

# **Corporate Overview and Scrutiny Committee Agenda**

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**Date:** Thursday, 3rd September, 2015  
**Time:** 2.00 pm  
**Venue:** Committee Suite 1,2 & 3, Westfields, Middlewich Road,  
Sandbach CW11 1HZ

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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. **Minutes of Previous meeting** (Pages 1 - 4)

To approve the minutes of the meeting held on 9 July 2015

3. **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.

4. **Declaration of Party Whip**

To provide an opportunity for Members to declare the existence of a party whip in relation to any item on the agenda.

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For any apologies or requests for further information, or to give notice of a question to be asked by a member of the public

**Contact:** Mark Nedderman

**Tel:** 01270 686459

**E-Mail:** [mark.nedderman@cheshireeast.gov.uk](mailto:mark.nedderman@cheshireeast.gov.uk)

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

A total period of 15 minutes is allocated for members of the public to make a statement(s) on any matter that falls within the remit of the Committee.

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

Note: In order for officers to undertake any background research, it would be helpful if members of the public contacted the Scrutiny officer listed at the foot of the agenda, at least one working day before the meeting to provide brief details of the matter to be covered.

6. **2015/16 First Quarter Review of Performance** (Pages 5 - 68)

To give consideration to the Cabinet report on the first quarter review of performance

7. **Work Programme Progress Report** (Pages 69 - 74)

To give consideration to the work programme

8. **Forward Plan** (Pages 75 - 84)

To give consideration to the areas of the forward plan which fall within the remit of the Committee.

**CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Corporate Overview and Scrutiny Committee**  
held on Thursday, 9th July, 2015 at Committee Suite 1,2 & 3, Westfields,  
Middlewich Road, Sandbach CW11 1HZ

**PRESENT**

Councillor M Simon (Chairman)  
Councillor M Grant (Vice-Chairman)

Councillors C Andrew, Rhoda Bailey, S Corcoran, D Flude, A Moran,  
J Saunders, B Walmsley, H Wells-Bradshaw, L Wardlaw and J Wray

**Apologies**

Councillors G Barton, G Baxendale and J Weston

**1 MINUTES OF PREVIOUS MEETING**

RESOLVED – That the minutes of the meeting held on 30 March 2015 be confirmed as a correct record and signed by the Chairman.

**2 ALSO PRESENT**

Councillor Rachel Bailey Children and Families Portfolio holder.

**3 OFFICERS PRESENT**

Caroline Simpson - Director of Economic Growth & Prosperity  
Alex Thompson - Corporate Manager Strategy & Reporting  
Angharad Jackson - Business Manager Adult Social Care  
Steve Reading - Principal Accountant

**4 DECLARATIONS OF INTEREST**

There were no declarations of interest.

**5 DECLARATION OF PARTY WHIP**

There were no declarations of the existence of a party whip.

**6 PUBLIC SPEAKING TIME/OPEN SESSION**

There were no members of the public present who wished to speak.

**7 FINAL OUTTURN REPORT 2014/15**

The Committee considered a report of the Chief Operating Officer.

The report set out the Council's performance for 2014/15, and highlighted the latest progress towards achieving the Council's Residents First Outcomes as described in the Council's three year plan 2013 to 2016. Permanent savings of £5m in management costs had been achieved from 2013/14 to 2014/15.

The Final Outturn showed how the Council was continuing to build on the position for last year. The 2013/14 outturn position was signed off by the Council's external auditors, without qualification, and demonstrated that the overall financial health, performance, resilience and value for money at Cheshire East Council was strong despite taking £50m out of its cost base from 2011/12, and freezing Council Tax for the fourth consecutive year. The Council Tax freeze had been maintained for 2015/16.

Savings had been consistently achieved through efficiency, removing any duplication of effort, making reductions in management costs, and a planned programme of asset disposals. This approach had protected funding provided to front line services. The Council's strong financial position reflected its enhanced governance, innovative delivery arrangements and effective stewardship of public money.

At the end of 2014/15 the Council's reserves strategy remained effective with an underspend of £0.7m being produced. This represented only a 0.3% variance from a budget of £253.8m.

Members of the committee were invited to ask questions about the report.

RESOLVED –

- (a) That the report be received;
- (b) That the committee is of the opinion that the 2014/15 final outturn report reflects positively on the progress being made by the Council towards achieving the Council's residents first outcomes, but would offer the following two additional comments:
  - That there are still concerns about the Council's ability to recruit and retain social workers in Crewe;
  - That changes in the Care Act as they relate to adult prisoners will have an impact on the authority as HMP Salford is located within the Borough and as initial findings suggest that 10-25% of those assessed meet the Council's eligibility thresholds, this matter will have to be monitored thoroughly

## 8 LOCAL PLAN

The Children and Families portfolio holder attended the meeting to provide an update of the latest position in respect of the work the Council had been undertaking in response to the Inspectors formal suspension of the examination of the Local Plan Strategy in December 2014.

She informed the committee that the task force set up by her predecessor Councillor Peter Raynes to undertake this additional work had made significant progress and was now in a position to make a formal recommendation to Cabinet .

RESOLVED –

- (a) That the report be received:
- (b) That the Local Plan Review process remain as a work programme o item on this committee.

### 9 BUSINESS PLANNING PROCESS 2016/19

The committee considered a report of the Chief Operating Officer relating to the Council's Business Planning Process for 2016/17 to 2018/19.

Each year the Council operated a rolling Business Planning Process to match resources. The process addressed these requirements through four stages:

- **Set parameters** - by assessing funding levels through reviewing corporate funding assumptions in relation to Council Tax etc. and agree the Council's priorities - May to June
- **Gather Evidence and Develop Proposals** – through managing the reduction in resources and additional growth pressures through changes to services, efficiency savings, increasing income etc. - July to September
- **Consult and Refine** - by sharing the proposals with this committee Members and interested parties for comment and an invitation for further suggestions for making savings or changes. Further internal challenge would develop the detail behind the proposals including consideration of detailed Business Cases in accordance with the principles of the Council's corporate project gateway model (as overseen by the Executive Monitoring Board) - October to January
- 
- **Approve** – by finalising the funding position and proposals, culminating in a report to Cabinet and Council to set the Budget.in February 2016.

Alex Thompson referred to the Chancellor's budget statement given on.....*July*. and explained that that there appeared to be no impact on the local government settlement. On that basis, it was anticipated that additional information on the likely settlement for next years budget would not be released before in December 2015.

In response to a question about whether the council tax freeze grant would continue for next year, Alex informed the committee that the budget speech made no reference to this particular grant

RESOLVED –

- (a) That the report be received;
- (b) That the Chairman and Vice Chairman be requested to consider how best the committee can feed into the early stages of the budget consultation process during the summer recess

## 10 WORK PROGRAMME PROGRESS REPORT

The committee reviewed its work programme.

Mark Nedderman informed the committee that in connection with item listed under digital customer services, that there would be an opportunity in September for members of this committee to be involved in testing some new developments.

Also, the Communities Committee Chairman had referred to this committee for guidance a cross cutting issue relating to indiscriminate parking around schools at drop off and pick up times.

RESOLVED –

- (a) That the report be received
- (b) That an item be placed on the 3 September agenda to consider developments connected with the digital customer development proposals
- (c) That the Communities committee be informed that although it is recognised that there are cross cutting issues connected with the potential review of indiscriminate parking around schools, that it is the view of this committee that the communities committees the most appropriate committee to take the lead on this in this matter.

The meeting commenced at 2.00 pm and concluded at 3.30 pm

Councillor M Simon (Chairman)

## Cabinet Paper

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<b>Date of Meeting:</b>	<b>22 September 2015</b>
<b>Report of:</b>	<b>Chief Operating Officer (Section 151 Officer)</b>
<b>Subject/Title:</b>	<b>2015/16 First Quarter Review of Performance</b>
<b>Portfolio Holder:</b>	<b>Cllr Peter Groves, Cllr Paul Findlow</b>

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### 1. Report Summary

- 1.1. This report sets out the Council's financial and non financial performance at the first quarter stage of 2015/16 and highlights the latest progress towards achieving the Council's Residents First Outcomes as described in the Council's three year plan 2013 to 2016. Permanent savings of £5m in management costs have been achieved from 2013/14 to 2014/15.
- 1.2. The first quarter review shows how the Council is continuing to build on the positions achieved in the last two years, which demonstrate that the overall financial health, performance, resilience and value for money at Cheshire East Council is strong despite taking £70m out of its cost base since 2011, and freezing Council Tax for the fifth consecutive year. Savings have been consistently achieved through efficiency, removing any duplication of effort, making reductions in management costs, and a planned programme of asset disposals. This approach has protected funding provided to front line services. The Council's strong financial position reflects its enhanced governance, innovative delivery arrangements and effective stewardship of public money.
- 1.3. Following the first quarter review the Council's reserves strategy remains effective, with a modest overspend of £0.9m being forecast. This represents a variance of only 0.4% against the net budget of £246.6m. This is the nearest forecast position to budget ever reported for the Council at this stage in the financial year, and as in previous years work is underway to achieve a balanced position by the end of the financial year.
- 1.4. Cheshire East is the third largest Council in the Northwest of England, responsible for over 500 services, supporting over 370,000 local people. Gross annual spending is over £750m, with a balanced net budget for 2015/16 of £246.6m. 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. The Council's response to these issues has seen the development of Alternative Service Delivery Vehicles since 2013. In Quarter One, examples of good performance were:
  - Managing the efficient delivery of local and national elections in May
  - Over 78,000 homes and businesses (96%) now covered by fibre broadband

- Over 2,000 customers now signed up to Fairerpower energy scheme
- 1.5. The attached report, **Annex 1**, sets out further details of how the Council is performing in 2015/16. It is structured into three sections:

**Section 1 Summary of Council Performance** - brings together the positive impact that service performance and financial performance have had on the 5 Residents First Outcomes in the first quarter of the year.

**Section 2 Financial Stability** - provides an update on the Council's overall financial position. It demonstrates how spending in 2015/16 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. Recommendation

- 2.1 Cabinet is asked to consider and comment on the first quarter review of 2015/16 performance, in relation to the following issues:

- the summary of performance against the Council's 5 Residents First Outcomes (**Section 1**);
- the projected service revenue and capital outturn positions, overall financial stability of the Council, and the impact on the Council's reserves position (**Section 2**);
- the delivery of the overall capital programme (**Section 2, paragraphs 170 to 179 and Appendix 4**);
- fully funded supplementary capital estimates and virements up to £250,000 approved in accordance with Finance Procedure Rules (**Appendix 5**);
- changes to Capital Budgets made in accordance with the Finance Procedure Rules (**Appendix 8**);
- treasury management investments and performance (**Appendix 9**);
- management of invoiced debt (**Appendix 11**);
- use of earmarked reserves (**Appendix 12**);
- update on workforce development and staffing (**Section 3**).

- 2.2 Cabinet is asked to approve:

- fully funded supplementary capital estimates and virements above £250,000 in accordance with Finance Procedure Rules (**Appendix 6**);
- supplementary revenue estimates to be funded by additional specific grant (**Appendix 10**).



2.3 Cabinet is asked to recommend that Council approve:

- fully funded supplementary capital estimates and virements above £1,000,000 in accordance with Finance Procedure Rules (**Appendix 7**);
- the establishment of a new earmarked reserve for Childrens Innovation Hub by a transfer of £0.5m from general balances (**Section 2, paragraph 197**)

**3. Other Options Considered**

3.1. None.

**4. Reasons for Recommendation**

4.1. The overall process for managing the Council's budget, promoting value for money and complying with its Finance Procedure Rules, ensures 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.

**5. Background/Chronology**

5.1. The Council's quarterly reporting structure provides forecasts of a potential year-end outturn. The forecasts in this report highlight achievements against outcomes and provide an indication of potential risks at this stage of the year.

5.2. At the first quarter stage, the Council's reserves strategy remains effective with a modest forecast overspend of £0.9m (0.4%) against a budget of £246.6m. Portfolio Holders and the Management Group Board continue to focus on managing this position to avoid any impact on the Council's general reserves at year end.

**6. Wards Affected and Local Ward Members**

6.1. All

**7. Implications of Recommendation**

**7.1. Policy Implications**

7.1.1. Performance management supports delivery of all Council policies. The projected outturn position, ongoing considerations for future years, and

the impact on general reserves will be fed into the assumptions underpinning the 2016/19 medium term financial strategy.

## **7.2. Legal Implications**

7.2.1. 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.

## **7.3. Financial Implications**

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

## **7.4. Equality Implications**

7.4.1. This report is a backward look at Council activities in Quarter 1 and predicts the year end position. Any equality implications of the issues and activities being reported on will be managed by the relevant service.

## **7.5. Rural Community Implications**

7.5.1. The report provides details of service provision across the borough.

## **7.6. Human Resources Implications**

7.6.1. This report is a backward look at Council activities in Quarter 1 and predicts the year end position. Any HR implications of the issues and activities being reported on will be managed by the relevant service.

## **7.7. Public Health Implications**

7.7.1. This report is a backward look at Council activities in Quarter 1 and predicts the year end position. Any public health implications of the

issues and activities being reported on will be managed by the relevant service.

#### **7.8. Other Implications (Please Specify)**

7.8.1. None

### **8. Risk Management**

- 8.1. 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.
- 8.2. 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 2015/16 budget - and the level of general reserves – have been factored into the 2015/16 financial scenario, budget and reserves strategy.

### **9. Contact Information**

Contact details for this report are as follows:-

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# **First Quarter Review of Performance 2015/16**

Page 11

**September 2015**

# Introduction

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 over £750m. The Council continues to strive for further improvements, putting residents first in the provision of over 500 services delivering more for less.

A commitment across the public sector to contribute to reducing the high levels of national debt has meant local government is 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 continues to be relentless in its pursuit of greater efficiency and productivity, and minimising bureaucracy 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. In 2013/14 the Council completed significant reviews of management structures to divert spending to front line services.

At first quarter, the Council's reserves strategy remains effective, with a modest forecast overspend of £0.9m (0.4%) against a budget of £246.6m. This is the nearest forecast position to budget ever reported for the Council at this stage in the financial year.

To support openness and transparency the report has three main sections, to provide background and context, and then twelve supporting appendices with detailed information about allocation and management of public money during 2015/16:

**Section 1** provides a summary of Council performance and brings together service achievement highlights against the 5 Residents First 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 2015/16 is being 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 to the Original Budget.
- **Appendix 3** shows the latest 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 and Virements over £250,000 for Cabinet approval.
- **Appendix 7** lists requests for Supplementary Capital Estimates and Virements over £1,000,000 for Council approval.
- **Appendix 8** lists Capital Budget reductions.
- **Appendix 9** provides details of Treasury Management investments.
- **Appendix 10** lists requests for allocation of additional Grant funding.
- **Appendix 11** analyses the position on Outstanding Debt.
- **Appendix 12** lists details of Earmarked Reserves.

