a particular application then it will remain on the list of live applications and,
- as commuted sums become available for distribution the existing applications will be considered in order of the date of application and the suitability of the application to the terms of the particular s106 agreement and the Council's criteria (where discretion can be exercised).

Applications will not be automatically added to the list but must first pass a verification process which will involve a credit check on the applicant. The applicant will also need to provide information in relation to ownership of the site and planning status. Once applications are being actively considered for funding they will also need to provide a financial breakdown and project plan for the scheme.

In certain circumstances where criteria of s106 agreement are not met from existing applications received, then adverts will be placed in suitable media to attract applications which meet the criteria.

Applications will be considered for any pooled funds and where appropriate applications will also be invited by advert.

The Council must, in order to fulfil its function as Planning Authority and its obligations under the individual legal agreements monitor the use of the funds and obligations may be imposed on any recipient regarding provision of evidence as to how the money is used—regardless of when money is received.

The Council must account for its use of the money to the developers who paid the commuted sums and remain in control of the use of and dissipation of the commuted sums. Therefore, the Council will make payment from the commuted sums on presentation by the recipient of invoices evidencing that works have been done.

5.

D Transitional Arrangements

At the time of writing this policy a small number of applications for these funds have already been received by the Council. The process, in terms of asking for formal applications, outlined in this policy should not therefore apply to these applications. These applications should therefore be subject to the following transitional arrangements:-

Applicants will need to provide the same evidence as required under the application process outlined in this policy. These applications must therefore provide the following information:-

- information on credit checks
- proof of planning permission
- proof of landownership
- financial breakdown and project plan for scheme which confirms a need for the funding

Subject to satisfactory information being provided in respect of this information a report will be taken to the Portfolio Holder for Planning, Economic Development and Regeneration and the Director of Economic Growth and Prosperity.

E Approval for allocation of funds to be released

- Providing request for funding is below £1m approval will be gained by taking a report to the Portfolio Holder for Planning, Economic Development and Regeneration and the Director of Economic Growth and Prosperity.
- Where requests are above £1m a report will be taken to Cabinet

F Process for spending Funds

Payment will only be made on production of an invoice by the Developer or Registered Provider evidencing that works have been carried out.

G Consultation

Planning, Legal and Financial departments have all been involved in the development of this policy.

H Review

This Policy will be reviewed at the end of March 2015

6. Contacts

Housing Policy Team
Cheshire East Council
Westfields
Middlewich Road
Sandbach
Cheshire
CW11 1HZ

Tel 01270 685642

affordablehousing@cheshireeast.gov.uk

Equal Opportunities

An Equality Impact Assessment will be carried out in respect of this policy

Commuted Sum Agreement

Process for Distribution of Sum

Start

S106 Agreement yields a commuted sum in place of affordable housing provision.

S106 Agreement is not prescriptive. The Council will determine criteria for distribution via the below priorities and invite applications.

Priority 1: Council-owned or Council-led development in the area.

Priority 2: Bring forward extant developments in the area.

Priority 3: Invite applications for funding for pending planning applications.

Priority 4: Sums pooled and allocated to develop affordable housing elsewhere in the Borough.

S106 Agreement entails prescribed distribution criteria for the commuted sum that must be adhered to in the allocation.

Applications for use of a commuted sum received via Council website.

Application approved and added to live list in date order of receipt.

As commuted sums become available, relevant applications (based on distribution criteria and location) are assessed in date order of submission.

Most suitable development/application allocated the commuted sum

Funds paid following provision of evidence (invoice) of completed works.

Pre-listing check conducted. Applicant must provide:

- Credit check
- Proof of land ownership
- Proof of planning application
- Assurance they can start on site within three months of receiving sum.

Applications being assessed must at this stage provide a full project plan and financial breakdown

**<£1million approved by Portfolio Holder for Housing, Planning, Economic Development, and Regeneration and the Director of Economic Growth and Prosperity
>£1 million approved via Cabinet**

Appendix 2

POLICY GOVERNING THE ALLOCATION OF CAPITAL FOR THE PROVISION OF AFFORDABLE AND SPECIALIST HOUSING INITIATIVES.

1. Introduction

This policy outlines the process for the allocation of capital funding where approval has been granted for the use of affordable and specialist housing initiatives.

2. Priorities in respect of allocating funds

Registered Providers and Developers will be notified of the date to submit expressions of interest, which will be considered alongside council led initiatives to bring forward additional provision.

Expressions of interest will be considered for:

- **New Affordable Housing schemes:**

A Definition - “Affordable housing is subsidised housing provided at an affordable cost to households whose needs are not met by the market with regard to local incomes and local house prices”.

NB This wording is adopted from the Council’s definition of Affordable Housing as set out in the Council’s standard s106 agreement pro-forma and, should the Council’s standard definition change then the above definition will be amended in accordance with any changes to the Council’s standard.

- **Social Housing Regeneration schemes:** Where schemes can demonstrate that the regeneration of an area will bring forward social and economic benefits, improving areas where there are high levels of deprivation or anti social behaviour.
- **Empty Homes Initiatives: (Affordable or Private rented)** Innovative solutions to bring long term empty homes back into use, which will ensure we are making the best use of existing housing provision and mitigating against the negative impact of empty homes on the surrounding community.

3. Assessment process.

Submitted bids will be scored against an approved set of criteria as outlined below, which will determine their priority against competing schemes and form part of the recommendations for approval.

Assessment Matrix	Definition	Weighting	Assessor Score
Value for Money			
Grant/Unit	0 -100 = based on rank score		
Added Value Attributes			
Regeneration Scheme	10 = brownfield site, some improvement of local area. 20 = brownfield site, estate renewal, wider impact, environmental improvements.	High	
Empty Homes Initiative	10 = short term empty 20 = long term empty	High	
Community Involvement	5 = community consultation 10 = community consultation and creation of community facilities or contribution.	Medium	
Corporate Priorities/ Outcomes	5 = meets two corporate outcomes 10 = meets five corporate outcomes.	Medium	
Housing Need/delivery in area (Contributing factor - priority will be given to areas where there has been a significant reduction of properties through right to buy and there is a high level of housing need)	10 = partially meets identified need 20 = meets identified need for area	High	
Innovation	5 = innovation could include design, sustainability, community facilities, green infrastructure	Low	
Match Funding	Pass = 20 Fail = 0	Pass/Fail	
Deliverability	Pass = 10 Fail = 0	Medium	
Management score			
Total			

Weighting

We have apportioned each attribute a maximum number of points based on its priority, with high priority receiving a maximum of 20 points, a medium priority receiving a maximum of 10 points and a low priority receiving a maximum of 5 points. The value added attributes total 115 maximum points available.

Value for money

Value for money is calculated by grant per unit. Value for money can receive a maximum of 100 points. Points will be awarded based on a ranking system of the bids.

**Management
Score**

This allows for additional points to be awarded based on an assessment of the scheme. This is to allow flexibility where a particular scheme may be beneficial/ meet certain strategic or corporate aims.

Approval for allocation of funds to be released

Approval will be sought from the Director of Economic Growth and Prosperity in consultation with the Portfolio Holder for Housing, Planning, Economic Development and Regeneration.

Process for spending Funds

Payment will only be made on production of an invoice by the Developer or Registered Provider evidencing that works have been carried out.

Contacts

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Equal Opportunities

An Equality Impact Assessment will be carried out in respect of this policy

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	1 st July 2014
Report of:	Director of Children's Services
Subject/Title:	Variation to Determined Admission Arrangements (Ref CE 14/15-8)
Portfolio Holder	Councillor Rachel Bailey, Safeguarding Children and Adults

1.0 Report Summary

- 1.1 The Children's Services Directorate welcomes new guidance issued by the Department for Education, which recommends that admission authorities give the highest priority in their arrangements to all children adopted from care who are of school age.
- 1.2 Cabinet is therefore asked to approve a variation to the admission arrangements determined for 2014 and 2015, which it is considered will fully support the Cabinet's view on these matters.
- 1.3 The new guidance was issued by the Department for Education on 13 May 2014 (Appendix 1) and therefore after current arrangements had been determined.

2.0 Recommendation

- 2.1 Cabinet is asked to approve
 - a variation to determined admission arrangements for Cheshire East community and voluntary controlled schools for September 2015 and subsequent years, subject to any review; and
 - a variation to determined admission arrangements for Cheshire East community and voluntary controlled schools for September 2014.

3.0 Reasons for Recommendation

- 3.1 Approval will bring about a very positive change to the admission arrangements by giving all children adopted from care highest priority.
- 3.2 Admission arrangements must be determined annually and by the statutory deadline of 15 April. Arrangements for the academic year 2014-2015 were determined by Cabinet on 2 April 2013 and for 2015-2016 on 1 April 2014 in line with the requirements set out in the School Admissions Code 2012 (the Code).

- 3.3 The new guidance supports this recommendation by allowing local authorities to endorse a wider interpretation of the Code.

4.0 Wards Affected

- 4.1 Once determined, the varied admission arrangements will apply to all Cheshire East community and voluntary controlled schools.

5.0 Local Ward Members

- 5.1 All wards members.

6.0 Financial Implications

- 6.1 None

7.0 Legal Implications

- 7.1 The Authority has a duty to comply with the mandatory requirements imposed by all relevant legislation including the School Admissions Code (or by statutory provisions). The School Admissions Code has been issued under Section 84 of the School Standards and Framework Act 1998 ('SSFA 1998') Chapter 1 of Part 3 of the School Standards and Framework Act (SSFA) 1998 contains the key provisions regarding schools admissions, including the statutory basis for the Code. The Code reflects changes to the law made by the Education Act 2011 and Regulations.
- 7.2 Ministers have recommended that the current School Admission Code 2012 (the Code) provisions should be interpreted more widely to give highest priority to all children adopted from local authority care. Government policy on admissions, as set out in the Code, defines children adopted from care as children adopted under the Adoption and Children Act 2002 (which was implemented on 30 December 2005).
- 7.3 The recommendation of the DfE is that this change should take effect immediately and that it is intended that the necessary amendments to the Code will be made at the first available opportunity. The DfE acknowledges that since their guidance is non-statutory it is still a matter for school admission authorities to interpret and apply the Code, seeking their own legal advice where appropriate.
- 7.4 Legal advice has been taken, as recommended in the guidance, and the advice is that this variation is necessary to ensure compliance with the guidance issued by the Department, which recommends a wider interpretation of the School Admissions Code 2012.

8.0 Risk Management

- 8.1 The variation endorses the view of the Local Authority that all children adopted from care should be given highest priority within the admission arrangements.

This is in agreement with the non-statutory guidance issued by the Department for Education (DfE) on Tuesday 13 May 2014.

- 8.2 If this variation was not made, the Local Authority could face challenge in the event that current arrangements are seen to disadvantage children adopted from care, which would contravene the wider interpretation of the School Admissions Code and DfE non-statutory guidance.
- 8.3 Once admission arrangements have been determined for a particular academic year, ordinarily, they cannot be revised by the admission authority unless such revision is necessary to give effect to a mandatory requirement of the Code, admissions law, a determination of the Adjudicator or any misprint in the admission arrangements. The advice of the Department is that in this case, referral to the Adjudicator is not necessary as its intention is to ensure compliance with the School Admissions Code 2012.