P.J Bates

**Peter Bates** CPFA CIPD MBA

Chief Operating Officer (Section 151 Officer)

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](mailto:shapingourservices@cheshireeast.gov.uk)

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## 2015/16 Outturn Forecast at First Quarter Review - Financial Position

2015/16 First Quarter Review (GROSS Revenue Budget £611.0m)	Revised Budget (NET)  £m	Emerging Pressures  £m	Remedial Actions Identified to Date £m	Current Forecast Over / (Underspend) £m	For further information please see the following sections
Children & Families	43.3	1.8	-1.4	0.4	Section 1 - Paragraphs 82 - 84
Adult Social Care & Independent Living	95.1	7.3	-6.3	1.0	Section 1 - Paragraphs 134 - 137
Public Health	0.0	0.0		0.0	Section 1 - Paragraphs 115 - 116
Commissioning Services:				0.0	
Leisure	2.1	0.0		0.0	Section 1 - Paragraph 117
Environmental	28.8	0.2		0.2	Section 1 - Paragraphs 102 - 103
Bereavement	-1.3	0.0		0.0	Section 1 - Paragraph 104
Highways	11.1	0.0		0.0	Section 1 - Paragraph 57
Transport	14.7	0.5		0.5	Section 1 - Paragraphs 54 - 56
Building Control etc	1.7	0.0		0.0	
Communities	9.2	0.9	-0.6	0.3	Section 1 - Paragraphs 15 - 19
Economic Growth & Prosperity	6.4	-0.1		-0.1	Section 1 - Paragraphs 37,53,64-66,90
Chief Operating Officer	39.2	-1.4		-1.4	Section 1 - Paragraphs 138 - 139
<b>Total Services Net Budget</b>	<b>250.3</b>	<b>9.2</b>	<b>-8.3</b>	<b>0.9</b>	
<b>CENTRAL BUDGETS</b>					
Specific Grants	-18.9	0.0		0.0	Section 2 - Paragraphs 146 - 150
Capital Financing	14.0	0.0		0.0	Section 2 - Paragraphs 180 - 188
Transfer to Earmarked Reserve	0.2	0.0		0.0	Section 2 - Paragraph 200
Corporate Contributions	1.0	0.0		0.0	Section 2 - Paragraph 189
<b>Total Central Budgets</b>	<b>-3.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	
<b>TOTAL NET BUDGET</b>	<b>246.6</b>	<b>9.2</b>	<b>-8.3</b>	<b>0.9</b>	
	Planned Contribution	Forecast Variance	Impact on reserves		
	2015/16	Quarter 1	Quarter 1 Forecast		
	£m	£m	£m		
Impact on Reserves	-2.2 *	-0.9	-3.1		
*Increased from £1.7m by in-year transfers to earmarked reserves					
General Reserves Balance	2015/16 Budget (estimated) £m	Quarter 1 Forecast			
				£m	
Opening Balance April 2015	14.2	Actual		14.7	Section 2 - Paragraphs 194-199
2015/16 Impact on Reserves (see above)	-1.7	Forecast		-3.1	
Closing Balance March 2016	12.5	Forecast		11.6	

# 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.

Cheshire East has again been recognised as the Best Place to Live in the Northwest

### 1 ~ Our local communities are strong and supportive

- § Continuing to be an enforcing Council through:
  - Successful prosecutions of rogue traders and those selling fake goods
  - Tackling youth crime.
- § Commemorating the First World War.
- § Promoting volunteering.
- § Managing the national and local elections in May 2015.
- § Low school absence levels compared to the national average.

### 2 ~ Cheshire East has a strong and resilient economy

- § Supporting the creation of 212 jobs, continuing to attract businesses to the area and promoting expansion of those already in the borough.
- § Promoting tourism and continuing the success of Tatton Park.
- § Taking forward change and improvement in Macclesfield Town Centre.
- § Working on Crewe Town Centre Regeneration and asking for the views of residents. Pushing ahead with construction of Crewe Lifestyle Centre.
- § Maintaining green space.
- § Increasing apprenticeships and progressing the University Technical College scheme.
- § Significant investment to develop the local economy including roads and broadband infrastructure. Supporting HS2.
- § Reviewing rural transport provision.

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

- § Continuing to have over 93% of primary and 90% of secondary schools classified as Good or Outstanding.
- § Successful focus on reducing NEETs (best in the North West) including cared for children.
- § Improving feedback methods for clients and making information available on mobile devices.
- § Managing a month-long service-wide Ofsted inspection.

### 4 ~ Cheshire East is a green and sustainable place

- § Driving forward the production of an updated Local Plan.
- § Progress in determining major planning applications but scope to improve for minor applications. However, volumes remain an issue.
- § Pushing forward the Waste Strategy, reducing landfill and exploring options around food waste to maintain strong recycling rates.
- § Investing in renewable technologies to reduce carbon emissions.
- § Introducing cheaper energy deals for every resident that takes part in the scheme. Investigating geothermal energy options.

### 5 ~ People live well and for longer

- § Maintaining a range of services, and working with Health partners, to help people stay independent through technology, adaptations etc.
- § Helping to increase the number of affordable homes and to reduce homelessness.
- § Developing a joint service approach to vulnerable people.
- § Managing an expected reduction in public health funding while continuing to establish new contracts and fund transformation projects.
- § Organising local accommodation for cared for children.
- § Promoting and improving leisure facilities.

## FINANCIAL STABILITY

**Cheshire East Council is achieving outcomes based on sound financial management. In 2015/16 the Council will operate on an annual budget of more than £750m.**

- At **Quarter 1** a potential **overspend of just £0.9m** is being reported compared to budget.
- The **potential** overspend represents only 0.4% of the Council's **net revenue budget of £246.6m**. This is the nearest forecast to budget ever reported for the Council at the First Quarter stage, and forecasts have tended to be reduced as the year progresses from robust management action to mitigate the pressures before year end.
- **Service Budgets** – a forecast overspend of £0.9m is reported.
- **Central Budgets** – are currently forecast to be balanced at year end.
- 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.
- **Council Tax has been frozen** for the fifth consecutive year in 2015/16.
- **Investment income** is £112,000 higher than budget at Quarter 1. The average rate earned on investments (0.92%) is higher than the London Inter Bank 3 month rate.
- **General Reserves** - The robust reserves strategy assesses risk at the beginning of the year, and protects the Council against potential overspending. At this stage in the year, the potential overspend of £0.9m is less than the original forecast risks. Further mitigation of the forecast overspend is expected to be achieved.
- The original **total capital budget** of £146.3m has been increased to £153.3m to reflect revised forecasts and schemes continuing since reporting the 2014/15 outturn.
- For monitoring purposes, **the in-year capital budget** for schemes committed or in progress is £91.3m, against which an underspend of £2m is currently forecast. Again the Council has forecast that there will be no requirement for additional external borrowing this financial year.
- Outstanding **Debt** (excluding local taxation) is £8.2m. Debt over 6 months old is £2.5m (around 4% of total debt raised annually) and this is 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 1,100km<sup>2</sup> for over 370,000 residents. The budget to deliver these services in the period April 2015 to March 2016 is over £750m, which is raised from a combination of local taxes, national taxes (in the form of Government Grants) and payments direct from service users. In terms of spending power per head, Government figures highlight the impact of different levels and sources of funding on total Council spending:

Spending Power per Head Comparisons 2015/16			
	Cheshire East £	Rural East Riding of Yorkshire £	Urban Liverpool £
Grants	335	391	838
Council Tax	453	387	252
Total	788	778	1,090

2. The Council's Three Year plan, which was agreed by Council on 28th February 2013, has five Residents First Outcomes that will focus service delivery in the medium term (see **Appendix 1**). This section of the report highlights progress towards achieving each of the five outcomes, in addition to inward-facing work undertaken during 2015/16 to support the delivery of a responsible, effective and efficient organisation.
3. This report reflects activity that has taken place mostly in the period April 2015 to June 2015 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

### Mutual Respect & Personal Responsibility

4. The Regulatory Services and Health service supported a nomination for the Trading Standards Institute (TSI) Hero award after a local care worker stepped in to help an elderly resident who was targeted by a rogue trader. As a result of swift action and involvement by the Investigations team the trader was arrested and the case file passed for prosecution. The care worker won the 2015 Hero Award which was presented at the TSI conference in June.
5. The Environmental Health, Licensing and Investigations team supported police action to request a review of a premises licence in Alsager as a result of noise, anti-social behaviour and under age sales. Following a Licensing review hearing the premises' licence was revoked.
6. Operation Hebe was a joint venture with various enforcement agencies during June 2015 and included a police stop of traders travelling the Cheshire East area. The event afforded the opportunity to provide trader advice packs, check trader assurance claims, identify traffic offences and gather a wide range of intelligence to support national networks.
7. Cheshire East had a successful prosecution of a local businessman who had set up a side-line business from his tanning shop for the sale of fake goods. Officers removed 74 items from the shop including fake Barbour, Chanel and UGG products. The prosecution led to fines of £8,500 and 150 hours of unpaid work.

8. The Children's Survey to monitor attitudes and behaviour of young people in relation to alcohol and cigarettes has been completed for the North West region. The cut down version for Cheshire East is now awaited and will be used for programming work. The findings will also be shared with other relevant services within the authority who may have use of the data.
9. Figures released during quarter one indicate a very slight increase (five young people) in the number of first time entrants to the youth justice system. However, this figure was at an all-time low in the previous quarter and remains a significant reduction against the baseline of 177 in June 2012. This is due to the excellent early intervention of the multi-agency Youth Engagement Team preventing youth crime.
10. Targeted work has been undertaken in schools where there are high incidences of persistent absenteeism, and where there are pupils receiving alternative provision. Persistent absenteeism in Cheshire East primary schools has fallen significantly since 2011 from 4.3% to 2.8% in 2015 and is better than the national figure. In Secondary schools, persistent absenteeism is 5.7%, which is also better than the national figure.

### **Communities**

11. The First World War commemorations continue through the Cheshire East Reflects (CER) programme, and prize-givings have been held at all winning schools for the CER schools writing competition.
12. A wreath laying ceremony took place in Congleton to commemorate Gallipoli. The Battle of Waterloo was also marked by the Council by staging a walk / run up to White Nancy in Bollington, in addition to providing support to the Bollington Waterloo Festival. Victory in Europe was commemorated at three events taking place at Tatton, Macclesfield and Crewe.

13. The Public Rights of Way (PROW) team are working with East Cheshire Ramblers to increase the number of countryside volunteer days with a long term project in the Kettleshulme area. 284 volunteer days have been worked with the Countryside Rangers. 133 volunteers are signed up with and carry out work with the PROW team. Up to and including mid July 2015 there have been 1,436 volunteers days worked across all sites at Tatton Park.
14. There were 1,380 leisure services volunteer hours recorded during the first quarter. Although slightly down on last year, there was a significant contribution in volunteering during 2014/15 arising from the Commonwealth Games Baton visit to the Borough.
15. There is an overall budget pressure forecast for Communities of £0.3m.
16. £0.1m of the pressure relates to 2015/16 business planning proposals for Pest Control and Trading Standards Investigations. These may not be met fully in year due to potential restructuring costs and a delay in implementing the pest control options.
17. There is a further pressure of £0.1m on the costs of vehicle testing for taxi licensing. There is ongoing work during 2015/16 to overhaul the policy surrounding taxi licensing and to review the budgets in this area.
18. There continues to be pressures on car parking income this year of £0.1m mainly due to reduced levels of fines income from previous years and lower pay and display income resulting from issuing refunds to customers at Nantwich pool. There is also an anticipated cost pressure in car parking of £0.1m resulting from additional gritting costs.
19. These pressures have been partially offset by a forecast underspend of £0.1m in Local Community Services. This arises

mainly from additional court cost income from council tax and reduced spend within the Benefits fraud team.

### **Civic Pride**

20. The Council supported efficient delivery of local and national elections in May 2015, with overall Cheshire East voter turnout for Parliamentary elections at 69.27%, an increase from 68.03% in 2010.
21. Social media presence continues to increase, engaging with over 11,400 Twitter followers by the end of the first quarter; more than twice the number who followed the @CheshireEast account at the start of the Council's 3-year plan.

## **2 ~ Cheshire East has a strong and resilient economy**

### **Business and Visitor Economy**

22. To date, the Investment service has supported the creation of 212 new jobs through the Business Engagement and Inward Investment programme with the potential to deliver a £18.4m up lift in Gross Value Added (GVA) output. The existing pipeline of prospects suggests that the service is on track to reach its job creation target for 2015/16 of 800 new high value jobs.
23. Latest figures for the value of the visitor economy have been released and these show a £70m increase from 2013 to 2014. The new figure stands at £807m and is an increase of 48.3% on 2009 figures. Tourist days also increased by 5.2% on 2013 figures with 16.2m visitors now enjoying their visit to Cheshire East. These figures are obtained from the STEAM model (Scarborough Tourism Economic Analysis Model).
24. Silk Heritage Trust transition programme is ongoing. Consultants have been appointed. Interim reports are due in September.

25. The Macclesfield Heritage and Culture Strategy group is progressing. A meeting was due to be held on the 4<sup>th</sup> August with Heritage Lottery Fund to discuss a whole town approach to heritage projects in the town, in order for individual applications to be progressed.
26. The Tatton Vision programme of investment is ongoing and will result in a continued increase in a sustainable income base. In quarter one work has been ongoing in particular around the Stableyard area, completion of the Tenants Hall refurbishment work as well as preparing a strategy to deal with Phase 2 of the Tatton Vision through consultants due to deliver a report by November 2015. Green Flag awards achieved for Brereton Heath, Teggs Nose and Tatton Park. In addition Tatton Park has been awarded Green Heritage accreditation.
27. The bid to the Heritage Lottery Fund for second round funding of Tatton Dale farm's 'Field to Fork' project will be submitted by the end of August 2015. A decision is due at the end of November 2015. If successful this three year, £1.4m project will start early 2016, with the new proposition opening to the public in 2017.
28. Tatton Park has been awarded with the prestigious Sandford Award for the eighth consecutive time. This award is given as a reflection of the high standard of education provision at Tatton Park.
29. Cabinet approved the draft Crewe Town Centre Regeneration Delivery Framework as the basis for consultation at their meeting in April, which sets out plans for the regeneration of a number of key sites across the town centre.
30. Informed by the Regeneration Delivery Framework, the Council also completed on the acquisition of the Royal Arcade site and have invited Expressions of Interest from interested developers for the redevelopment of all or part of the Royal Arcade site to further support the regeneration of the town centre.

31. The Council embarked on a major consultation with local residents and businesses seeking views on the future of Crewe Town Centre. Due to close on 31<sup>st</sup> July, 'Your Town, Your Choice – Crewe' is seeking input on a range of key issues vital to the future of the town centre.
32. Smarter shop fronts boost trade for dozens of Macclesfield businesses, and the Council is now planning to initiate Phase 2 of the successful Shop Front Improvement Scheme, to concentrate on Lower Mill Street and Park Green area properties.
33. Macclesfield Waters Green / Middlewood Way improvements are now underway (from £300,000 of capital funding) to improve this area of anti-social behaviour.
34. Macclesfield Sparrow Park improvements scheme to restore and enhance this town centre green space that has suffered from years of neglect (from £300,000 of capital funding) is underway.
35. Benchmarking studies are being undertaken on Macclesfield car parks, empty shop units in the town centre and Grosvenor Centre car park and market.
36. Work is currently underway to develop an iBrochure for Macclesfield town centre to publicise vacant shop units to businesses looking to locate in the area. Aimed at reducing vacancy rates in the town, this initiative is jointly funded by the Council, property agents and owners of town centre retail properties in Macclesfield town centre.
37. Visitor Economy service is predicting a £0.1m budget pressure due to the level of risk in delivering their savings target in 2015/16.

## Workforce

38. Further work is being commissioned and expansion of our partnership approach is being implemented, to increase the number of apprenticeships on offer.
39. A review of how the skills and growth agenda is being delivered is currently underway. This will ensure the way these services are delivered moving forward will enable Cheshire East to have a better skilled and qualified workforce to meet the needs of our current and future employers.
40. Work continues with adult skills providers to increase the number of adults with NVQ Level 3 qualifications.
41. In collaboration with Manchester Metropolitan University (MMU) and Bentley, a Headteacher has now been successfully appointed for the University Technical College (UTC). Transfer of buildings is in process with an expected handover date of 4<sup>th</sup> December 2015.

## Infrastructure

42. The 'Connecting Cheshire' Project has now passed over 78,000 homes and businesses with fibre broadband, taking overall coverage to 96%.
43. Fibre Guys campaign has continued to successfully drive take-up which has now risen to 21% by the end of June, one of the highest and fastest in the country. The campaign has been recognised by Broadband Delivery UK as an exemplar and the campaign assets have been offered to other programmes to adopt.
44. As part of the widening of the scope of the Fibre Guys engagement campaign, a Connecting Cheshire Garden was commissioned for the RHS Flower Show at Tatton Park in July

and won a Silver medal and featured in the BBC coverage of the show.

45. The Connecting Cheshire Superfast Business programme completed delivery at the end of June, exceeding targets by 12.7%. The programme provided a minimum of 12 hours business support to 935 local companies to improve their digital knowledge; equating to over 13,800 hours of active business support.
46. The Connecting Cheshire project has been successful with a funding bid into the Women and Broadband Digital Challenge Fund of £87,000. The funding will enable a joint project, in partnership with the Greater Manchester Combined Authority, which will offer support to female entrepreneurs and business owners. The project will commence delivery before September 2015.
47. Strong progress has been made on the Council's major transport schemes. The Strategic Highways Infrastructure Team continues to plan, develop and deliver major highway and transport infrastructure improvements, in conjunction with partner organisations.
48. Current Delivery Schemes include:
  - Poynton Relief Road - Work is now progressing to work up a planning application with a public consultation and exhibition planned for October 2015 in preparation for the planning application to be submitted in February 2016.
  - Congleton Link Road – work is also progressing towards a planning application planned for the autumn.
  - Sydney Road Bridge – There is risk of slippage to the programme. The sign off of the Design Service Agreement (DSA) is still awaited and there are further queries to resolve with Network Rail.
  - Crewe Green Link Road - Final government funding approval has been granted and work has now commenced on site. Problems around the bridge structure are now coming to a

conclusion and the contractor is still showing planned completion by December.

- A6 SEMMMS – Under construction. Discharge of Cheshire East Council planning conditions in Disley and Handforth, sketch designs are now complete. These will require public consultation in early 2016.
  - A500 J16 Pinch Point Scheme - The alleviation of congestion on the A500 at J16 of the M6 through the addition of a lane to make the section a dual carriageway. Works are now complete at J16.
  - Basford West Spine Road – Work is now complete on a new road to provide access to Basford East and West development areas. The new road was scheduled to open during summer 2015.
  - M6 junction improvements (Highways England scheme) – Work is now complete on improvements at Junction 17 to ease access to and from the motorway.
  - A556 Knutsford to Bowden (Highways England scheme) – a new 4.5 mile dual carriageway between M6 junction 19 (near Knutsford) and the M56 junction 7 (near Bowdon). Construction started in November 2014 and the scheme is due to complete in winter 2016/17.
49. The Council is developing an ambitious pipeline of highway and transport infrastructure schemes for future delivery. The schemes under development including:
    - Middlewich Eastern Bypass
    - Crewe Bus Station – option appraisal underway
    - Crewe Green Roundabout
    - Leighton West Spine Road
    - King Street Public Realm Scheme (Knutsford)
    - Congleton Public Realm Scheme
    - M6 Junction 16-19 SMART Motorway (Highways England scheme)



50. In October 2014 there was a strong recommendation from Sir David Higgins, Chairman of HS2, that Crewe should be a North West hub for HS2 with delivery brought forward to 2027. A full integrated station would provide 360 degree connectivity to North Wales, Liverpool and Merseyside, routes to Scotland, Greater Manchester and beyond into the Northern Powerhouse and south to Stoke, Staffordshire and on to the East Midlands and Birmingham and finally into Shropshire and Mid Wales becoming an even greater node of the national rail network linked to London and all the UK's major Airports. During quarter one the Council worked in partnership with Network Rail and Government to explore options to improve the current station and determine the next stage of the project.
  51. A series of transport strategy documents have been started for Cheshire East, including input to the Cheshire and Warrington Sub Regional Transport Strategy (Phase 1), beginning a refresh of the Cheshire East Local Transport Plan, as well as continuing the drafting of more detailed documents including a Cycling Strategy and Rail Strategy.
  52. The Council has received a £450,000 funding boost for rural transport in Cheshire East. This will fund the cost of undertaking feasibility studies and other groundwork to identify what scope there is for integration across passenger transport services commissioned by the public sector.
  53. Strategic Infrastructure is predicting a favourable variance of £0.2m this year. Two new strategic roles in respect of the Crewe High Growth business case are now included in the staffing costs, which will be offset by the provision of some external funding and an increase in the level of Section 38 income expected in 2015/16.
  54. The Transport commissioning service is currently reporting a potential pressure of £0.5m. This relates to a number of budget pressures and additional funding requested by Transport Services Solutions Limited, the Council's wholly owned company.
  55. There is potential non-achievement of £0.2m of commissioner-led savings related to reduced demand from Special Education Needs (SEN) of £50,000 and Available Walking Routes of £150,000. In addition, there are also pressures from increased demand in SEN of £238,000 and the outcome of the Arriva concessions appeal of £61,000.
  56. There are ongoing discussions between the s151 Officer, Transport commissioner and the company to resolve the situation and formally agree the 2015/16 management fee. This resolution will be reported back at the next quarterly report.
  57. The Highways service is reporting a balanced position against a £11.1m net budget. The Highways commissioning team continue to manage and monitor the Cheshire East Highways contract and no pressures are currently identified at this early stage of the year.
- Inward Investment**
58. The Business Engagement Service has identified growth opportunities with 22 of Cheshire East's top 100 accounts. Should all convert this would lead to the creation of over 600 new skilled jobs and a capital investment in plant, machinery and equipment of over £30m.
  59. The Business Engagement Service also has an intensive programme of support with high growth SMEs and is dealing with 97 active opportunities to support increases in productivity and growth in job numbers.
  60. The Inward Investment service is managing an active pipeline of interest from companies outside the area. This is expected to deliver 200 new skilled jobs for the area. To date the service has responded to 48 new investment enquiries.

61. Think+, an Australian technical textile manufacturer, is establishing an operation in Macclesfield. In addition, the service is working with a number of Bentley's suppliers considering relocation to the area. To promote the area Cheshire East has commissioned The Times to coordinate a supplement positioning the area's key strengths.
  62. The service is responsible for increasing income generated from Business Rates through enabling development. The service is working intensively with Cheshire Green Employment to secure finance to fund the infrastructure phase of the development which would generate additional income.
  63. Estimated inward investment within Cheshire East for filming has increased from £0.6m and 61 filming days in 2012 to £2.3m and 140 filming days in 2014.
  64. The Economic Growth and Prosperity Directorate is anticipating a small underspend of £0.1m for 2015/16.
  65. The Growth and Regeneration Service is anticipating a balanced budget position in 2015/16. This includes the funding of strategic asset management and facilitating work associated with asset disposals.
  66. The Investment Service is projecting a favourable outturn in the region of £0.2m, which is largely due to vacancy management. Funding for the Manchester Growth Fund is included in this service area for 2015/16 which is expected to be fully utilised by the year end.
- Responsible Business**
67. Business and Customer satisfaction with regulatory services remains high with 97% of respondents expressing satisfaction with the service they had received.
  68. The Regulatory Services and Health service responded to 92% of its 1,800 service requests within five working days during the first quarter.
  69. At the beginning of the year 94% of our food businesses that had been scored against the Food Hygiene Rating System scored 3 or above out of 5. Only 0.4% of business had a 0 score. 89% of all food businesses met the definition of 'Broadly Compliant' in relation to food hygiene.
  70. Cheshire East now has ten Primary Authority relationships with business and two further businesses have expressed an interest in signing up. Primary Authority relationships nominate one local authority to be the Single Point of Contact for named regulatory aspects of a business irrespective of where they operate. This is a formal arrangement aimed to provide consistency of advice for regulators nationwide.
  71. Cheshire East has entered into a Service Level Agreement with Stockport Metropolitan Borough Council for the third year running for the provision of animal health functions for Stockport.
- 3 ~ People have the life skills & education they need in order to thrive**
- Securing the Best Start in Life**
72. The Council continued support to targeted schools and settings focussing on using and interpreting two year-old and Early Years Foundation Stage Profile (EYFSP) data.
  73. The first quarter saw continued embedding of the Early Learning Development Programme and the Raising Early Achievement Literacy Programme. Pre-visit clusters were held prior to targeted (EYFSP) moderation visits.
  74. Take up of the two-year-old offer continues to increase. 869 accessed the offer in the summer term. This equates to 70% of

eligible two year olds compared with the national average of 63%. The higher than average take up in Cheshire East reflects the intensive support provided to parents and childcare providers.

### **Highest Achievements for All Learners**

75. Cheshire East continues to maintain a high profile of Primary schools judged as Good or Outstanding, with over 93% falling into these categories. Recent inspections for Secondary schools has seen the percentage rise from 86% in last quarter to 90% with two further Inspections moving up from Requires Improvement (RI) to Good.
76. Work by the monitoring and intervention team has continued to focus on reducing the number of schools judged RI or Inadequate. This is now at a three year low, reducing from 15.4% of schools in October 2013, to 6.9% of schools in June 2015. Cheshire East is currently third in the national league table of schools with the highest proportion of schools that are Good or better.
77. Analysis of the pupils' achievement and progress given by Key Stage 2 tests and Key Stage 1 assessments taken in June is underway. Data for Key Stage 4 and Key Stage 5 will be available in August and will be compared with national data following its release in quarter three.

### **Achieve Aspirations**

78. Cheshire East continues to be the best in the North West for the lowest number of young people not in education, employment and training (NEET), currently 2.8% or 315 young people. Intensive support is provided for young people through the Youth Support Service through one to one or targeted project based work. Cheshire East also has a very low number of young people whose destination is not known (currently 0.4% or 45 young people) - the best the North West. The Youth Service input around Education Health and Care has been a major

development over the last 12 months, meaning increased partnership working, training, networking and statutory systems. It continues to be an area for development and challenge.

79. Cultural Economy have commissioned a programme of training and experience in Creative Industries for young people in Crewe identified as being at risk of becoming NEET. This will be delivered through a partnership between Cheshire East Youth Theatre, Total People and HQ Theatres. Delivery will begin in September. Young people involved will gain an accredited qualification equivalent to a GCSE.

### **Inclusion**

80. Increasing the number of cared for children in education, employment and training continues to be a priority. All destinations are currently known for cared for children; there are currently 36 cared for young people who are not in education, employment or training. New projects currently being developed include a new multi-agency NEET project and tailored career advice for the borough's cared for young people.
81. Further improvements have been made to the Cheshire East Local Offer, in order to improve residents' access to information on good quality local provision. The information Cheshire East (iCE) directory containing the Local Offer is now fully mobile responsive, meaning that residents can easily access information on local provision on the go. This also ensures that the site features highly on search engines such as Google. In addition, the iCE directory has undergone several version updates, which has increased the functionality of the site (e.g. separating service records and information pages) and improved the search function, thereby responding to feedback from local residents. Work is continuing with several other local authorities to further improve the search functionality via the introduction of a comprehensive thesaurus of search terms.

82. A £0.4m overspend is currently projected in Children and Families, which will be reduced by further ongoing remedial actions and new measures to be introduced following the end of the current service-wide, month-long Ofsted inspection. The budget is under pressure due to a number of factors, with the dominant issue being a growth in the Cared for Children population. The latest number for this cohort is 379 which represents a 10% increase on the same point last year. The budget for 2015/16 anticipated a reduction in numbers. In addition, the issue is further exacerbated by the complexity being faced and the cost implications that this brings. This is best illustrated by the fact that one child alone cost almost £100,000 during the first quarter of 2015/16, the weekly cost being over £7,700, being the highest cost placement incurred during the lifetime of Cheshire East.
83. There remains pressure on the staffing budget with resources needed to meet the Ofsted Improvement Plan, and there also being ongoing recruitment and retention issues with the professional support cohort. As a result expenditure on Agency staff is leading to a predicted overspend on staffing budgets at this point. Further work is ongoing to increase the success of ongoing recruitment activity and, in turn, to reduce the reliance and budgetary impact of agency work. Initiatives such as Project Crewe should contribute in this area by helping social worker caseloads to reduce.
84. Whilst further remedial actions are developed ahead of Mid-Year Review to work downwards towards a balanced outturn, progress to date should be acknowledged with £2m of savings taken out, with numbers up by 10% and an overspend of only £0.4m (less than 1%) still to be resolved at this point.

#### **4 ~ Cheshire East is a green and sustainable place**

##### **Development Management**

85. The Local Plan Task Force has overseen the completion of the updated evidence for the local plan and the inspector's timetable of the end of July will be met for its submission. At its meeting on 21st July Cabinet endorsed the fresh evidence alongside suggested revisions to the Plan itself. The stage is now set for a resumption of the examination in the autumn.
86. The new building control and planning support company has successfully completed its first quarter of trading. Efforts are ongoing to improve market share for building control and overall performance for the planning support team.
87. Planning application performance for quarter one has continued with a strong and improved performance on 'Major' applications reflecting a clear focus on the high volume of large strategic schemes. 'Others' have seen a slight improvement while 'Minors' remain a priority for improvement over the coming quarters:
- N157a (majors within time) - 68%
  - N157b (minors within time) - 55%
  - N157c (others within time) – 78%
88. Application volumes remain high and given resource pressures coupled with the continued high number of appeals, performance as a whole remains very strong.
89. Backlog of older applications may still impact on overall performance, as may further work for the Local Plan but improved resources over the coming quarters should provide a positive upward trend.
90. Strategic and Economic Planning Service has undertaken significant additional work with respect to the Local Plan and the need to respond to an increase in the number of planning

appeals. Additional costs of £1.7m are expected to be incurred this year in respect of this activity. This is due to the need to engage the services of a number of external consultants, particularly legal advisors, coupled with the requirement to increase staffing levels within the service. These costs will be largely funded by the Planning Reserve and vacancy management overall within the directorate.

### **Waste Management**

91. Quarter one shows a continuation of good results in recycling and residual waste levels following on from the Council's best ever year in 2014/15.
92. The re-use of waste through our partnership working with the charitable sector has shown an increase up from 280 tonnes in quarter one last year to 310 tonnes in quarter one of this year.
93. A key part of the Council's Waste Strategy is the ending of landfilling and the use of waste as a resource in the generation of energy. Last year saw a significant move away from landfilling black bin waste, with waste from the north of the Borough utilised for energy production resulting in an overall drop of 35% in waste sent to landfill. This continued through quarter one, with levels of landfill disposal and energy production likely to remain constant this year.
94. In the longer term the Council is investing in the infrastructure through the proposed Environmental Hub project to dramatically change levels of landfill diversion and energy production from 2016/17.
95. The Council is also currently undertaking feasibility work into dry anaerobic digestion, which has the potential to allow Cheshire East to collect food waste as part of our garden waste recycling scheme, creating energy, in addition to high quality recycled compost.

### **Carbon Management**

96. The trend of reducing the Council's CO2 emissions through its programme of energy efficiency measures in its operational buildings has continued in 2015/16. The reduction of the Baseline emissions of 16,531 tCO2 has been reduced by 40% to a current level of 9,918 tCO2 which is excess of the original 2016 target level of 12,401 tCO2.
97. The Council is progressing major investment in renewable technologies to complement heating plant upgrades in five of its top energy using buildings.
98. An extensive street lighting refurbishment programme has started to replace existing lamps with LED fittings that will reduce CO2 emissions by 30%.

### **Environmental Management**

99. There have been 11 electric vehicle charge points successfully installed around the Borough using grant funding from the Office of Low Emission Vehicles; work is now underway to complete supporting administrative requirements for staff usage.
100. A random survey of rights of way indicates an ease of use statistic of 75%.
101. Satisfaction with Cheshire East Country Parks is currently at 93.4%. The Team are currently working with the Research and Consultation Team to improve the quantity and quality of collected data.
102. The Environmental Hub project is on track to be determined at the Strategic Planning Board meeting on 26<sup>th</sup> August and subject to approval will deliver a new facility opening in August 2016. The project is key in delivering the waste strategy and releases land to enable major expansion and investment in the motor industry in Crewe.

103. The construction of the Environmental Hub has led to a re-profiling of the savings associated with the re-letting of the waste disposal contract that was to be delivered in 2015/16 through the existing Crewe Depot. Overall, Environmental Operations is projecting a potential budget pressure of £0.2m against a net budget of £28.7m. This is a relatively small variance against budget and there is potential for it to be mitigated by savings on the household waste recycling centre contract, re-letting of other contracts and positive income variances. At the next quarterly report it will be clearer if this pressure can be absorbed within the service.
104. Bereavement Services are currently projecting a balanced budget based on the first quarter income forecast against a net income budget of £1.2m.

### **Sustainable Energy**

105. The Fairerpower energy scheme has now passed its 2,000th customer and numbers are rising month on month. The project continues to receive good media coverage and saving residents on average £229 per annum.
106. A series of schemes are being developed to progress the delivery of the Council's Energy Framework, which has set about the vision to create affordable energy, grow energy businesses and create independent energy. This includes renewable technology application for Cheshire East's own stock assets and community energy schemes.
107. Business plans have been produced and preparations for submission to the Council's Technical Enabler Group / Executive Monitoring Board are underway for the Cheshire East Energy Ltd Alternative Service Delivery Vehicle. The project is on target to present a full report to Cabinet in autumn 2015, with a full feasibility report.

108. A planning application is currently being assessed for the single well geothermal project at the Manchester Metropolitan University campus in Crewe. A bidder information session for the deep geothermal district heating partner procurement was scheduled for July 2015. A procurement process will shortly be commenced to appoint a partner by December 2015.
109. Levels of landfill disposal and energy production are likely to remain constant this year. In the longer term the Council is investing in the infrastructure through the proposed Environmental Hub project to dramatically change levels of landfill diversion and energy production from 2016/17.