9.0 Background

- 9.1 The variation necessary to ensure all children adopted from care are given priority within the admission arrangements (criterion 1 of the oversubscription criteria) is set out below. This has been extracted from the relevant section of the admission arrangements, which are available on request from the report author. This brings to the attention of Cabinet the specific amendments to existing policy that now require approval, with new wording shown in italics:

1. 'Cared for Children' and Children who were 'Previously Cared for'.

- § A 'cared for child' is a child who is in the care of a local authority or provided with accommodation by that local authority (as defined in section 22 of the Children Act 1989).
- § Children previously 'cared for' are children who were 'cared for' as defined above, but immediately after being 'cared for' became subject to an adoption, *child arrangements order (formerly residence order)*, or special guardianship order. ~~An adoption order is an order under section 46 of the Adoption and Children Act 2002.~~ A child arrangements order is as an order settling the arrangements to be made as to the person with whom the child is to live under section 8 of the Children Act 1989 *amended by Children and Families Act 2014*. Section 14A of the Children Act 1989 defines a 'special guardianship order' as an order appointing one or more individuals to be a child's special guardian (or special guardians).

10.0 Access to Information

School Admissions Code 2012

Admission arrangements for Cheshire East community and voluntary controlled schools for September 2014

Admission arrangements for Cheshire East community and voluntary controlled schools for September 2015

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

Barbara Dale, School Admissions and Organisation Manager
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Department
for Education

School admission of children adopted from local authority care

**For local authorities, school
admission authorities and parents**

May 2014

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Summary

About this departmental guidance

This guidance is from the Department for Education. It is non-statutory guidance but is intended to help recipients understand their obligations and duties in relation to granting school admissions priority to previously looked after children.

Expiry or review date

This guidance will next be reviewed before April 2015.

Who is this guidance for?

This guidance is for:

- Local authorities
- School admission authorities
- Independent Appeal Panels
- Parents

Main points

The Government has accepted that the current School Admissions Code provisions in relation to priority school admissions for children adopted from local authority care in England and Wales can be interpreted more widely. The Government now seeks to ensure that forthwith all children adopted from local authority care in England and Wales should have highest priority. Previously the policy on admissions was restricting priority to children adopted from care under the Adoption and Children Act 2002 (implemented on 30 December 2005).

This purpose of this guidance is to clarify the Department's position for school admission authorities. It highlights the key considerations for admission authorities in managing and setting their admission arrangements. It is ultimately a matter for admission authorities to interpret and apply the School Admissions Code, seeking their own advice where necessary

Previously Looked After Children Policy: Children Adopted from Care

The School Admissions Code 2012 introduced the requirement that in addition to Looked After Children (LAC) having the highest priority for school admissions, previously looked after children who left care under a residence¹ or special guardianship order, or who were adopted from care under the 2002 Act should also have the highest priority.

Feedback from stakeholders indicates that some admission authorities have sought their own advice and elected to grant highest priority to all children adopted from care not just those adopted from care under the 2002 Act. The Department in recognition of this has therefore reviewed its own position and, in doing so, has similarly concluded that the better interpretation is that the Code requires priority school admissions to be given to all children adopted from care who are of compulsory school age, and not just those adopted from care under the 2002 Act.

The Department has therefore decided to adopt this wider interpretation of the Code and as a consequence expects admission authorities to give highest priority to all children adopted from care. It is our intention to amend the School Admissions Code at the earliest opportunity to make this clear.

Impact

Because this wider interpretation will only apply to those children adopted from care prior to 30 December 2005, it means the change will mainly impact on secondary school admissions.

Admission authorities should note this change and consider what changes if any might be necessary in relation to both the allocation of school places for the academic year 2014-15 (September 2014 to August 2015) and its determined admission arrangements for the following academic year 2015 -16 (September 2015 to August 2016).

For those admission authorities that already apply the wider interpretation and give highest priority to all children adopted from care it means that the allocation of school places in 2014-15 and the determined admission arrangements for 2015-16 remain unaffected by this change, so no further action is required.

For those admission authorities that have applied the narrower interpretation and limited highest priority to those adopted from care since 30 December 2005 there are a number of implications to consider.

¹ Under the provisions of the Children and Families Act 2014, which amend section 8 of the Children Act 1989, residence orders have now been replaced by child arrangements orders. The reference in paragraph 1.7 of the School Admissions Code to a residence order should accordingly be read as a reference to a child arrangements order.

Allocation of places in 2014-15

Admission authorities should take note of the Government's expectation that all admission authorities will apply this wider interpretation and give highest priority to all children adopted from care with immediate effect.

Admission authorities that decide to adopt this wider interpretation should carry out the following steps:

- Bring that decision to the attention of its appeals panel(s).
- Notify all appropriate bodies and display a copy of the varied admission arrangements on their website; (we consider there is no need to refer the variation to the Schools Adjudicator or in the case of Academies to the EFA since its intention is to ensure compliance with the Code).
- In the event that a school is already over-subscribed and a child adopted from care prior to December 2005 applies late or in-year, they must be granted highest priority when added to any waiting list.