### **5 ~ People live well and for longer**

#### **Facilitating people to live independent, healthier and more fulfilled lives**

110. During the first quarter, the Council successfully supported people to be independent by delivering 446 home adaptations (87 major adaptations; 359 minor adaptations), exceeding its quarterly target of 425.
111. At this early stage in the new Homes and Communities Agency 3-year affordable housing programme, 66 affordable homes were delivered during the first quarter, slightly under target, though starts / completions are always slower at the beginning of the programme, and it is anticipated to be back on target by year end.
112. The Council continued its proactive work to reduce levels of homelessness, achieving its target of 210 interventions during the first quarter.
113. Work has continued focusing on empowerment of individuals to manage a range of conditions and become more engaged in activities. The scoping meeting has been held with colleagues

from Cheshire West. It has been agreed to commission the culture change training that has recently taken place in Wigan for those who attended the meeting, to test its validity for Cheshire. Work to determine the use of the Patient Activation Measure is also ongoing to establish whether or not to commission this locally.

114. The Council identified the needs of people who misuse substances (thus putting their accommodation at risk), in the Vulnerable People's Housing Strategy and the specification for Substance Misuse services recently recommissioned. In addition council members and elected politicians from Macclesfield particularly have expressed concern about the needs of this client group. As a result a specification for a pump-priming project has been jointly developed by public health and housing for a response from providers working in this specialist area. This is due to go to the market at the end of July and through a process of co-production with a number of providers it is hoped to have a service fully operational by January 2016. The specification covers provision of beds, housing support and access to specialist substance misuse services.
115. Public Health is expecting to have its ring fenced budget reduced in year from £14.3m to £13.3m, before the new responsibilities for 0-5 year olds are accounted for. This is the only specific in year reduction announced to date by the Chancellor, George Osborne. Public Health has developed and is implementing its agreed investment plan which targets resources on evidenced need. The financial plan remains to grow this investment whilst holding sufficient funds in its earmarked reserve. The investment in Public Health activities is fully funded using the existing ring fenced grant which has remained constant since the service transferred from the Health service to the Council (once the initial allocation was corrected).
116. New contracts have been successfully procured, for example, Drugs and Alcohol and Sexual Health where expenditure will

decrease year on year, in turn, funding the targeted interventions now being implemented down to an individual ward level.

117. The Leisure commissioning service is currently forecasting a net nil variance against a net £2.1m budget, with the main element of the budget being the management fee paid to the Leisure Trust.

### **Early Intervention, Help and Prevention**

118. The number of early help assessments carried out in Cheshire East continues to increase, with an increasing number led by partner agencies.
119. A draft Alcohol Harm Reduction Strategy has been prepared and will be circulated for comment shortly. Updated data has been sought to include, but further work is required to interpret this and allow for prioritisation of interventions.
120. Work has progressed on the mental health commissioning review with the Public Health Teams in Cheshire East and Cheshire West and Chester jointly undertaking the needs assessment currently. There is also ongoing work in relation to workforce development and culture change. The Shared Care Record implementation project is also underway.
121. Thirteen Public Health Transformation Fund projects are now underway. These are:
  - Catch 22 (MyChoice - Holistic Sexual Health Education, Advice and Guidance) - project proceeding to plan. Pebblebrook, Underwood West, Mons Coppenhall, Sir William Stanier, Kingsgrove schools identified for initial training sessions.
  - Cheshire East CAB (Advice on Prescription) - Waters Green and Eagle Bridge selected as locations for project. Measures adopted to boost referrals as uptake initially slow.
  - Cheshire East Council Public Rights of Way and Countryside Management Service (Walking to Wellbeing) - Two walking

routes have been developed around Maw Green, Crewe. Ten week period of short ranger led walks running from July-Sept.

- Cheshire Without Abuse (Safer and Healthier Families) - working with 16 families in Crewe and Macclesfield (including two families where fostering would have been initiated without the intervention).
  - End of Life Partnership (Cheshire Living Well, Dying Well) - currently asset mapping available resources for End of Life planning in the local community.
  - Food Dudes (Food Dudes in our Schools) - project completed. Evaluation report being produced.
  - NHS SCCCH (Diagnose Cancer Early – campaign) - preliminary work completed to agreed timescale included production of communications material for use in campaign.
  - Peaks and Plains Housing Trust (Keeping Warm, Living Well) - Two Energy Champions have now been recruited, with referrals taken for the last two and a half months.
  - Royal Voluntary Service (Staying Home Community Support) - project has made use of 680 volunteer hours already with 996 interactions completed with members of the public. Has been linking with Macclesfield Hospital over supporting discharge via befriending service.
  - St. Luke's Hospice (Volunteer Befriending in Crewe and Nantwich) - volunteer coordinator now recruited, project proceeding to plan.
  - The Reader Organisation (Reader in Residence Project) - project funding was delayed until beginning of April so still in its infancy. Project to focus resources particularly on Crewe but will also look to run reading based sessions in other parts of the Borough.
  - CVS (social prescribing project) - project was funded in Round 4 so still in its infancy.
  - YMCA (healthy conversation project) - project was funded in Round 4 so still in its infancy.
122. Public Health are developing a project which will introduce a single integrated assessment for lifestyle and wellness services.

This will provide access to services that increase physical activity, improve diet, reduce alcohol usage and stop smoking etc thereby improving the health outcomes of local people in the Borough. This will also have the effect of increasing value for money and choice, with services focussed at a community level. A Market Engagement Event was successfully held on 16<sup>th</sup> July (which saw over 60 organisations attend) allowing us to gauge market interest. A public consultation on the model has now also been launched (including continued engagement with stakeholders). The goal is to introduce the new support system (dependent on feedback and the view of Cabinet) by the end of March 2016.

123. The new Sexual Health service will commence on 1<sup>st</sup> October 2015 and provide a change of emphasis in the delivery of services, providing the majority of Sexual Health, genitourinary medicine (GUM) services and health promotion and prevention advice in local settings, whilst continuing to ensure access to specialist GUM care for those who need it.
124. These will complement other primary care commissioned services with GP practices and pharmacies. This approach is consistent with the direction of travel of both local integration programmes, and is what the public and other stakeholders asked for in the extensive pre-tender consultation work that was undertaken.
125. These plans have also been informed by research conducted for the Joint Strategic Needs Assessment. This identified that:
- The rate of sexually transmitted infections in Cheshire East is low compared to England, but attendances in our GUM commissioned services is high
  - There is a rising trend in the use of open access GUM services for sexual health screening in people without any symptoms of an STI (at both Leighton and East Cheshire Trust sites). In 2013 there were over 5,000 attendances that required no treatment. This is much higher than the regional norm across Cheshire and Merseyside



- Our specialist hospital based GUM services are being used to meet the general sexual and reproductive health needs of residents that could be met more appropriately in other settings such as community sexual health clinics
  - There has been a significant rise in the number of patients attending GUM services for contraceptive advice (2,636 in 2013). Some of this activity could be delivered more cost-effectively and appropriately in family planning clinics or primary care in line with patient choice.
126. As a result of the contract change, expectations are to see:
- Continued low levels of sexually transmitted diseases in Cheshire East
  - Reduced rate of teenage pregnancy
  - Greater access to contraception and sexual health advice for priority groups (in particular young people and men)
  - An increase in chlamydia screening and HIV testing for 15-24 year old age group
  - Wider sexual health services that are commissioned by others working well with our new services (as explained within a Public Health England publication 'Making it Work – a guide for commissioners', September 2014).
127. Cheshire East Council and East Cheshire Trust will update stakeholders about the changes in services as the contract mobilisation phase progresses towards the launch of the service on the 1st October 2015. Current services remain the same until this point.

### **Accessible Services, Information and Advice**

128. Our target to deliver 'Bikeability' Level 2 or 3 cycle training to young people in the Borough had another successful quarter, with 62 schools visited between April and June 2015, and training delivered to 1,949 young people (ahead of the quarter one target of 1,436).

129. Leisure facility attendances were recorded at 672,253 during quarter one. Whilst membership numbers are up considerably there has been a drop off in attendances in the under 16 category and those swimming. The Leisure Trust is currently reviewing a range of options to increase attendances in this area.
130. Quarter one audience figures for the Crewe Lyceum Theatre were 17,128, an increase on the same period in 2014/15.

### **Public Protection and Safeguarding**

131. The number of cared for children who are in accommodation that is 20 miles beyond their original home address has reduced in the last two years and now stands at 59 (15.7% of the cared for children population). A stretching target of 10% has been set for 2015/16 within the Annual Sufficiency Statement for cared for children accommodation. The Sufficiency Statement includes an action plan to improve local accommodation, with the main steps being as follows:
- Improved recruitment and retention of our own fostering and adoptive carers
  - Re-design of our three Children's Homes to ensure effective use which is also complementary to the external market
  - Shaping and managing the external agency market
  - Ensuring the school offer supports the ability to place our children locally.
132. The implementation of the 15 days assessment completion target is evidencing sustained improvement in the timeliness of completion of all assessments. This is ensuring that only the most complex cases take longer than 35 days to complete. The percentage completion rate for 45 days has steadily improved and for quarter one has increased from 77% in April to 96% in June. This continues to remain a focus of fortnightly challenge sessions with teams.
133. Cheshire East continues to monitor the attendance of 11+ year olds at their child protection conference and also sustained

evidence of child participation in conference through either clear articulation of their wishes and feelings in collective reports and through discussions at visits. In quarter one there was evidence of child participation in 92% of cases. Training is currently being sourced for staff for the Strengthening Families model for child protection conferences, designed around better engagement with families.

134. Adult Services is projecting a £1m overspend. The budget continues to reflect financial pressure due to both the level and complexity of demand being faced. In addition, the funding of complex cases involving an element of health related support needs resolution with Clinical Commissioning Group colleagues. Investment in a number of initiatives alongside Health colleagues is being undertaken in pilot areas such as support for dementia sufferers and rapid response domiciliary care in order to improve the service for residents whilst also delivering financial efficiencies.
135. Work is currently underway to bring forward remedial actions to move the budget back into balance, including the fast tracking of Care Fund Calculator assessments and revised efficiency in-year targets across the directorate.
136. The Chancellor's recent announcement on the increase in the National Living Wage over the lifetime of this parliament will also bring financial pressure on all Social Service Departments nationally as providers will inevitably need assistance in terms of fee increases in order to meet these revised government requirements. Fee levels going forward are currently under consideration and detailed proposals will shortly be brought forward for member consideration.
137. The impact of the announcement with regard to the delay of the implementation of the Care Cap limits from 2016 to 2020 is being assessed both in terms of the financial impact and the operational considerations that the change brings.

## 6 ~ A Responsible, Effective and Efficient Organisation

138. At this early stage of the year, the overall budget for Chief Operating Officer Services is forecast to be underspent by £1.4m. Corporate Resources & Stewardship is forecasting an underspend of £1.3m, with the majority of the underspend (£1m) within the energy budget in Facilities Management. The remaining underspend of £0.4m is due to predicted savings from staff vacancies across the service.
139. Small underspends against budget are being reported by Organisational Development (£51,000), Monitoring Officer & Head of Legal Services (£20,000), and Communications (£31,000). Balanced positions are being reported by Governance and Democratic, and Commissioning.

## 2. Financial Stability

### Introduction

140. Financial performance has continued to improve compared to previous financial years. 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.
141. Applying the best fit approach towards commissioning means the Council now wholly owns several supplier companies as well as maintaining relationships with private sector suppliers, charitable trusts and voluntary sector organisations. The financial position of the wholly owned companies will have a direct effect on the financial performance of the Council over time, but to date no forecast profit or loss is being factored in to the outturn position for the Council.
142. **Table 1** provides a service summary of financial performance at quarter one. For further details please see Section 1 and the notes below the table. Changes to service net budgets since Original Budget are analysed in **Appendix 2**.

**Table 1 - Service Revenue Outturn Forecasts**

	Revised Net Budget	Emerging Pressures	Remedial Actions	Current Forecast Over / (Underspend)	Outcome Number 1 - 5
	£000	£000	£000	£000	
Children & Families	43,366	1,829	-1,394	435	3, 5
Adult Social Care & Independent Living	95,080	7,435	-6,450	985	5
Public Health	0	0	0	0	5
Commissioning Services	57,113	685	0	685	2, 4, 5
Communities	9,187	899	-601	298	1, 2
Economic Growth & Prosperity	6,290	-130	0	-130	2
Chief Operating Officer	39,182	-1,414	0	-1,414	
<b>TOTAL SERVICE OUTTURN</b>	<b>250,218</b>	<b>9,304</b>	<b>-8,445</b>	<b>859</b>	

143. The impact of the projected service outturn position at this early stage of the financial year is to decrease balances by £0.9m. Further items impacting on the level of the Council's balances are detailed in the paragraphs below on centrally held budgets.
144. 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.

145. 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 monthly summary report.

### Government Grant Funding of Local Expenditure

146. 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 2015/16 was £366.8m.
147. In 2015/16 Cheshire East Council's specific use grants held within the services was budgeted to be £270.6m based on Government announcements to February 2015. Further announcements have revised this figure down to £263.9m due to eight schools converting to academy status. 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 £96.2m, but further in-year grant announcements increased this figure to £96.7m at first quarter review.
148. Since the original budget was set, specific use grants have decreased by £6.7m. This is due to a reduction of c1,900 pupils due to eight academy conversions since the original budget was estimated.
149. Additional general purpose grants of £0.9m have been received during the first quarter of 2015/16. These include for example an additional £0.3m for Tackling Troubled Families, £0.1m for Individual Electoral Registration, and £0.1m for Extended Rights to

Free Transport. These increases have been partly offset by reductions in allocations for the Independent Living Fund (£0.2m) and Local Reform and Community Voices (£0.1m). Service spend will be in line with these reductions so no risk has been associated with these reduced allocations. Requests for the allocation of the additional grants received are detailed in **Appendix 10**.

150. **Table 2** provides a summary of the updated budget position for all grants in 2015/16. A full list is provided at **Appendix 3**.

**Table 2 – Summary of Grants to date**

	Original Budget	Revised Forecast FQR	Change
	2015/16 £m	2015/16 £m	2015/16 £m
<b>SPECIFIC USE</b>			
Held within Services	270.6	263.9	-6.7
<b>GENERAL PURPOSE</b>			
Central Funding	77.8	77.8	0.0
Service Funding			
Children & Families	0.5	0.9	0.4
Adult Social Care & Independent Living Environment	3.5	3.3	-0.2
Communities	0.0	0.1	0.1
Economic Growth & Prosperity	2.2	2.2	0.0
Chief Operating Officer	0.6	0.8	0.2
Total Service Funding	11.5	11.6	0.1
TOTAL GENERAL PURPOSE	18.4	18.9	0.6
<b>TOTAL GRANT FUNDING</b>	<b>96.2</b>	<b>96.7</b>	<b>0.6</b>

### Collecting Local Taxes for Local Expenditure

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

## Council Tax

152. Council Tax is set locally and retained for spending locally. Council Tax was frozen for 2015/16 at £1,216.34 for a Band D property. This is applied to the taxbase.

153. 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 2015/16 was agreed at 138,764.49 which, when multiplied by the Band D charge, means that the expected income for the year is £168.8m.

154. In addition to this, Cheshire East Council collects Council Tax on behalf of the Cheshire Police and Crime Commissioner, the Cheshire Fire Authority and Parish Councils. **Table 3** shows these amounts separately, giving a total budgeted collectable amount of £205.8m.

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

	£m
Cheshire East Council	168.8
Cheshire Police & Crime Commissioner	21.7
Cheshire Fire Authority	9.8
Town & Parish Councils	5.5
<b>Total</b>	<b>205.8</b>

155. This figure is based on the assumption that the Council will collect at least 98.75% of the amount billed. The Council will always pursue 100% collection, however, to allow for non-collection the actual amount billed will therefore be more than the budget.

156. This figure may also vary during the year to take account of changes to Council Tax Support payments, the granting of

discounts and exemptions, and changes in numbers and value of properties. The amount billed to date is £210.0m.

157. **Table 4** shows collection rates for the last three years, and demonstrates that 99% collection is on target to be achieved within this period.

**Table 4 – Over 99% of Council Tax is collected within three years**

Financial Year	CEC Cumulative		
	2012/13 %	2013/14 %	2014/15 %
After 1 year	98.2	98.1	97.9
After 2 years	99.3	99.0	98.1*
After 3 years	99.5	99.1*	**

\* year to date

\*\*data not yet available

158. The Council Tax in-year collection rate for 2015/16 shows a small increase at 30.2% compared to 30.1% for the same period in 2014/15.

159. Council Tax support payments (including Police and Fire) were budgeted at £18.6m for 2015/16 and at the end of the first quarter the total council tax support awarded was £15.8m. The Council Tax Support caseload has reduced since April 2014 and there have been more reductions in the Council Tax Support awards in the year than increased or new awards.

160. Consultation on proposed changes to the Council Tax Support Scheme for 2016/17 will be launched in August / September 2015, with the final scheme to be agreed by full Council later in the year when the results have been reviewed.

161. Council Tax discounts awarded are £18.7m which is broadly in line with the same period in 2014/15.

162. Council Tax exemptions currently awarded total £3.2m which is broadly in line with the same period in 2014/15.

### Non-Domestic Rates (NDR)

163. NDR is collected from businesses in Cheshire East based on commercial rateable property values and a nationally set multiplier. The multiplier changes annually in line with inflation and takes account of the costs of small business rate relief. This is the second year that the multiplier increase was capped by the Government at 2%.

164. The small business multiplier applied to businesses which qualify for the small business relief was set at 48.0p in 2015/16. The non-domestic multiplier was set at 49.3p in the pound for 2015/16.

165. Cheshire East Council has entered into a pooling arrangement with the Greater Manchester (GM) Authorities for the purposes of Business Rates Retention. The purpose of the pool is to maximise the retention of locally generated business rates to further support the economic regeneration of Greater Manchester and Cheshire East Councils. As a pool the members will be entitled to retain the levy charge on growth that would normally be paid over to Central Government. Cheshire East will retain 50% of this levy charge locally before paying the remainder over to the pool.

166. The Cheshire East and GM Pool are also taking part in a pilot scheme where the pool is now able to retain locally the 50% of “additional growth” in business rates which in the usual Business Rates Retention Scheme would be paid directly to DCLG.

167. Part of this arrangement means that the baseline for which growth in rates is set against has been reset to match the estimated rates to be collected as reported in January 2015. This level is £139.5m. Early estimates forecast that rates income should be in line with this baseline level.

168. **Table 5** demonstrates how collection continues to improve even after year end. The table shows how over 99% of non-domestic rates are collected within three years.

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

Financial Year	2012/13	CEC Cumulative	
	%	2013/14	2014/15
		%	%
After 1 year	98.0	98.3	98.1
After 2 years	98.8	99.2	98.6*
After 3 years	99.4	99.4*	**

\* year to date

\*\*data not yet available

169. The business rates in-year collection rate for 2015/16 is currently 29.4% compared to 28.7% for the same period in 2014/15.

### Capital Programme 2016/19

170. Since the reporting of the Capital Programme for the Budget Book in February 2015 the overall forecast expenditure for the next three years has increased by £15.5m as shown in **Table 6**.

**Table 6 – Summary Capital Programme**

	Original Total Forecast Budget 2015/19 £m	Amendments to Original Forecast Budget 2015/19 £m	Amended Original Forecast Budget 2015/19 £m	Budget Reductions £m	SCE's £m	Revised Total Forecast Budget 2015/19 £m
Children & Families	61.1	1.8	62.8	-0.7	0.3	62.4
Adult Social Care & Independent Living	3.4	0.0	3.4	0.0	0.1	3.5
Leisure	18.2	1.0	19.2	-0.1	0.0	19.1
Environment	16.5	3.4	20.0	0.0	0.0	20.0
Highways	62.2	0.8	63.0	0.0	3.8	66.8
Communities	1.8	0.6	2.4	0.0	0.0	2.4
Economic Growth & Prosperity	237.4	20.9	258.3	0.0	0.5	258.8
Chief Operating Officer	54.9	-17.2	37.7	0.0	0.2	37.9
	<b>455.5</b>	<b>11.3</b>	<b>466.8</b>	<b>-0.8</b>	<b>4.9</b>	<b>471.0</b>

**Table 7 – Capital Funding Sources**

	Original Budget £m	FQR Total Forecast Budget £m	Change £m
Grants	209.9	210.7	0.8
External Contributions	67.7	57.7	-10.0
Cheshire East Resources	177.9	202.6	24.7
<b>Total</b>	<b>455.5</b>	<b>471.0</b>	<b>-15.5</b>

**Capital Budget 2015/16**

174. At the First Quarter review stage the Council is forecasting expenditure of £153.3m in 2015/16. The in-year budget for 2015/16 has been revised from the budget book position of £146.3m to reflect the forecast expenditure for the financial year and any slippage reported at Outturn.

175. The capital programme is to be reported by the stages in the approval process and schemes that are noted as committed and in progress will have slippage monitored against during the year as these schemes should have commenced prior to or during 2015/16 and a detailed forecast expenditure plan should be in place. This equates to £89.3m of forecast expenditure in 2015/16. Schemes will be monitored on their progress during the year and re-categorised quarterly. This includes the net impact in 2015/16 of supplementary capital estimates, virements and budget reductions listed in **Appendices 5 to 8**.

171. The amendments to the original budget set at Council on 26<sup>th</sup> February 2015 are due to slippage from the 2014/15 capital programme and budget changes that have been approved since setting the budget totalling £11.3m. The slippage has now been included in the forecasts for this financial year as well as slipping in to future years.

172. The programme has also been revised to reflect budget reductions of £0.8m and Supplementary Capital Estimates of £4.9m contained in **Appendices 5 to 8**.

173. The revised programme is funded from both direct income (grants, external contributions) and the Council's own resources (prudential borrowing, revenue contributions, capital reserve). A funding summary is shown in **Table 7**.

**Table 8 – Changes to the 2015/16 Capital Budget**

	Original Budget	Revised FQR Budget	Forecast Exp	Current Forecast Over / Under Spend
	£m	£m	£m	£m
Children & Families	9.8	10.1	9.8	-0.3
Adult Social Care & Independent Living Leisure	0.0	0.8	0.8	0.0
Environment	10.4	10.3	9.3	-1.0
Highways	3.1	3.1	3.1	0.0
Communities	24.4	27.7	27.7	0.0
Economic Growth & Prosperity	1.4	1.4	1.4	-0.1
Chief Operating Officer	22.6	22.6	22.0	-0.6
<b>Total</b>	<b>86.7</b>	<b>91.3</b>	<b>89.3</b>	<b>-2.0</b>

part of the Council's capital programme and can now be removed. These are for noting purposes only.

## Central Adjustments

### Capital Financing Costs and Treasury Management

180. 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 costs are partly offset by the interest the Council earns from temporary investment of its cash balances during the year. The capital financing budget of £14m accounts for 6% of the Council's net revenue budget.
181. Investment income to June 2015 is £162,000 which is higher than the budgeted income of £50,000 for the period. The level of cash balances has remained high although market interest rates have remained relatively flat. However, investments in the CCLA Investment Management Ltd property fund, longer dated covered bonds and increasing use of corporate bonds has contributed to higher rates of interest earned on investments.
- The average lend position (the 'cash balance') including managed funds up to the end of June 2015 is £70.8m.
  - The average annualised interest rate received on in house investments up to the end of June 2015 is 0.62%.
  - The average annualised interest rate received on the externally managed property fund up to the end of June 2015 is 4.85%.
182. The Council's total average interest rate for 2015/16 up to the end of June is 0.92%. The returns continue to exceed our benchmark, the London Inter-bank Bid Rate for 7 days at 0.48%. The Council

176. **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.
177. **Appendix 6** lists requests for supplementary capital estimates and virements above £250,000 up to £1,000,000 to be approved by Cabinet.
178. **Appendix 7** lists one request for a supplementary estimate of £3.3m in respect of the Salix Loan funding received in 2015/16 to help the Council replace the existing traffic signals with LED technologies. A Virement has also been requested for £2.0m in respect of a new Pupil Referral Unit to be built on an existing Cheshire East site and is fully funded by Government Grants.
179. **Appendix 8** lists details of reductions of £0.8m in Approved Budgets where schemes are completed, will not be monitored as



does have a target in 2015/16 of aiming to achieve a return of Base Rate + 0.50% on investments provided investment activity is carried out in accordance with the Treasury Management Strategy and security is prioritised over yield. The base rate remained at 0.50% for the quarter so the target for average investment rate is 1.00%. Actual returns are currently slightly below this although additional investment at the end of June in the property fund should help to achieve this target in future months.

**Table 9 – Interest Rate Comparison**

Comparator	Average Rate to 30/06/15
Cheshire East	0.92%
LIBID 7 Day Rate	0.48%
LIBID 3 Month Rate	0.49%
Base Rate	0.50%
Target Rate	1.00%

183. At the First Quarter Year Review, the capital financing budget for interest charges and debt repayment remained on target.
184. All investments are made in accordance with the parameters set out in the Treasury Management Strategy Statement approved by Council on 26th February 2015. Further details of counterparty limits and current investments are given in **Appendix 9**.
185. At the end of the quarter, a further investment of £2.5m was made in the CCLA managed property fund bringing our total investment to £7.5m. This property fund has demonstrated consistently high returns over the last few years and underlying capital growth has been maintained. However, this fund should be judged over a 5 to 6 year period as returns and the underlying capital value of the fund can be volatile.
186. In the last 6 months, regulations concerning the security of funds at banks and financial institutions have changed. The effect is that although Government support has been removed, the risk of failure has decreased due to increased capital requirements but the effects

of failure to Local Authority investments are more serious due to bail-in requirements. The Council is therefore actively seeking to place more investments which are outside of the bail-in requirements. This is being achieved through the use of Covered Bonds and Corporate Bonds with maturity dates no longer than two years to tie in with our cash flow forecasts.

187. Covered Bonds provide security as they are backed up by collateral and still provide a good level of return. The Council has three investments in covered bonds totalling £7.5m due to mature between March 2016 and November 2016.
188. Corporate Bonds are not protected by collateral but are generally exempt from any bail-in requirements. Investment in Corporate Bonds are only made on advice from our Treasury Management advisors who review the company, the market and country in which they operate, the ranking of the bond and the credit worthiness assigned to it. As at 30th June the Council had two investments in Corporate bonds totalling £5.8m and has since invested a further £5m in two more corporate bonds. Full details are shown in **Appendix 9**.

### Central Contingencies and Contributions

189. A budget of £1.0m is held centrally to meet past service Employer Pension contributions relating to staff transferred to the new supplier companies. It is forecast that spending will be in line with the budget.

### Allocation of Additional Grant Funding

190. The Council's budget provides for the receipt of known specific grants. However, where additional non-ringfenced grant funding is received, services wishing to increase their expenditure budgets are required by Finance Procedure Rules to seek approval to use this additional funding. This report seeks approval to services' requests

to incur additional expenditure in 2015/16 fully funded by additional grant. Details of the allocations are contained in **Appendix 10**.

## Debt Management

191. The balance of outstanding debt has increased by £4.3m since quarter 4 of 2014/15. Balances remain within forecast levels and adequate provisions have been made. A summary of outstanding invoiced debt by Service is contained in **Appendix 11**.

## Outturn Impact

192. The impact of the projected service outturn position could reduce balances by up to £0.9m as reported above (**para 143**).
193. Taken into account with the central budget items detailed above and the approved / requested use of general reserves below (**paras 196-197**), the financial impact described in this report could decrease balances by £3.1m as summarised in **Table 10**.

**Table 10 – Impact on Balances**

	£m
Service Net Budget Outturn	0.9
Central Budgets Outturn	0.0
Use of Reserves approved by Council	1.7
Use of Reserves for Council approval	0.5
Total	3.1

## Management of Council Reserves

194. The Council's Reserves Strategy 2015/18 states that the Council will maintain reserves to protect against risk and support investment. The Strategy forecasts that the risk assessed level of reserves is likely to remain at £12.5m throughout the medium term.

195. The opening balance at 1st April 2015 in the Council's General Reserves as reported in the draft Statement of Accounts for 2013/14 is £14.7m.

196. At the February 2015 meeting, Council approved the use of £1.7m of general reserves in 2015/16, to be transferred to earmarked reserves to meet additional planning costs, potential increased insurance claims, and to support investment in sustainability.

197. Cabinet are now asked to recommend to Council that a further £0.5m be transferred from balances to an earmarked reserve for Children's Innovation Hub.

198. The overall impact of service budgets, central budgets and Council decisions is identified in **Table 10** above. **Table 11** shows how this impacts on the forecast closing balance of general reserves.

**Table 11 – Change in Reserves Position**

	£m
Opening Balance at 1 April 2015	14.7
Impact on Balances at Quarter 1	-3.1
Forecast Closing Balance at March 2016	11.6

199. The projected balance of £11.6m reflects the current forecast that risks associated with budget achievement in 2015/16 may not actually materialise and this is slightly below the level planned in the 2015/18 Reserves Strategy. Actions to continue managing current risk will continue to be explored in the remaining months of the financial year. Overall the Council remains in a strong financial position given the major challenges across the public sector.

200. The Council also maintains Earmarked Revenue reserves for specific purposes. At 31<sup>st</sup> March 2015 balances on these reserves stood at £49.1m, excluding balances held by Schools. A contribution of £0.2m to the Emergency Assistance earmarked reserve was approved as part of the 2015/16 budget. Council also approved the transfer of a further £1.7m from general reserves into

earmarked reserves in 2015/16 to provide for additional costs in Planning, and on Insurances, and to support investment in sustainability. These items brought the earmarked reserves balance available in 2015/16 to £51.0m. This report contains a request to transfer a further £0.5m in 2015/16 to an earmarked reserve for Children's Innovation Hub.

201. During 2015/16, an estimated £30m will be drawn down and applied to fund service expenditure specifically provided for. Service outturn forecasts take account of this expenditure and funding.
202. A full list of earmarked reserves at 1 April 2015, and estimated movement in 2015/16 is contained in **Appendix 12**.

### 3. Workforce Development

203. This section sets out the Council's activities and progress in relation to HR, Organisational Development, Health and Safety, Workforce Development plans and changes to staffing levels.
204. A series of Big Event colleague conferences took place in early June held at the Crewe Lyceum Theatre to update staff on the direction and priorities of the Council and provide the opportunity for colleagues to ask questions. The conferences were well received and plans are being developed for further engagement events later in the year.
205. The Council has continued to offer a range of staff benefits such as green car scheme, bike to work scheme, childcare vouchers and additional annual leave. These salary sacrifice schemes offer a saving to both the employee and Council by allowing a portion of an employee's salary to be exchanged to purchase an accredited scheme. These payments are exempt from tax and National Insurance (NI) contributions. A further benefit is a reduction in our carbon footprint. Work is underway to develop this offering further.
206. Work is continuing to implement the Living Wage for directly employed staff with effect from 1 November 2015. This involves amending the Council's pay structure to add a scale point which equates to the Living Wage (£7.85 per hour) . As this change could affect the benefits payable to some people, the Council's Benefits team have offered to run confidential surgeries around the time of implementation to help individual staff understand the potential impact on their household.
207. Towards Excellence, the learning, development and staff improvement corporate training programme continues to grow its offering for all employees comprising of statutory, mandatory, vocational and professional themes and topics. This ensures that the Council creates a workforce which is safe, knowledgeable and competent in performing their duties to the highest possible standard, providing the best quality services to the residents and businesses.
208. The delivery of City and Guilds accredited vocational courses in Health and Social Care supporting Adult Services, Business Administration and ATE (Adult Teaching) continues to support teams across the organisation with Level 2, 3 and 4 qualifications, with the addition this year of Advocacy, Information and Advice NVQ being added to the Council's in-house further education college prospectus.
209. An awards ceremony was recently held to recognise and celebrate the learning and qualifications achievements of colleagues across the Council. Colleagues were presented with awards including the A\* Apprentice of the Year 2015.
210. The Wellbeing and Resilience Group continues to develop interventions to help the organisation and staff become more resilient. Training sessions have been run for managers and staff, and short lunch time and team resilience sessions have also been well received. Three clinics for male staff were run during men's health promotion week.
211. A new Health & Safety Audit programme has commenced which targets Service Managers supporting corporate services. Responses are monitored to identify where to target health and safety resources and support. The buy-back period for schools to purchase a Health and Safety Service for the forthcoming academic year is open and runs until September 2015. Currently buy-back stands at 85.5%.
212. The HR consultancy offer to schools and academies has been extended to include one and three year contracts from September 2015. The service still offers a Gold or Silver Package and the Gold package now includes Mediation Support and one place on the Headteacher Workshop. The Three Year Gold Package has been popular with sixty schools and academies signing up. There are a number of schools who have yet to confirm their intentions.

## Staffing Changes

213. The employee headcount at the end of June 2015 was 3,810, a 1.68% reduction from March 2015, predominantly as a result of employees transferring to Civicance on 1st April 2015.