For adoptive parents of previously looked after children who have already accepted a school place that is NOT at a school of their preferred choice, they will wish to consider the following:

- In any appeal against the decision not to award them their first choice, the appeal panel can be asked to consider the specific circumstances in each individual case, including this guidance.
- Some adoptive parents may be reluctant to move their children if they are settled in a school environment but those who now wish to apply for a place at their preferred school should do so as an in-year admission and if places are available, they should be offered a place since they now have highest priority.
- If the school is full then the child cannot be guaranteed a place even with highest priority on the waiting list. In those circumstances, it is open to adoptive parents, as with any other in-year admission, to seek to appeal against that decision.

As with any appeal, the appeal panel will consider, in line with the provisions of the appeals code, why the offer of a place was refused and what the determined admission arrangements were at the time the application for a place was made.

The decision as to whether an appeal is upheld must be made solely by the appeal panel and must be based on the circumstances of each case.

Determined admission arrangements for 2015-16

All admission authorities will have already determined their admission arrangements for entry in September 2015. Where the admission authority decides to change its admission arrangements to bring them into line with the change announced in this guidance it should carry out the following steps:

- Vary its published arrangements.
- Notify all appropriate bodies and display a copy of the varied admission arrangements on their website (again, we consider there is no need to refer the variation to the Schools Adjudicator or, in the case of Academies, to the EFA since the intention is to ensure compliance with the Code)

Further information

External links

The School Standards and Framework Act 1998

Other relevant departmental advice and statutory guidance

Adoption Passport: A Support Guide for Adopters

<http://www.first4adoption.org.uk/being-an-adoptive-parent/the-adoption-passport/>

<https://www.gov.uk/government/publications/school-admissions-code>

<https://www.gov.uk/government/publications/school-admissions-appeals-code>



Department
for Education

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CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	1 st July 2014
Report of:	Julie Davies, Head of People and OD
Subject/Title:	Terms of Voluntary Redundancy and Voluntary Early Retirement
Portfolio Holder:	Councillor Barry Moran, Performance

1.0 Report Summary

- 1.1 The Council continues to support voluntary redundancy and strives to avoid compulsory redundancies in all situations. Therefore, in reviewing the terms that the Council offers to employees volunteering for redundancy/ early retirement, the Council is keen to ensure that it demonstrates respect to its employees and promotes positive employee relations as well as ensuring that the terms provide value for money by enabling the Council to reduce its workforce in a way that is efficient and cost-effective.
- 1.2 The last review took place in October 2013 and in line with that review, Cabinet is now requested to review the terms once again and consider retaining the existing terms for a further period.

2.0 Recommendation

- 2.1 It is recommended that Cabinet retain the existing terms as outlined in paragraph 10.1 of the report and that a further review be carried out in September 2015.

3.0 Reasons for Recommendations

- 3.1 To enable Cabinet to continue the rapid development of the Commissioning Council which will require further significant workforce change and reduction. Also taking into account value for money alongside the importance of striking the right balance in facilitating organisational change and maintaining our constructive employee relations and levels of employee engagement.

4.0 Wards Affected

- 4.1 None

5.0 Local Ward Members

- 5.1 None

6.0 Policy Implications

- 6.1 Should Cabinet elect to change the current arrangements, this will represent a change to the Council's policy as to how it applies the Local Government (Early Termination of Employment) Discretionary Compensation) (England and Wales) Regulations 2006. In this event the policy will be updated to reflect the changes and published in accordance with the requirements.
- 6.2 In addition, the Council's Pay Policy Statement will need to be amended to take account of those changes and referred to Council with a recommendation that the revised Pay Policy Statement be adopted. Following any such Council decision, any amendments that the Council makes to its application of the discretionary regulations must be published for a month before any new terms are implemented. Traditionally, changes to the scheme have also been considered by Staffing Committee.

7.0 Financial Implications

- 7.1 Each case for voluntary redundancy (VR) is scrutinised by Members and Officers, to evaluate the ongoing financial implications to the Council, and this process will remain in place. This reduces risks and promotes value for money in the process, by comparing the costs of each VR with the associated annual pay budget savings, and considering the pay-back period.
- 7.2 The medium term financial strategy assumes costs of redundancy will be met on existing terms, from approved budget envelopes, so the recommendation to retain existing terms will have no additional financial implications.

8.0 Legal Implications

- 8.1 The current voluntary severance terms are in accordance with pension regulations and are therefore legally compliant.
- 8.2 The voluntary redundancy process is handled in such a way as to minimise the risk of employment and breach of contract claims and no settlements will be paid unless an approved settlement agreement has been put in place.
- 8.3 Managing workforce change through a compulsory process would inevitably result in the Authority being open to greater legal challenge. Such challenge would initially be by way of appeals/grievances from employees who consider that they have been unfairly selected for

redundancy and/or that there have been procedural flaws and thereafter by way of Employment Tribunal claims. As it would not be a voluntary process it would not be possible to minimise the risk of claims by the use of settlement agreements. All of this would lead to managers spending more time and effort on the redundancy process and on managing the staff affected by the risk of redundancy, and requiring greater support from HR and Legal Services than they would for a voluntary process.

- 8.4 The legal implications and background clarified in this report, in the face of continuing organisational change, support the recommendation to retain the existing terms until the next review.

9.0 Risk Management

- 9.1 There is a risk that, if the staffing reductions which arise from organisational change are not managed or achieved in a timely way, the Council will overspend its staffing budgets.
- 9.2 Employers can manage changes to the size of their workforce through compulsory or voluntary means. The availability of and application of a voluntary scheme acts to support staff, minimise the disruption caused by organisational change and reduce the effects on staff morale during a lengthy period of organisational change. Voluntary arrangements can help to achieve the required workforce reductions through redeployment, re-skilling and voluntary redundancy. In offering voluntary terms, employers need to strike the right balance in facilitating organisational change, maintaining constructive employment relations and employee engagement, alongside managing the costs involved and demonstrating value for money.
- 9.3 The availability and use of a voluntary scheme also sets out the organisation's commitment to its workforce, supports its reputation and can minimise any prospect of industrial action.
- 9.4 Should a voluntary scheme be offered, the Council may still need to consider making staff compulsorily redundant if the voluntary terms offered are not sufficient to attract the necessary number of volunteers.

10.0 Background and Options

- 10.1 On 28th May 2012, Cabinet resolved that in relation to the Council's workforce change and severance/termination arrangements, a multiplier of 1.80 times would be applied to a week's pay up to a maximum of 50 weeks, with effect from 20 August 2012. These were reviewed in October 2013 and are due to be reviewed again now.

The options available to Cabinet are to:

1. retain the existing terms and review at a later date;
 2. increase the current terms; or
 3. reduce the current terms to a more economical model e.g. to reduce the multiplier.
- 10.2 Councils have two key discretions as to how they can manage voluntary redundancies, firstly the ability to pay up to 104 weeks pay, with the Council having elected to pay up to a maximum of 50 weeks. Secondly Councils can elect to base the payment on the employee's actual weekly wage, a statutory upper limit or to use an amount in between the two. The Council applies the actual weekly wage.
- 10.3 Given the current financial situation, and the sufficient number of volunteers coming forward for redundancy in the past 12-18 months, there appears no immediate requirement to increase the current voluntary termination package and therefore this is not recommended.
- 10.4 Equally, reductions to the voluntary severance scheme would have the effect of making the scheme less financially attractive for some employees than compulsory terms (as notice payments only accrue in compulsory redundancy situations) and is likely to result in compulsory redundancies which would have a negative impact on levels of motivation and employee engagement, with the potential for industrial action. There would also be a greater risk of claims to Employment Tribunals on the grounds of unfair dismissal and a greater call on Legal Services and HR time / support which is likely to outweigh any difference in cost of offering the voluntary redundancy terms over compulsory / statutory terms. The VR approach maintains an incentive for employees to consider volunteering and helps to promote positive employment relations for staff continuing in Council employment.
- 10.5 The Council is now well underway with its programme of transformation and organisational change following the introduction of the new operating model, the review of the senior management structure and the establishment of a number of ASDVs to deliver key services. However, there is still a significant amount of change ahead and the VR scheme will be instrumental in facilitating and supporting this. Cabinet may therefore wish to continue to support the ambitious change programme with the current scheme for voluntary redundancy and review once more during September 2015. This would also provide a degree of consistency and equity for the workforce during this period of change.

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:	1 st July 2014
Report of:	Highway Maintenance Manager
Subject/Title:	Contract for the Supply of Salt for Winter Gritting (Ref CE 13/14-90)
Portfolio Holder:	Councillor D Topping, Service Commissioning

1.0 Report Summary

- 1.1 The supply of salt for the treatment of the Cheshire East highway network as part of the Winter Service is currently managed through a contract with Salt Union Ltd based at Winsford. This contract was called-off via a Yorkshire Purchasing Organisation (YPO) Framework Agreement. The call-off contract with Salt Union Ltd expires on 31st May 2014 and the Council needs to enter a new contract with a start date in advance of the next winter season.

The YPO has recently re-tendered and put in place a Framework Agreement for a further period of four years from 1st April 2014. Salt Union Ltd. has again tendered the most competitive price which is for the supply of brown salt. Both brown and white salt are equally acceptable but brown salt meets the Council's requirements and is available at the lowest price. Salt Union Ltd are the only supplier of brown salt on the framework and so a direct award can be made to them for the supply of brown salt.

This paper outlines the options available to the Council for the re-procurement of a salt supplier.

2.0 Recommendation

- 2.1 That Cabinet approve the use of the YPO Framework Agreement to enter into a contract with Salt Union Ltd for a period of four years (which is the duration of the YPO Framework Agreement).

3.0 Reasons for Recommendation

- 3.1 In order to put in place a new contract for the supply of salt for the treatment of the highway network as part of the Winter Service that will deliver a cost effective and quality outcome for the Council. See also 11.3.

4.0 Wards Affected

- 4.1 Affects all wards.

5.0 Local Ward Members

- 5.1 Affects all members

6.0 Policy Implications

- 6.1 The Council needs to consider the environmental implications of transporting significant tonnages of salt over long distances should the contract be awarded to a supplier located further away from the Cheshire East geographical area.

7.0 Financial Implications

- 7.1 The annual spend on salt for the treatment of the highway network varies considerably but in a normal winter this is approximately £275,000. The 2014-15 approved budget is £272,500, the revised contract rates are forecasting a 3% increase against the winter rate 0% on the Summer rate an increase of between £5k-£10k on the approved budget which the service seek to absorb in year (subject to the severity of the weather). In years with severe winters the amount spent can be as high as £500,000.
- 7.3 The purpose of the decision to award a new contract through the YPO will be to provide a value for money solution for the authority while also taking into account environmental factors.

8.0 Legal Implications

- 8.1 A Framework Agreement is an overarching contract for the supply of goods or services to meet the overall requirements of contracting authorities entitled to call-off under the Framework Agreement for a maximum period of 4 years.
- 8.2 The YPO Framework Agreement has been identified as a framework agreement that meets the Council's requirements and is compliant with the Public Contracts Regulations 2006.
- 8.3 The Council will be able enter into a call off contract directly with Salt Union as they are the only supplier of brown salt. The Service has set out its reasons why calling off its requirement for brown salt via the YPO Framework Agreement represents value for money. The contract will be drafted by Legal services in accordance with the overall terms of the Framework Agreement.