**Table 12 - Corporate core CEC employee headcount and FTE figures for April, May and June 2015**

Directorate/Service (excludes ASDVs and Schools)	Apr-15		May-15		Jun-15	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
Public Health	23	20.3	26	21.3	24	21.3
Media (Communications and PR)	8	7.9	8	7.9	8	7.9
Strategic Commissioning	2,834	2,079.5	2,829	2,077.6	2,843	2,084.5
Adults Social Care & Independent Living	1,144	873.9	1,142	871.1	1,145	874.1
Children's Services	1,162	764.0	1,161	766.1	1,169	769.3
Commissioning and Client Support	25	23.8	25	23.8	24	23.2
Communities	500	414.8	498	413.7	502	414.9
Chief Operating Officer	589	482.1	588	477.1	592	479.3
Commissioning	51	46.3	50	45.9	50	45.9
Corporate Resources & Stewardship	309	249.1	314	249.9	317	253.1
Democratic Services & Governance	87	56.1	88	57.1	88	56.1
Legal Services	36	31.9	36	31.9	37	31.9
People and OD	61	54.7	60	53.3	60	53.4
Apprentices	44	43.0	39	38.0	39	38.0
Economic Growth & Prosperity	365	292.7	355	283.0	355	281.6
Assets	29	28.0	26	25.0	26	25.0
Crewe – High Growth City	1	1.0	2	2.0	2	2.0
Investment	92	83.8	86	78.3	85	77.1
Strategic and Economic Planning	65	63.3	65	63.3	63	61.2
Strategic Infrastructure	9	8.5	8	7.5	8	7.5
Visitor Economy, Culture & Tatton Park	164	103.4	163	102.2	166	104.1
<b>Cheshire East Council Total</b>	<b>3,812*</b>	<b>2,883.5</b>	<b>3,794*</b>	<b>2867.8</b>	<b>3,810*</b>	<b>2,875.6</b>

214. **Table 13** demonstrates that over the first quarter in 2015/16 the cumulative average days lost to sickness was initially higher than 2014/15, however by the end of the quarter absence levels overall had dropped below the cumulative absence days lost to sickness in

2014/15 (2.61 days compared to 2.91 days lost per FTE employee) during the first quarter of the financial year.

**Table 13 - Comparison of average days lost to sickness in the first Quarter of 2015/16 to the same period in 2014/15 (whole Council excluding Schools – year to date cumulative effect)**

	Apr	May	Jun
<b>Q1 2015/16</b>	1.04	1.71	2.61
<b>Q1 2014/15</b>	1.02	1.62	2.91

## Voluntary Redundancies

215. 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.

216. Seven people have left the Council under voluntary redundancy terms in quarter 1, two of whom held posts within the management grades (Grade 10 or above). The total severance cost, for all seven employees was £200,000, inclusive of redundancy and actuarial costs. Over the next five years, these reductions are estimated to save the Council over £1.26m (which is the combined accumulated costs of the deleted posts).

# **Appendices to First Quarter Review of Performance 2015/16**

**September 2015**

# Appendix 1 – The Three Year Council Plan



To assist with reading this page a PDF version has been made available at: [www.cheshireeast.gov.uk/budget](http://www.cheshireeast.gov.uk/budget)

## Appendix 2 – Changes to Revenue Budget 2015/16 since Original Budget

	Original Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Other Virements £000	Quarter 1 Net Budget £000
Children & Families	42,923	443			43,366
Adult Social Care & Independent Living	95,331	-251			95,080
Public Health	0				0
Commissioning Services:					
Leisure	2,301		-171		2,130
Environmental	28,807	82	-120		28,769
Bereavement	-1,292				-1,292
Highways	11,046		62		11,108
Transport * see note			14,683		14,683
Building Control, Land Charges and Planning Support * see note			1,715		1,715
	40,862		16,169	0	57,113
Communities	9,187				9,187
Economic Growth & Prosperity * see note	22,205	156	-15,975	-96	6,290
Chief Operating Officer	39,275	101	-194		39,182
<b>TOTAL SERVICE BUDGET</b>	<b>249,783</b>	<b>531</b>	<b>0</b>	<b>-96</b>	<b>250,218</b>
Central Budgets					
Specific Grants	-18,363	-531			-18,894
Capital Financing	14,000				14,000
Corporate Contributions	912			96	1,008
Contribution to / from Reserves	241				241
	-3,210	-531	0	96	-3,645
<b>TOTAL BUDGET</b>	<b>246,573</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>246,573</b>

\* Since February Council, the budgets for Transport, and for Building Control, Land Charges & Planning Support have been moved from Economic Growth and Prosperity to Commissioning Services.



## Appendix 3 – Corporate Grants Register

Corporate Grants Register 2015/16 First Quarter Review		Original Budget	Revised Forecast	Change	SRE / Balances
		2015/16	FQR 2015/16	2015/16	(Note 2)
	Note	£000	£000	£000	
<b>SPECIFIC USE (Held within Services)</b>					
<b>Schools</b>					
Dedicated Schools Grant	1	160,635	154,136	-6,499	
Pupil Premium Grant	1	6,795	6,795	0	
Sixth Forms Grant	1	4,408	4,164	-244	
<b>Total Schools Grant</b>		<b>171,838</b>	<b>165,095</b>	<b>-6,743</b>	
Housing Benefit Subsidy		84,518	84,518	0	
Public Health Funding		14,274	14,274	0	
Restorative Justice Development Grant		8	8	0	
<b>TOTAL SPECIFIC USE</b>		<b>270,638</b>	<b>263,894</b>	<b>-6,743</b>	
<b>GENERAL PURPOSE (Held Corporately)</b>					
<b>Central Funding</b>					
Revenue Support Grant		39,182	39,182	0	
Business Rates Retention Scheme		38,607	38,607	0	
<b>Total Central Funding</b>		<b>77,789</b>	<b>77,789</b>	<b>0</b>	

Corporate Grants Register 2015/16 First Quarter Review		Original Budget	Revised Forecast	Change	SRE / Balances
			FQR		(Note 2)
	Note	2015/16 £000	2015/16 £000	2015/16 £000	
<b>GENERAL PURPOSE (Held Corporately)</b>					
<b>Children &amp; Families</b>					
Troubled Families		110	332	222	SRE
Troubled Families - Co-ordinator		85	200	115	SRE
Adoption Reform Grant (unringfenced element)		0	0	0	
Special Educational Needs Reform Grant		0	0	0	
Youth Detention - Looked After Children		0	0	0	
Youth Justice Grant		326	326	0	
Youth Rehabilitation Order - Junior Attendance Centre		0	33	33	SRE
Staying Put Grant		0	73	73	SRE
Special Educational Needs and Disabilities - New Burden		0	0	0	
<b>Adult Social Care &amp; Independent Living</b>					
Local Reform and Community Voices Grant		265	195	-70	SRE (neg)
Independent Living Fund		1,000	749	-251	SRE (neg)
Adult Social Care New Burdens		2,272	2,272	0	
Care Bill Implementation Grant		0	0	0	
Social Care in Prison Grant		0	70	70	SRE
<b>Environment</b>					
Lead Local Flood Authorities		35	35	0	
Lead Local Flood Authorities - technical advice on surface water proposals		0	82	82	SRE
<b>Communities</b>					
Housing Benefit and Council Tax Administration		1,549	1,549	0	
NNDR Administration Grant		559	559	0	
Social Fund - Programme funding		0	0	0	
Social Fund - Administration funding		0	0	0	
Council Tax - New Burden		0	0	0	
Implementing Welfare Reform Changes		53	53	0	

Corporate Grants Register 2015/16 First Quarter Review		Original Budget	Revised Forecast	Change	SRE / Balances
			FQR		(Note 2)
	Note	2015/16 £000	2015/16 £000	2015/16 £000	
<b>GENERAL PURPOSE (Held Corporately)</b>					
<b>Economic Growth &amp; Prosperity</b>					
Skills Funding Agency		628	628	0	
Extended Rights to Free Transport		0	128	128	SRE
Neighbourhood Planning Grant		0	20	20	SRE
Right to Move		0	3	3	SRE
Property Searches New Burdens - Tinklers		0	5	5	SRE
<b>Chief Operating Officer</b>					
Education Services Grant		3,000	3,000	0	
Council Tax Freeze Grant 2015/16		1,816	1,840	23	Balances
New Homes Bonus 2011/12		870	870	0	
New Homes Bonus 2012/13		1,844	1,844	0	
New Homes Bonus 2013/14		1,037	1,037	0	
New Homes Bonus 2014/15		1,356	1,356	0	
New Homes Bonus 2015/16		1,200	1,200	0	
Affordable Homes 2012/13		85	85	0	
Affordable Homes 2013/14		82	82	0	
Affordable Homes 2015/16		63	63	0	
New Homes Bonus 2015/16 - return of topslice		128	126	-1	Balances
Individual Electoral Registration		0	101	101	SRE
<b>Total Service Funding</b>		<b>18,363</b>	<b>18,915</b>	<b>553</b>	
<b>TOTAL GENERAL PURPOSE</b>		<b>96,151</b>	<b>96,704</b>	<b>553</b>	
<b>TOTAL GRANT FUNDING</b>		<b>366,789</b>	<b>360,598</b>	<b>-6,190</b>	

#### Notes

1 The Dedicated Schools Grant, Pupil Premium Grant and Sixth Form Grant from the Education Funding Agency (EFA) figures are based on actual anticipated allocations. Changes are for in-year increases/decreases to allocations by the DfE and conversions to academy

2 SRE - Supplementary Revenue Estimate requested by relevant service

## Appendix 4 – Summary Capital Programme and Funding

Service	In-Year Budget	SCE's Virements Reductions	SCE's Virements Reductions	Revised In-Year Budget	Forecast Expenditure		
	FQR	During Quarter	FQR	FQR	2015/16	2016/17	2017/18 and Future Years
	2015/16 £000	2015/16 £000	2015/16 £000	2015/16 £000	2015/16 £000	2016/17 £000	2017/18 and Future Years £000
<b>Children &amp; Families</b>							
Committed Schemes - In Progress	9,756	0	309	10,065	9,765	1,319	948
Committed Schemes at Gate 1 Stage	1,635	0	1,028	2,663	2,663	1,028	0
Medium Term and Rolling Programme	7,494	0	-2,340	5,154	5,154	5,481	5,944
Longer Term Proposals	100	0	0	100	100	0	30,000
<b>Adult Social Care and Independent Living</b>							
Committed Schemes - In Progress	0	0	764	764	764	0	0
Medium Term and Rolling Programme	1,808	0	-680	1,128	1,128	800	800
<b>Commissioning Services:</b>							
<b>Leisure</b>							
Committed Schemes - In Progress	10,410	0	-78	10,332	9,331	1,000	0
Committed Schemes at Gate 1 Stage	500	0	0	500	500	3,500	4,565
Longer Term Proposals	0	0	0	0	0	250	0
<b>Environment</b>							
Committed Schemes - In Progress	3,101	0	-2	3,099	3,099	0	0
Medium Term and Rolling Programme	9,077	0	0	9,077	16,093	140	0
Longer Term Proposals	470	0	0	470	470	183	0
<b>Highways</b>							
Committed Schemes - In Progress	24,376	0	3,305	27,681	27,681	3,062	0
Committed Schemes at Gate 1 Stage	0	0	500	500	500	0	0
Medium Term and Rolling Programme	0	0	0	0	0	17,927	17,637

Service	In-Year Budget	SCE's Virements Reductions	SCE's Virements Reductions	Revised In-Year Budget	Forecast Expenditure		
	FQR	During Quarter	FQR	FQR	2015/16	2016/17	2017/18 and
	2015/16 £000	2015/16 £000	2015/16 £000	2015/16 £000	2015/16 £000	2016/17 £000	Future Years £000
<b>Communities</b>							
Committed Schemes - In Progress	1,415	0	0	1,415	1,365	89	0
Longer Term Proposals	0	0	0	0	0	975	0
<b>Economic Growth and Prosperity</b>							
Committed Schemes - In Progress	22,557	63	6	22,626	21,986	2,776	2,127
Medium Term and Rolling Programme	10,180	0	500	10,680	6,290	6,753	2,300
Longer Term Proposals	33,293	0	0	33,293	25,021	59,631	131,921
<b>Chief Operating Officer</b>							
Committed Schemes - In Progress	15,103	0	208	15,311	15,311	0	0
Medium Term and Rolling Programme	608	0	0	608	608	9,425	6,997
Longer Term Proposals	5,550	0	0	5,550	5,550	0	0
<b>Committed Schemes - In Progress</b>	<b>86,718</b>	<b>63</b>	<b>4,512</b>	<b>91,293</b>	<b>89,302</b>	<b>8,246</b>	<b>3,075</b>
<b>Committed Schemes at Gate 1 Stage</b>	<b>2,135</b>	<b>0</b>	<b>1,528</b>	<b>3,663</b>	<b>3,663</b>	<b>4,528</b>	<b>4,565</b>
<b>Medium Term and Rolling Programme</b>	<b>29,167</b>	<b>0</b>	<b>-2,520</b>	<b>26,647</b>	<b>29,273</b>	<b>40,526</b>	<b>33,678</b>
<b>Longer Term Proposals</b>	<b>39,413</b>	<b>0</b>	<b>0</b>	<b>39,413</b>	<b>31,141</b>	<b>61,039</b>	<b>161,921</b>
<b>Total Net Position</b>	<b>157,433</b>	<b>63</b>	<b>3,520</b>	<b>161,016</b>	<b>153,379</b>	<b>114,339</b>	<b>203,239</b>

Funding Sources	2015/16 £000	2016/17 £000	2017/18 and Future Years £000
Grants	42,031	50,844	117,843
External Contributions	15,831	19,371	22,533
Cheshire East Council Resources	95,517	44,124	62,863
<b>Total</b>	<b>153,379</b>	<b>114,339</b>	<b>203,239</b>

## Appendix 5 – Approved Supplementary Capital Estimates and Virements up to £250,000

Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Summary of Supplementary Capital Estimates and Capital Virements that have been made up to £250,000</b>		
<b>Supplementary Capital Estimates</b>		
<b>Children &amp; Families</b>		
Suitability/Minor Works/Accessibility Block Provision	208,806	Contributions from schools delegated budgets towards works being undertaken to improve sites.
Kitchens block (Gas interlock)	100,000	Contribution from School Catering surplus towards works of improving and expanding catering facilities in schools.
<b>Adult Social Care &amp; Independent Living</b>		
Integrated Digital Care Record	84,051	Funding from the Department of Health towards the implementation of a system to integrate care records digitally across the north west.
<b>Environment</b>		
Adlington Road Section 106 Agreement	2,572	S106 funding identified to carry out enhancement works at Adlington Road Park.
<b>Chief Operating Officer</b>		
Asset Management Programme	141,021	Additional funding identified due to insurance settlement in relation to storm damage reinstatement works at Kingsgrove High School.
Asset Management Programme	67,000	To fund Carbon Reduction work on the Council's assets funded by the Climate Change Earmarked Revenue Reserve.
<b>Total Supplementary Capital Estimates</b>	<b>603,450</b>	

Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Summary of Supplementary Capital Estimates and Capital Virements that have been made up to £250,000</b>		
<b>Capital Budget Virements</b>		
<b>Adult Social Care &amp; Independent Living</b>		
Health Integration Equipment	100,000	To be vired from the Community Capacity Grant to ensure that social care professionals and those who support them have the right technology and tools to do their jobs in community integrated teams.
NHS Number - Patient Demographic Service Integration	20,000	To be vired from the Community Capacity Grant to enable integration between electronic case management systems in Cheshire East and the NHS Patient Demographic Service.
Care Act Information Solutions	200,000	To be vired from the Community Capacity Grant to procure and implement the necessary solutions to meet the requirements of the Care Act 2016.
Sensory Room - Crewe Lifestyle Centre	50,000	To be vired from the Community Capacity Grant for equipment for the Crewe Lifestyle Centre sensory room.
Information in Your Hands	30,000	To be vired from the Community Capacity Grant for piloting putting information in the hands of our residents.
<b>Children &amp; Families</b>		
Suitability/Minor Works/Accessibility Block Provision	215,079	Contributions from schools Devolved Formula Capital Allocations towards works being undertaken to improve sites.
<b>Leisure</b>		
Sandbach United Football Club	12,000	A virement from the completed Nantwich Pool Scheme to fund the retention monies owed to the contractor on the Sandbach United Project. Funded by Prudential Borrowing

Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Summary of Supplementary Capital Estimates and Capital Virements that have been made up to £250,000</b>		
<b>Capital Budget Virements</b>		
<b>Environment</b>		
Odd Rode Footpath No. 22 S106	10,195	Target costs now identified for Odd Rode Footpath, and the additional funding needed to be covered. LTP 2015-16 grant allocation moved from ROWIP Cycle/Walking Schemes.
<b>Highways &amp; Transport</b>		
Bridge Maintenance Minor Works	12,923	LTP grant funding to be moved from Air Quality where the maximum budget including roll forward is to be £30,000. Vire £12,923 to Bridge Maintenance for works.
A556 Knutsford to Bowdon	20,000	LTP grant funding to be moved from Strategic Programme Delivery vired to A556 Knutsford to Bowdon where land transfer needs to get resolved as soon as possible.
Road Safety Cycle Scheme	3,762	LTP grant 2015/16 grant allocation moved from ROWIP Cycle/Walking Schemes to cover residual expenditure.
<b>Total Capital Budget Virements Approved</b>	<b>673,959</b>	
<b>Total Supplementary Capital Estimates and Virements</b>	<b>1,277,409</b>	



## Appendix 6 – Request for Supplementary Capital Estimates and Virements above £250,000

Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Cabinet are asked to approve the Supplementary Capital Estimates and Virements above £250,000 up to and including £1,000,000</b>		
<b>Supplementary Capital Estimates</b>		
<b>Economic Growth &amp; Prosperity</b>		
Housing Innovation Fund	500,000	To enable affordable housing in Cheshire East funded by Right to Buy Capital Receipts.
<b>Highways &amp; Transport</b>		
A500 Dualling scheme	500,000	To fund Initial development work on the A500 Widening scheme funded by Section 106 funds.
<b>Total Supplementary Capital Estimates Requested</b>	<b>1,000,000</b>	
<b>Capital Budget Virements</b>		
<b>Adults Social Care &amp; Independent Living</b>		
Adults Case Management	280,000	To be vired from the Community Capacity Grant to continue to implement the case management solution in Adults Social Care.
<b>Total Capital Budget Virements Requested</b>	<b>280,000</b>	
<b>Total Supplementary Capital Estimates and Virements</b>	<b>1,280,000</b>	

## Appendix 7 – Request for Supplementary Capital Estimates and Virements above £1m

Capital Scheme	Amount Requested £000	Reason and Funding Source
Cabinet are asked to request Council to approve the Capital Virements and SCEs over £1,000,000		
<b>Supplementary Capital Estimates</b>		
<b>Highways</b>		
Lanterns - Salix Investment	3,321,000	Salix loan funding to be used to replace the existing traffic signals with LED technologies.
<b>Total Supplementary Capital Estimates Requested</b>	<b>3,321,000</b>	
<b>Capital Budget Virements</b>		
<b>Children's and Families</b>		
Pupil Referral Unit - New Site	2,056,000	This virement, from the capital maintenance block budget, relates to a scheme to create a new Pupil Referral Unit. Endorsed at Gateway 1 during June 2015, and will be funded by grants provided by the Department of Education.
<b>Total Capital Budget Virements Requested</b>	<b>2,056,000</b>	
<b>Total Supplementary Capital Estimates and Virements</b>	<b>5,377,000</b>	

## Appendix 8 – Capital Budget Reductions

Capital Scheme	Approved Budget £	Revised Approval £	Reduction £	Reason and Funding Source
<b>Cabinet are asked to note the reductions in Approved Budgets</b>				
<b>Adults</b>				
Anticipated Condition Grant	6,959,337	6,287,970	-671,367	Reduction in the anticipated funding from the Department of Education.
Basic Need Block	9,168,000	9,108,000	-60,000	Anticipated Section 106 contribution not received.
<b>Environmental</b>				
Odd Rode Footpath No. 22 S106	15,000	8,561	-6,439	Budget reduced to match Section 106 funding available.
Bollington Cross Playing Fields	10,678	2,200	-8,478	Budget reduced to match Section 106 funding available.
<b>Leisure</b>				
Nantwich Pool Enhancements	1,629,250	1,605,250	-24,000	Project Complete.
Leisure Centre ICT Member System	200,000	153,000	-47,000	Project Complete.
Pool Hoists and Strobe Lighting - Access for Disabled Users	27,044	21,153	-5,891	Project Complete.
Squash Court Refurbishments	110,000	108,705	-1,295	Project Complete.
<b>Total Capital Budget Reductions</b>	<b>18,119,309</b>	<b>17,294,839</b>	<b>-824,470</b>	

# Appendix 9 – Treasury Management

## Counterparty Limits and Investment Strategy

1. The maximum amount that can be invested with any one organisation is set in the Treasury Management Strategy Report. The maximum amount and duration of investments with any institution depends on the organisations credit rating, the type of investment and for banks and building societies, the security of the investment. Generally credit rated banks and building societies have been set at a maximum value of £5m for unsecured investments and £10m for secured investments. Any limits apply to the banking group that each bank belongs to. Limits for each Money Market fund have been set at a maximum value of £10m per fund with a limit of 50% of total investments per fund although operationally this is limited to 10% in line with updated guidance. 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. Due to their smaller size, unrated Building Societies have a limit of £1m each.
2. The limits in the Treasury Management strategy also apply to investments in foreign banks subject to an overall limit of 40% of our total investments in foreign countries and a limit of £10m per country. Foreign investments held at 30<sup>th</sup> June 2015 total £11m over four countries.
3. To maintain diversification of investments over a broader range of counterparties, the Council is also investing with other Local Authorities and some unrated Building Societies on advice from our treasury advisors who are monitoring their financial standing in the absence of any normal credit rating.
4. Banks' credit ratings are kept under continual review. There have been some changes in 2015/16 following the regulatory changes and withdrawal of Government support although these changes have not been as severe as expected. Government support has

generally been replaced by greater loss absorbency capability. However, as the impact of any bank failure on Council investments is now greater, the following measures are being taken to reduce the risk of being bailed in:

- a. Invest in more secure financial instruments such as Covered Bonds and Repurchase Agreements (REPO's)
  - b. Invest in highly rated Corporate Bonds which will not be subject to any 'bail-in risk'
5. Covered Bonds are fixed period investments (typically three to ten years) which are tradeable and where the investment is backed by collateral. These bonds are exempt from any 'Bail-in' requirements and gives the Council protection in the event the Counterparty gets into difficulties. Bonds are rated depending on their collateral so it is possible that a bond is acceptable to the Council where an unsecured deposit would not be.
  6. REPO's are where the Council purchases assets from a counterparty with an agreement that the counterparty repurchases those assets on an agreed future date and at an agreed price. The future price will include interest on the investment. The assets purchased will vary in value over the term of the trade so a third party is used (at the cost of the other party, not the Council) to hold those assets on our behalf and obtain additional assets if the value falls below the level of the investment at any time. It is the quality of the purchased assets that governs the credit quality of the investment rather than the actual counterparty. The Council is making arrangements with Clearstream who can provide the third party facilities and are internationally regarded.
  7. **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	Secured Limits		Investments as at 30 <sup>th</sup> June 2015	
<b>UK Banks</b>				
Lloyds	10%	£5m	7%	£5.0m
Standard Chartered	10%	£5m	7%	£5.0m
Barclays Bank	10%	£5m	6%	£4.4m
Santander	10%	£5m	6%	£4.3m
<b>Foreign Banks</b>				
Credit Suisse	10%	£5m	4%	£3.0m
Deutsche Bank	10%	£5m	6%	£4.0m
Svenska Handelsbanken	10%	£5m	1%	£1.0m
<b>Building Societies</b>	<b>10%</b>		<b>15%</b>	
Coventry Building Society	10%	£1m	2%	£1.0m
Cumberland Building Society	10%	£1m	2%	£1.0m
Leeds Building Society	10%	£1m	1%	£1.0m
Mansfield Building Society	10%	£1m	1%	£1.0m
National Counties Bldg Soc	10%	£1m	1%	£1.0m
Nationwide Building Society	10%	£5m	7%	£5.0m
Vernon Building Society	10%	£1m	1%	£1.0m
<b>Other</b>				
Lancashire County Council	10%		4%	£3.0m
<b>Money Market Funds</b>	<b>50%</b>		<b>15%</b>	
Aberdeen	25%	£10m	1%	£0.6m
CCLA	25%	£10m	1%	£0.5m
Federated Prime Rate	25%	£10m	6%	£4.1m
Ignis	25%	£10m	3%	£1.9m
JP Morgan	25%	£10m	1%	£1.0m
Morgan Stanley	25%	£10m	3%	£2.1m

Counterparties	Secured Limits		Investments as at 30 <sup>th</sup> June 2015	
<b>Secured Investments</b>				
Bank of Scotland (Cov'd Bond)	10%	£10m	3%	£2.5m
Yorkshire BS (Covered Bonds)	10%	£10m	7%	£5.0m
<b>Corporate Bonds</b>				
Heathrow Funding Ltd	10%	£5m	4%	£2.8m
Volkswagen Finance Ltd	10%	£5m	4%	£3.0m
<b>Externally Managed Funds</b>	<b>50%</b>			
Property Funds	50%		11%	£7.5m
				<b>£71.7m</b>

8. As at 30<sup>th</sup> June there was more cash invested in Building Societies than permitted under the Treasury Management Strategy. This is partly due to investments made before the start of the current strategy and partly as a result of cash balances falling further than expected in May. These investments matured in July bringing the Council back within its limits.

**Table 2 – Types of Investments and Current Interest Rates**

<b>Instant Access Accounts</b>	<b>Avg rate %</b>	<b>£m</b>
Instant Access Accounts	0.34	1.4
Money Market Funds	0.53	10.2

<b>Fixed Term Deposits (Unsecured)</b>	<b>Start</b>	<b>Maturity</b>	<b>Rate %</b>	<b>£m</b>
Deutsche Bank CD	17/07/2014	17/07/2015	0.92	4.0
Nationwide Building Society	21/08/2014	20/08/2015	0.96	2.0
Barclays	29/08/2014	28/08/2015	0.98	3.0
Nationwide Building Society	31/03/2015	09/07/2015	0.52	3.0
Standard Chartered CD	01/04/2015	01/10/2015	0.82	5.0
National Counties Building Society	01/04/2015	09/07/2015	0.55	1.0
Vernon Building Society	01/04/2015	09/07/2015	0.55	1.0
Lloyds Bank	01/04/2015	01/07/2015	0.57	3.0
Barclays Bank	02/04/2015	02/07/2015	0.52	1.0
Cumberland Building Society	07/04/2015	16/07/2015	0.54	1.0
Coventry Building Society	17/04/2015	24/07/2015	0.46	1.0
Credit Suisse	23/04/2015	31/07/2015	0.56	3.0
Leeds Building Society	27/04/2015	05/08/2015	0.49	1.0
Santander	27/04/2015	05/08/2015	0.58	3.0
Lloyds Bank	15/05/2015	17/08/2015	0.57	2.0
Santander	03/06/2015	29/09/2015	0.54	1.3
Lancashire County Council	25/06/2015	18/12/2015	0.47	3.0
Mansfield Building Society	29/06/2015	25/09/2015	0.53	1.0

<b>Secured Deposits</b>	<b>Start</b>	<b>Maturity</b>	<b>Rate %</b>	<b>£m</b>
Yorkshire Building Society	05/11/2014	16/03/2016	0.73	3.0
Yorkshire Building Society	16/12/2014	16/03/2016	0.73	2.0
Bank of Scotland	17/06/2015	08/11/2016	0.84	2.5

Corporate Bonds	Start	Maturity	Rate %	£m
Volkswagen Financial Services	27/04/2015	23/05/2016	0.90	3.0
Heathrow Funding Ltd	08/05/2016	31/03/2016	0.90	2.8
Externally Managed Funds				£m
Property Fund				7.5

Maturity Profile	£m
Instant Access	11.6
Maturing < 1 month	18.0
Maturing within 1 - 6 months	21.3
Maturing within 6 - 12 months	10.8
Maturing within 1 – 2 years	2.5
Externally Managed Funds	7.5
<b>Total</b>	<b>71.7</b>

## Appendix 10 – Requests for Allocation of Additional Grant Funding

Service	Type of Grant	£000	Details
Children and Families	Tackling Troubled Families (General Purpose)	337	<p>In April 2012, the Government launched the Troubled Families Programme: a £448m scheme to incentivise local authorities and their partners to turn around the lives of 120,000 troubled families by May 2015. The first programme worked with families where children were not attending school, young people were committing crime, families were involved in anti-social behaviour and adults were out of work.</p> <p>The expanded Troubled Families Programme will retain the current programme's focus on families with multiple high cost problems. However, it will also reach out to families with a broader range of problems, including those affected by domestic violence and abuse, with younger children who need help, where crime and anti-social behaviour problems may become intergenerational and with a range of physical and mental health problems.</p>
Children and Families	Youth Rehabilitation Order (YRO) - Junior Attendance Centre (JAC) (General Purpose)	33	The purpose of this Grant for JACs is to enable the local authority to provide one or more JAC(s) in order to meet the demand for attendance centre requirements from the courts they serve. JACs are expected to address offending and reoffending behaviour by children and young people and any intervention provided must have this principle as its core aim.
Children and Families	Staying Put (General Purpose)	73	<p>The Children &amp; Families Act 2014 introduced a new duty on local authorities to support young people to continue to live with their former foster carers once they turn 18. This duty came into force on 13th May 2014.</p> <p>The purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred by them in respect of a young person aged 18 and their former foster carer to continue to live together in a 'Staying Put' arrangement. For the purposes of this grant, 'young person' means a former relevant child who was looked after immediately prior to their 18th birthday. This supported arrangement can continue until the young person's 21st birthday.</p>
Adult Social Care and Independent Living	Independent Living Fund (General Purpose)	(251)	Originally budgeted in 2015/16 at £1m. Final allocations have come in at £748,654 to reflect the reduced expenditure requirements. Matches with estimated service spend so no risk identified.



Adult Social Care and Independent Living	Local Reform and Community Voices Grant (General Purpose)	(70)	Originally budgeted in 2015/16 at £270,000. Final allocations have come in at £200,000. Matches with estimated service spend so no risk identified.
Adult Social Care and Independent Living	Social Care in Prison Grant (General Purpose)	70	<p>The provision of social care in prisons is a new burden for local authorities introduced as part of the Care Act.</p> <p>The Act establishes that the local authority in which a prison, approved premises or bail accommodation is based will be responsible for assessing and meeting the care and support needs of the offenders residing there.</p> <p>The provision of care and support for those in custodial settings is based on the principle of equivalence to provision in the community. The Act clarifies the application of Part 1 for people in custodial settings, including aspects which do not apply.</p> <p>The service are already in discussions with Styal prison about the provision of care assessments and eligible social care needs. A high cost individual care package of £237,000 has already been identified.</p>
Environment	Lead Local Flood Authorities - technical advice on surface water proposals (General Purpose)	82	Cheshire East Council as Lead Local Flood Authority (LLFA) will receive this support grant as Statutory Consulter for the planning process. The funding is to cover preparation costs such as staffing, training ,standing advice, setting up of new IT systems and processes, dedicated drainage design software (microdrainage or similar approved), to undertake new duties and for purposes of capacity building within the authority.
Economic Growth and Prosperity	Extended Rights to Free Transport (General Purpose)	128	The Department for Education provides additional transport funding to local authorities to support children from low-income families to be able to attend schools further from home than the statutory walking distances.
Economic Growth and Prosperity	Neighbourhood Planning Grant (General Purpose)	20	A grant of £20,000 is to be provided to the Council by the Department for Communities and Local Government for four designated Neighbourhood Areas. This is to support these local communities to prepare a neighbourhood plan. This is the first designation this financial year. The grant is not ring fenced to Neighbourhood Planning so can be used to support the wider Spatial Planning function.

Economic Growth and Prosperity	Right to Move (General Purpose)	3	Some of the local authorities that responded during the consultation process, on the Right to Move, identified an additional cost from the proposal to implement statutory guidance to encourage local authorities to set aside a proportion of lets for cross-boundary moves (the 'Right to Move quota'). A new burdens assessment was carried out to quantify the additional work required to implement the guidance on the Right to Move quota. The £3,044 grant funding in 2015/16 will cover these costs.
Economic Growth and Prosperity	Property Searches New Burdens – Tinklers (General Purpose)	5	Authorities who were defendants to the Tinkler Claimants' claims received an interim new burdens payment from Central Government on 1 July 2015 in respect of claims for fees for personal searches of the local land charges register, interest and legal costs.
Chief Operating Officer	Individual Electoral Registration (General Purpose)	101	The Cabinet Office has provided an original grant of £101,000 for the implementation of Individual Electoral Registration.
<b>TOTAL</b>		<b>531</b>	

# Appendix 11 – 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. Total Invoiced Debt at the end of June 2015 was £12.1m. After allowing for £3.9m of debt still within the payment terms, outstanding debt stood at £8.2m. This is £4.3m higher than at the end of 2014/15, largely due to invoices for Adult Care raised against Health.
4. The total amount of service debt over 6 months old is £2.5m which is £0.3m higher than older debt reported at the end of 2014/15.
5. Services have created debt provisions of £2.4m 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.