9.0 Risk Management

- 9.1 All contract agreements are closely monitored throughout the contracted period to ensure that the Council continues to obtain and maximise value for money and consistent levels of service.

10.0 Background

- 10.1 The YPO has recently re-tendered to put in place a Framework Agreement for the provision of rock salt for a further period of four years and Salt Union Ltd, has been appointed on to the framework as the most competitive supplier.. This new YPO Framework Agreement has a commencement date of 1st April 2014.
- 10.2 Depending on the severity of the weather conditions in a winter season the authority will typically order between £250 - £500K of road salt per annum. Therefore the full value of the contract over a four year period would be in the range of £1m & £2m and therefore becomes a Key Decision requiring Cabinet approval.

11.0 Options

11.1 FORMAL PROCUREMENT PROCESS.

Due to the level of spend on salt for the treatment of highways in winter conditions a re-tender of the contract would require an EU compliant procurement process to be undertaken. The Council could go out to tender detailing specific requirements for Cheshire East. However, this is not recommended due to the timescales involved and the cost of tendering. It is considered that there would be no benefit in this approach over and above the collaborative options already available – the Council would be dealing with the same supply market and not able to leverage demand with other Local Authorities.

11.2 USE EXISTING FRAMEWORK.

Another option is to board an existing framework. The Yorkshire Purchasing Organisation has put a salt supply framework in place covering a four year period from 1st April 2014, which is open for other authorities to use. The YPO have conducted an EU tendering exercise in order to appoint suppliers on to the framework. Cheshire East is permitted to utilise this arrangement.

11.3 BENEFITS.

The benefits of using this framework arrangement and the reason that the framework was set up are to:

- Harness the substantial leverage of public sector spend to achieve maximum value for money.
- Minimise duplication of effort by removing the need for individual organisations to tender or re-tender .

- Increase market competition.
- Enable councils to benefit from the leverage that the Yorkshire Purchasing Organisation are best placed to secure.
- The aim of the new contract will be to make additional cost savings and by utilising the YPO Framework Agreement we will be able to take advantage of the rebate scheme operated by the YPO which may attract up to a 0.65% dividend depending on baseline spend per annum.

Additionally by utilising the framework arrangement and entering a further contract with Salt Union Ltd :

- The Council would be able to take advantage of the arrangements in place to load 50% of it's bulk gritters directly from the salt mine and thereby eliminate the need to provide suitable additional storage facilities in the south of the Borough (at additional capital and revenue cost). The proximity of the salt mine to the Borough means that in periods of severe weather when salt supply is under pressure the Council is less susceptible than other authorities to haulage interruptions.
- The other potential suppliers are based considerable distances from Cheshire East (Newhaven & Ayr, Scotland). By contracting with a local supplier this eliminates the need to transport considerable quantities of the product over great distances and thereby reducing the detrimental effects on the environment.

12.0 Access to Information

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

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CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	1 st July 2014
Report of:	Joanne Cooper-Interim Catering Service Manager
Subject/Title:	Procurement of Dry and Frozen Food Products (Ref CE 13/14-92)
Portfolio Holder:	Cllr. Rachel Bailey, Safeguarding Children and Adults; Cllr. J Clowes, Care and Health in the Community

1.0 Report Summary

- 1.1 Cheshire East Council currently spends circa £1.3 million per annum on Dry and Frozen Food Products. These items are used primarily in schools in the preparation of meals within schools and Council operated care establishments.
- 1.2 The Catering service currently holds a Bronze, Soil Association accreditation for the food served in schools; this means the produce is Seasonal, Organic, Sustainable, Free Range, Traceable and Healthy.
- 1.3 Currently the provision is provided via an AGMA framework agreement which is due to end on 30th September 2014. All allowable extensions to this framework have been used.
- 1.4 The Corporate Procurement Unit have researched the procurement options available but to manage the timescales there is currently not a framework agreement available for us to join, which can supply the range of products required at competitive prices.
- 1.5 Cheshire East is running it's "own tender" exercise using the Chest system. This provides the flexibility to run a single exercise, but the opportunity to split the Borough into 3 or 4 regional 'lots' in order to make the opportunity more appealing to any SME organisations operating in this arena who may have the capability to service one of the regions of Cheshire East, but may not be able to service the Borough as a whole. Given the timescales in which the procurement must take place in order to award a contract to start on the 1st October 2014 the procurement process has already begun.
- 1.6 The contract term is proposed to run from 1st October 2014 initially for a three year period with an option to terminate the contract during the term on the anniversary date by giving six months written notice and an option to extend the contract for two separate periods of one year

each, two being the maximum, until 30th September 2019 (to be renewed on an annual basis).

2.0 Recommendations

- 2.1 That Cabinet approve that the procurement route continues together with the actions proposed.
- 2.2 That Cabinet delegate authority to the Chief Operating Officer in consultation with the Portfolio Holder, to award a single or multiple contracts to the highest scoring bidder for each Lot.

3.0 Reasons for Recommendations

- 3.1 To ensure that the Council obtains maximum value for money and to ensure a robust, compliant procurement procedure is undertaken.
- 3.2 To provide the opportunity for greater flexibility on the contracts than those that currently exist in the marketplace.
- 3.3 To ensure that procurement and contracts for these services comply with the Public Contracts Regulations 2006 and the Council's Finance and Contract Procedure Rules.