	Outstanding Debt £000	Over 6 months old £000	Debt Provision £000
Children & Families	234	9	9
Adult Social Care & Independent Living	6,645	1,687	1,767
Public Health & Wellbeing	4	0	0
Leisure	9	9	9
Environmental	189	153	153
Highways	453	336	314
Communities	17	17	18
Economic Growth & Prosperity	468	194	113
Chief Operating Officer	143	72	62
	<b>8,162</b>	<b>2,477</b>	<b>2,445</b>

## Appendix 12 – Earmarked Reserves

Name of Reserve	Opening Balance 1 April 2015 £000	Movement in 2015/16 £000	Balance at 31 March 2016 £000	Notes
<b>Children &amp; Families</b>				
Long Term Sickness	350	0	350	Carried forward surplus of contributions paid by schools ~ operated as a trading account.
Education All Risks (EARS)	343	0	343	Carried forward surplus of contributions paid by schools ~ operated as a trading account.
Children's Social Care	377	-277	100	To support implementation of Children's Social Care bill.
<b>Adult Social Care &amp; Independent Living</b>				
Extra Care Housing PFI	1,681	198	1,879	Surplus grant set aside to meet future payments on existing PFI contract which commenced in January 2009.
Individual Commissioning	309	-309	0	To provide capacity to perform Deprivation of Liberties and Best Interest reviews of care customers following recent case law.
NHS Section 256	3,535	-3,535	0	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.
<b>Public Health</b>	1,972	-1,172	800	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.
<b>Environmental</b>				
Crematoria	160	-160	0	Mercury abatement income set aside to fund potential replacement cremators as per the capital programme.
<b>Highways</b>				
Winter Weather	240	120	360	To provide for future adverse winter weather expenditure.

Name of Reserve	Opening Balance 1 April 2015 £000	Movement in 2015/16 £000	Balance at 31 March 2016 £000	Notes
<b>Communities</b>				
Communities Investment	1,788	-1,473	315	Amalgamation of promoting local delivery; grant support; new initiatives and additional funding from outturn to support community investment.
Emergency Assistance	845	-400	445	Carry forward of underspend on previous years' schemes to provide for future hardship payments.
<b>Economic Growth &amp; Prosperity</b>				
Building Control	168	0	168	Ring-fenced surplus (could be used to offset service deficit, if applicable)
Tatton Park	222	0	222	Ring-fenced surplus on Tatton Park trading account.
Economic Development	141	0	141	Support for town centres and economic development initiatives.
Planning Costs and Investment Service Structure	1,000	-1,000	0	To meet potential costs within the Planning Service and Investment Service Structure.
<b>Chief Operating Officer</b>				
Elections	604	-604	0	To provide funds for Election costs every 4 years.
Climate Change	67	-67	0	Renewable Energy project.
Insurance & Risk	2,695	305	3,000	To settle insurance claims and manage excess costs.
Investment (Sustainability)	8,681	-7,622	1,059	To support investment that can increase longer term financial independence and stability of the Council.
Pension Contributions	173	-173	0	To meet impact of reduced workforce on fixed contribution to Past Service Pensions deficit.
Business Rates Retention Scheme	4,648	152	4,800	To manage cash flow implications as part of the Business Rates Retention Scheme.
Financing	4,820	0	4,820	To provide for financing of capital schemes, feasibility studies, and other projects and initiatives.

Name of Reserve	Opening Balance 1 April 2015 £000	Movement in 2015/16 £000	Balance at 31 March 2016 £000	Notes
<b>Cross Service</b>				
Trading Reserve	36	0	36	The Authority's share of ASDVs net surplus to be spent in furtherance of the ASDV's objectives.
Service Manager carry forward	5,244	-3,753	1,491	Allocations for Cost of Investment or grant funded expenditure.
Revenue Grants - Dedicated Schools Grant	8,184	8,184	16,368	Unspent specific use grant carried forward into 2015/16.
Revenue Grants - Other	2,733	-2,401	332	Unspent specific use grant carried forward into 2015/16.
<b>TOTAL</b>	<b>51,016</b>	<b>-13,987</b>	<b>37,029</b>	

**Notes:**

1. Figures exclude Schools balances of £7.499m at 1st April 2015

## CHESHIRE EAST COUNCIL

### REPORT TO: CORPORATE SCRUTINY COMMITTEE

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**Date of Meeting:** 3 September 2015  
**Report of:** Head of Corporate Resources and Stewardship  
**Subject/Title:** Work Programme update

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#### **1.0 Report Summary**

- 1.1 To review items in the 2015/2016 Work Programme listed in the schedule attached, together with any other items suggested by Committee Members.

#### **2.0 Recommendations**

That the 2015/2016 work programme be reviewed.

#### **3.0 Reasons for Recommendations**

- 3.1 It is good practice to agree and review the Work Programme to enable effective management of the Committee's business.

#### **4.0 Wards Affected**

- 4.1 All

#### **5.0 Local Ward Members**

- 5.1 Not applicable.

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

- 6.1 Not known at this stage.

#### **7.0 Financial Implications**

- 7.1 Not known at this stage.

#### **8.0 Legal Implications**

- 8.1 None.

#### **9.0 Risk Management**

- 9.1 There are no identifiable risks.

## **10.0 Background and Options**

- 10.1 The schedule attached has been updated to reflect the decisions taken by the Committee at its previous meeting.
- 10.2 Members are asked to review the schedule attached to this report, and if appropriate, add new items or delete items that no longer require any scrutiny activity. When selecting potential topics, Members should have regard to the Council's new three year plan and also to the general criteria listed below, which should be applied to all potential items when considering whether any Scrutiny activity is appropriate.
- 10.3 When selecting potential topics, Members should have regard to the Council's new three year plan and also to the general criteria listed below, which should be applied to all potential items when considering whether any Scrutiny activity is appropriate.
- 10.4 The following questions should be asked in respect of each potential work programme item:
- Does the issue fall within a corporate priority;
  - Is the issue of key interest to the public;
  - Does the matter relate to a poor or declining performing service for which there is no obvious explanation;
  - Is there a pattern of budgetary overspends;
  - Is it a matter raised by external audit management letters and or audit reports?
  - Is there a high level of dissatisfaction with the service;
- 10.5 If during the assessment process any of the following emerge, then the topic should be rejected:
- The topic is already being addressed elsewhere
  - The matter is subjudice
  - Scrutiny cannot add value or is unlikely to be able to conclude an investigation within the specified timescale



**11    *Access to Information***

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

Name:            Mark Nedderman  
Designation: Scrutiny Manager  
Tel No:         01270 686459  
Email:          mark.nedderman@cheshireeast.gov.uk

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## Corporate Overview and Scrutiny Committee 2015/16

### Essential items

Item	Description/purpose of report/comments	Lead Officer/ organisation/ Portfolio Holder	Suggested by	Current position	Key Dates/ Deadlines
Performance Management Information	Quarterly reports on Performance and Budget	Chief Operating Officer, Finance and Assets Portfolio Holder	The Committee	Reports are considered in line with the Cabinet reporting cycle	9 July 2015,3 September 2015,5 November 2015,4 February 2016
Budget Consultation 2016/17	Corporate will begin the 2016/17 budget consultation process in the summer of 2015 and finally will collate ,on behalf of the 5 other O&S committees, a formal 'scrutiny' response	Chief Operating Officer, Finance and Assets Portfolio Holder	The Committee	Formal consultation on the draft budget TBA	TBA
Capital Programme	To be fed into the budget consultation process	Chief Operating Officer, Finance and Assets Portfolio Holder	Director of Children's Services	Formal consultation to be part of the budget process	TBA

## Corporate Overview and Scrutiny Committee 2015/16

Local Plan	To review the local plan process	Director of Children's Services, Children and Families Portfolio Holder	Director of Economic Growth & Children and Families Portfolio Holder		TBA

### **Monitoring Items**

None

### **Possible Future/ desirable items**

Digital Customer Services – to test whether the interface at Cheshire East is sophisticated/radical enough for a modern council.

ORACLE/Cosocious - To review whether ORACLE is fit for purpose.



## **FORWARD PLAN FOR THE PERIOD ENDING 30<sup>TH</sup> NOVEMBER 2015**

This Plan sets out the key decisions which the Executive expects to take over the period indicated above. The Plan is rolled forward every month. A key decision is defined in the Council's Constitution as:

"an executive decision which is likely –

- (a) to result in the local authority incurring expenditure which is, or the making of savings which are, significant having regard to the local authority's budget for the service or function to which the decision relates; or
- (b) to be significant in terms of its effects on communities living or working in an area comprising one or more wards or electoral divisions in the area of the local authority.

*For the purpose of the above, savings or expenditure are "significant" if they are equal to or greater than £1M."*

Reports relevant to key decisions, and any listed background documents, may be viewed at any of the Council's Offices/Information Centres 5 days before the decision is to be made. Copies of, or extracts from, these documents may be obtained on the payment of a reasonable fee from the following address:

Democratic Services Team  
Cheshire East Council  
c/o Westfields, Middlewich Road, Sandbach Cheshire CW11 1HZ  
Telephone: 01270 686472

However, it is not possible to make available for viewing or to supply copies of reports or documents the publication of which is restricted due to confidentiality of the information contained.

A record of each key decision is published within 6 days of it having been made. This is open for public inspection on the Council's Website, at Council Information Centres and at Council Offices.

This Forward Plan also provides notice that the Cabinet, or a Portfolio Holder, may decide to take a decision in private, that is, with the public and press excluded from the meeting. In accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, 28 clear days' notice must be given of any decision to be taken in private by the Cabinet or a Portfolio Holder, with provision for the public to make representations as to why the decision should be taken in public. In such cases, Members of the Council and the public may make representations in writing to the Democratic Services Team Manager using the contact details below. A further notice of intention to hold the meeting in private must then be published 5 clear days before the

meeting, setting out any representations received about why the meeting should be held in public, together with a response from the Leader and the Cabinet.

The list of decisions in this Forward Plan indicates whether a decision is to be taken in private, with the reason category for the decision being taken in private being drawn from the list overleaf:

1. Information relating to an individual
2. Information which is likely to reveal the identity of an individual
3. Information relating to the financial or business affairs of any particular person (including to authority holding that information)
4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under the authority
5. Information in respect of which a claim to legal and professional privilege could be maintained in legal proceedings
6. Information which reveals that the authority proposes (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime

If you would like to make representations about any decision to be conducted in private at a meeting, please email:

Paul Mountford, Democratic Services Officer [paul.mountford@cheshireeast.gov.uk](mailto:paul.mountford@cheshireeast.gov.uk)

Such representations must be received at least 10 clear working days before the date of the Cabinet or Portfolio Holder meeting concerned.

Where it has not been possible to meet the 28 clear day rule for publication of notice of a key decision or intention to meet in private, the relevant notices will be published as soon as possible in accordance with the requirements of the Constitution.

The law and the Council's Constitution provide for urgent key decisions to be made. Any decision made in this way will be published in the same way.

Forward Plan

<b>Key Decision and Private Non-Key Decision</b>	<b>Decisions to be Taken</b>	<b>Decision Maker</b>	<b>Expected Date of Decision</b>	<b>Proposed Consultation</b>	<b>How to make representation to the decision made</b>	<b>Private/ Confidential and paragraph number</b>
CE 15/16-11 Recycling of Garden Waste through Anaerobic Digestion to Generate Energy and High Quality Compost	To authorise the Chief Operating Officer and Portfolio Holder to take all necessary actions to procure and award a contract for a joint venture partner to design, build and operate a suitable anaerobic digestion facility.	Cabinet	8 Sep 2015		Ralph Kemp	No

Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
CE 15/16-12 Agency Worker Contract Procurement	<ol style="list-style-type: none"> <li>1. To endorse the procurement process for a Vendor Neutral arrangement to be sourced through the Eastern Shires Purchasing Organisation, MStar2 Temporary Agency staff framework (Lot1) in collaboration with Cheshire West and Chester, and potentially Ansa and CoSocios; and</li> <li>2. To grant the necessary delegated authority to the Portfolio Holder for Performance and the Chief Operating Officer to award this contract following a competitive tender exercise and take all necessary actions to implement the new contract.</li> </ol>	Cabinet	8 Sep 2015		Rosie Ottewill	No



<b>Key Decision</b>	<b>Decisions to be Taken</b>	<b>Decision Maker</b>	<b>Expected Date of Decision</b>	<b>Proposed Consultation</b>	<b>How to make representation to the decision made</b>	<b>Private/ Confidential and paragraph number</b>
CE 15/16-13 Integrated Lifestyle and Wellness Support Services, including Lifestyle Area Fund	To authorise officers to take all necessary actions to implement the proposal to commission integrated public health services to promote healthy lifestyle and wellbeing, including smoking cessation, physical activity, obesity and sexual health services.	Cabinet	8 Sep 2015			No
CE 15/16-14 Cheshire East Local Plan Strategy - Site Selection Progress Update and Suggested Revisions to Strategic Policies	To endorse further suggested revisions on strategic policies to the LPS (chapters 9-14) and to endorse progress on the site selection process.	Cabinet Member for Children and Families	17 Sep 2015		Adrian Fisher, Head of Planning and Policy	No

Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
CE 15/16-6 Sydney Road Bridge Replacement Scheme	Sydney Road Bridge crosses the West Coast Main Line (Crewe to Manchester line). The existing bridge is a narrow signal controlled single carriageway structure. The scheme seeks to increase capacity at this pinch point by replacing the existing structure with a wider structure capable of allowing two-way traffic. The report will outline the work required to move the scheme forward through the statutory process and to authorise officers to take all necessary actions to implement the proposal.	Cabinet	13 Oct 2015			No

Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
CE 15/16-7 Congleton Link Road - Procurement Strategy	The Congleton Link Road focuses on development and growth within Congleton, securing employment opportunities, attracting investment and easing long standing traffic congestion and associated environmental issues in the town. The report will outline the work undertaken to identify the procurement process to appoint a contractor in order to construct the scheme. The report will also seek authority for the officers to undertake all necessary actions to implement the proposal.	Cabinet	13 Oct 2015		Paul Griffiths	No

<b>Key Decision</b>	<b>Decisions to be Taken</b>	<b>Decision Maker</b>	<b>Expected Date of Decision</b>	<b>Proposed Consultation</b>	<b>How to make representation to the decision made</b>	<b>Private/ Confidential and paragraph number</b>
CE 15/16-8 Poynton Relief Road - Procurement Strategy	The Poynton Relief Road forms an important part of the Council's strategy of enabling job creation, delivering housing growth and addressing long standing traffic congestion and environmental issues in the town, as well as delivering an important part of the wider SEMMMS Strategy. The report will outline the work undertaken to identify the procurement process to appoint a contractor in order to construct the scheme. The report will also seek authority for the officers to undertake all necessary actions to implement the proposal.	Cabinet	13 Oct 2015		Paul Griffiths	No
CE 15/16-15 Congleton Leisure Centre - Preferred Option for Development	To approve the preferred option for the redevelopment of Congleton Leisure Centre.	Cabinet	13 Oct 2015		Mark Wheelton	No

<b>Key Decision</b>	<b>Decisions to be Taken</b>	<b>Decision Maker</b>	<b>Expected Date of Decision</b>	<b>Proposed Consultation</b>	<b>How to make representation to the decision made</b>	<b>Private/ Confidential and paragraph number</b>
CE 15/16-10 Cheshire East Playing Pitch Strategy	The primary purpose of the Playing Pitch Strategy (PPS) is to provide a strategic framework which ensures that the provision of outdoor playing pitches meet the local needs of existing and future residents within Cheshire East. The required decision is for the Strategy to be adopted by the Council and to authorise Officers to take all necessary actions to implement the strategy.	Cabinet	10 Nov 2015			No
CE 14/15-42 Cheshire East Indoor Facility Strategy	To adopt the Indoor Facility Strategy in support of the Council's Local Plan.	Cabinet	8 Dec 2015		Mark Wheelton	No
CE 15/16-9 Medium Term Financial Strategy 2016-19	To approve the Medium Term Financial Strategy for 2016-19, incorporating the Council's priorities, Budget, Policy Proposals and Capital Programme.	Council	25 Feb 2016		Alex Thompson	No

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