4.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications

- 6.1 The recommendations within this report support the Council in its general operational activity. By ensuring multiple products are delivered together, this helps with the Council's Carbon Reduction levels and supports the School Food Plan in relation to reducing food miles
- 6.2 The new contract will be for use by Council Catering dept. and any associated companies whom are legally able to use these arrangements.

7.0 Financial Implications

- 7.1 Cheshire East Catering purchase dry and frozen produce on behalf of the schools, as required for school meals.

- 7.2 The annual approx spend is £1.3 million across all the Lots or regions of Cheshire East; this is fully funded through service level agreement recharges to schools and Care Homes. Invoices are paid retrospectively

8.0 Legal Implications

- 8.1 The existing contracts for Dry and Frozen Produce will expire on 30th September 2014 and cannot be extended.
- 8.2 The total contract value will be in the region of £6.5 million over the full 5 years (including extension periods). Given the contract value for the new contract, the Council is carrying out a competitive procure exercise in accordance with the Public Contract Regulations 2006 and the Councils own Finance and Contract Procedure Rules.

9.0 Risk Management

- 9.1 Failure to re-procure a new contract for these supplies by end August 2014 would potentially breach Public Contract Regulations 2006 and the Councils' own Finance and Contract Procedure Rules.

10.0 Background and Options

- 10.1 Cheshire East Council currently spends circa £1.30 million per annum on Dry and Frozen Food Produce.
- 10.2 It is proposed that a new contract be procured for a period of three years with two possible extension periods each of 12 months. In total the proposed contract value is estimated to be in the region of £6.5 million, with a possible increase of 20% dependent upon the uptake of the Universal Infant Free School Meals.
- 10.3 The Corporate Procurement Unit have researched the various procurement options available for the re-procurement of Dry and Frozen Food Produce. The preferred route to achieve the desired outcomes has been identified as running the procurement exercise ourselves on the Chest system.

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:	1 st July 2014
Report of:	Director of Economic Growth and Prosperity (Caroline Simpson)
Subject/Title:	Farms Estate - Strategic Opportunity to Purchase Land
Portfolio Holder:	Councillor P Raynes, Finance

1.0 Report Summary

- 1.1 This proposal ensures food security and enhances the Council's farm assets. It is fully funded from within the approved Capital Programme and overall Medium Term Financial Strategy.
- 1.2 In 2011/12 the Council conducted a full review of the farms estate leading to a policy decision to retain, modernise and restructure the service. The strategy recognised and accommodated the need for investment, identifying disposals to fully fund infrastructure requirements and the value of opportunities to improve estate structures and performance by strategic and opportunistic acquisitions.
- 1.3 Since then the agricultural land market demand has remained strong with considerable demand from active farmers, estates and investors with growth in land values significantly outstripping other sectors and independent forecasts indicate continuing growth.
- 1.4 A property identified as Bulkeley Grange Farm, bordering the Council's Ridley Farms Estate, is being sold on the open market. This presents an opportunity for the Council to consider purchasing land to improve the structure of the farms estate. Acquisitions and disposals are consistent with the approved management strategy within the overarching framework of restructuring and retaining an estate of a similar size.
- 1.5 The property has been subdivided into 6 Lots, of which the main areas of land adjacent to the Council's property are contained within two Lots 5 & 6. The property has been viewed to guide consideration of the potential that the purchase of this land might offer and it is concluded that the acquisition of part of the land would offer opportunities to improve the structure and the financial performance of the farms estate.

- 1.6 The Farms Estate strategy encompasses both the acquisition and disposal of property and this is consistent with the objectives of the capital programme which was developed to fund the reorganisation. The programme was not however designed to address the temporary financing of such acquisitions and clearly, any acquisition would need to be mirrored in the future by 'additional' sales to remain consistent with the current objectives i.e. retaining an estate of a similar size.
- 1.7 This report has been placed upon the Cabinet Agenda as the cycle of meetings permits this. However the decision is considered urgent as the decision will need to be acted upon with immediate effect. For this reason the Chairman of Jobs, Regeneration and Assets Scrutiny Committee has agreed that the decision shall be treated as urgent and that the call in procedure should not apply.
- 1.8 This matter did not appear in the Forward Plan in accordance with the Constitution and the Monitoring Officer has notified the Chairman of Jobs, Regeneration and Assets Scrutiny Committee accordingly.

2.0 Recommendations

- 2.1 That the Director of Economic Growth & Prosperity acquire part or all of either or both of Lots Part 5 and 6 of Bulkeley Grange Farm, at a price that does not exceed the open market value of the property.
- 2.2 That the value be determined by the Assets Manager by formal valuation plus ancillary costs of acquisition, funded from within the existing Farms Strategy capital budget.

3.0 Reasons for Recommendations

- 3.1 The acquisition of the identified property is consistent with the objectives of the farms estate management strategy providing an opportunity to improve the structure of the estate, the service it provides and the financial performance of the estate as a whole.

4.0 Wards Affected

- 4.1 Wrenbury

5.0 Local Ward Members

- 5.1 Councillor S Davies

6.0 Policy Implications

- 6.1 The proposal is consistent with current policy.

7.0 Implications for Rural Communities

- 7.1 The Farms Estate provides opportunities to farm at an entry level for suitably qualified applicants, supporting the agricultural industry and associated supporting structures in rural areas.

8.0 Financial Implications

- 8.1 The Farms Strategy Capital Budget of £3.8m was originally approved in 2012/13 profiled over a five year time period. The strategy aims to generate £13.5m in capital receipts from the disposal of surplus assets and will therefore create a net receipt in the region of £10m to fund the Council's investment plans.
- 8.2 The current Farms Strategy Budget was endorsed again by Full Council on 27th February 2014 and has a budget remaining of £3m with a profile of spend of £0.868m in 2014/15, £0.911m in 2015/16 and £1.259m in future years.
- 8.3 This potential acquisition plus the planned spend in year of £0.275m will require an increase to the 2014/15 budget. This re-profiling can be accommodated with the existing Medium Term Financial Strategy.
- 8.4 To avoid a potential shortfall during the remainder of the strategy further approval will be sought in due course for a supplementary capital estimate, fully funded by capital receipts over and above the original target. This will be subject to the Council's governance arrangements for capital projects.
- 8.5 The value of the property exceeds the financial limit considered to be a 'Key' Decision. Given the time scale for bidding and negotiating the transaction/s, it is concluded that to enable the bidding/acquisition to proceed the re-profiling of the current programme would be required.

9.0 Legal Implications

- 9.1 No legal searches/enquiries have been undertaken at this stage, but of significance are planning conditions impacting on the roadside boundaries and overage / development clawback provisions.
- 9.2 The Council is empowered to hold property for the purposes of providing opportunities to farm as a Smallholdings Authority under the Agriculture Act 1970

10.0 Risk Management

- 10.1 The identified risks relate to the absence of a full background title report and searches which will be addressed in the event of a successful bid to purchase and by the conclusion of negotiations on a subject to contract basis.

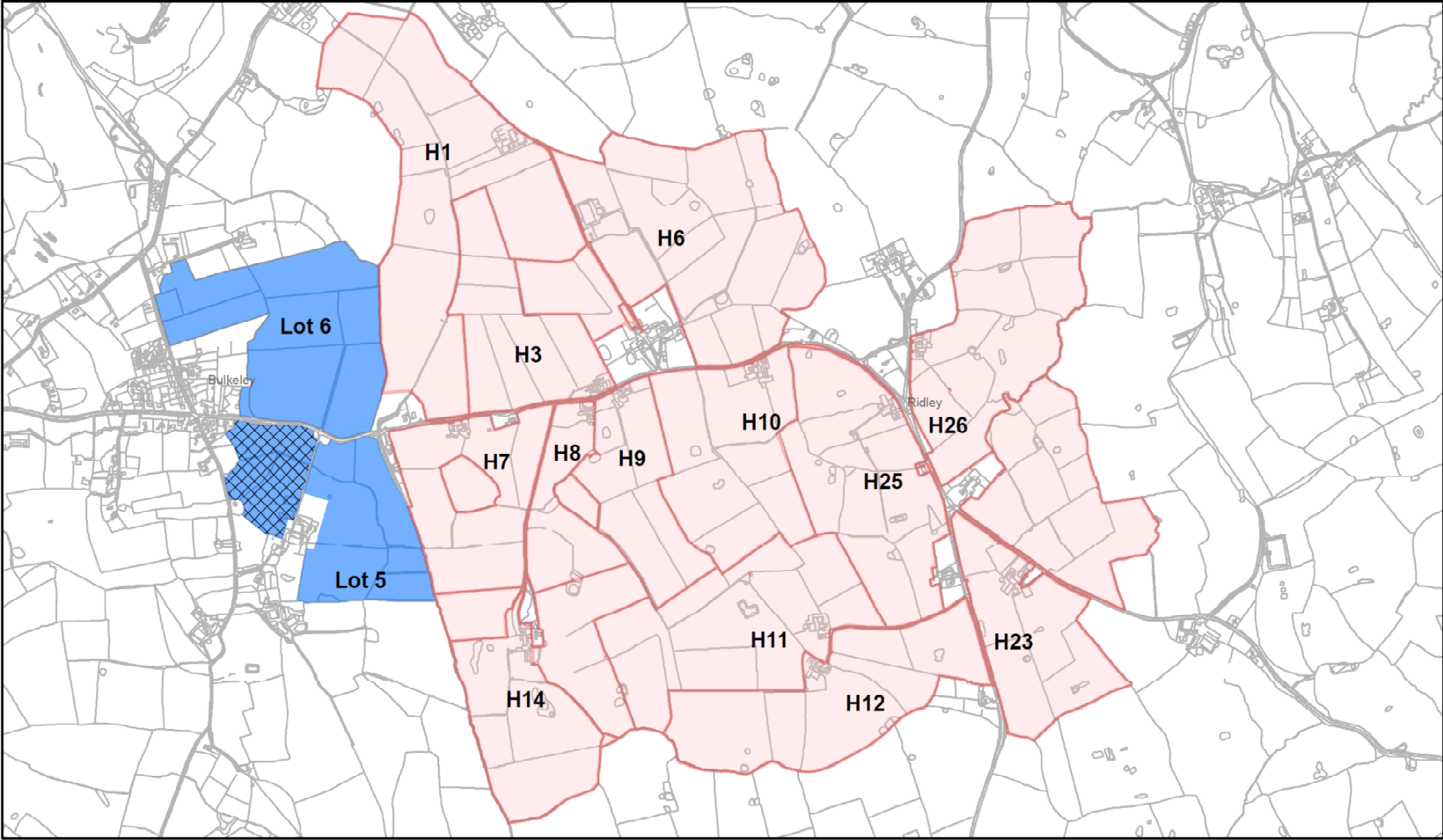
11.0 Background and Options

- 11.1 The proposal is considered in the context of the Corporate Asset management Plan and the associated Farms Estate Management Strategy. Positive options include consideration of the acquisition of all or parts, subject to the approval of the vendor.

12.0 Access to Information

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

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