

# Corporate Overview and Scrutiny Committee

## Agenda

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**Date:** Thursday, 5th November, 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 3 September 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.

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

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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)

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 Second Quarter Performance Report** (Pages 5 - 80)

To consider a report of the Chief Operating Officer.

7. **Pre -Budget Consultation 2016/17** (Pages 81 - 148)

To consider a report of the Chief Operating Officer.

8. **Work Programme Progress Report** (Pages 149 - 156)

(a) To consider a report of the Head of Governance and Stewardship;

(b) To appoint Members to the 'Parking outside schools' Task and Finish Group

9. **Forward Plan** (Pages 157 - 164)

To note the current forward plan, identify any new items, and to determine whether any further examination of new issues is appropriate.

**CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Corporate Overview and Scrutiny Committee**  
held on Thursday, 3rd September, 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, G Barton, G Baxendale, S Corcoran,  
D Flude, A Moran, B Walmsley, H Wells-Bradshaw, L Wardlaw, J Weston and  
J Wray

**In Attendance**

Councillor P Groves – Portfolio Holder for Finance and Assets  
Councillor S Gardner  
Councillor L Smetham  
Councillor D Newton

P Bates - Chief Operating Officer  
S Cordon - Head of Communities  
L Heath - Consultant in Public Health  
R Kemp – Commissioning Manager for Waste and Environment  
N Moorhouse - Head of Early Help and Protection  
S Reading - Principal Accountant  
B Smith - Director, Adult Social Care & Independent Living  
A Thompson - Corporate Manager Strategy & Reporting  
M Wheelton – Commissioning Manager for Leisure

**11 APOLOGIES FOR ABSENCE**

There were no apologies for absence

**12 MINUTES OF PREVIOUS MEETING**

Consideration was given to the minutes of the meeting held on 9 July 2015

**RESOLVED**

That subject to the amendment of several typographical errors, the minutes be approved as a correct record and signed by the Chairman.

**13 DECLARATIONS OF INTEREST**

There were no declarations of interest

**14 DECLARATION OF PARTY WHIP**

There were no whipping declarations

### **15 PUBLIC SPEAKING TIME/OPEN SESSION**

There were no members of the public present wishing to speak

### **16 2015/16 FIRST QUARTER REVIEW OF PERFORMANCE**

The Committee received the report setting out the Councils financial and non financial performance at the first quarter stage of 2015/16 and highlighted the latest progress towards achieving the Councils Residents First Outcomes as described in the Councils three year plan 2013 to 2016. Permanent savings of £5M in management costs had been achieved from 2013/14 to 2014/15.

Following the first quarter review the Council's reserves strategy remained 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.

The first quarter review showed how the Council was continuing to build on the positions achieved in the last two years, which demonstrated that the overall financial health, performance, resilience and value for money at Cheshire East Council was strong despite taking £70m out of its cost base since 2011, and freezing Council Tax for the fifth consecutive year.

Annex 1 to the report set out further details of how the Council was performing in 2015-16, including a summary of performance, an update on the Council's overall financial position and a summary of key issues relating to the Council's workforce development plan.

The Finance and Assets Portfolio Holder introduced the report and invited questions from members of the committee.

With regard to paragraph 2.3 of the report, it was noted that the establishment of a new earmarked reserve for Children's Innovation Hub by a transfer of £0.5m from general balances would help deal with the causes rather than the symptoms of troubled families.

The Council would need to wait for the Autumn budget statement before a decision could be made as to whether or not there would be a council tax freeze in 2016/17, as there may not be an offer of a freeze grant.

Members were pleased to have received the report so far ahead of Cabinet and it was noted that initial engagement with the Committee on the budget would commence on 5 November 2015, there would also be an all Member briefing in December 2015.

**RESOLVED**

1. That the report be supported
2. That the initial budget report be received on 5 November 2015

### **17 WORK PROGRAMME PROGRESS REPORT**

The Committee reviewed its work programme.

Further to the last meeting of the Committee, the Chairman suggested that after further consideration the review of indiscriminate parking around schools should be managed by this Committee. However any Member of the Overview and Scrutiny Committees should be invited to sit on that Group.

Katie Small informed the Committee that the item relating to digital customer services would now be considered in January 2016.

Members requested to receive an update on the Local Plan in October 2015.

**RESOLVED**

1. That the Scrutiny Officer email all Members of the Overview and Scrutiny Committees requesting interest to sit on the parking around schools task and finish group.
2. That the digital customer services item be considered in January 2015.
3. That an update on the local plan be considered in October 2015.

### **18 FORWARD PLAN**

The Committee reviewed the forward plan.

**RESOLVED**

That the forward plan be received

The meeting commenced at 2.00 pm and concluded at 3.20 pm

Councillor M Simon (Chairman)

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## CHESHIRE EAST COUNCIL

### CABINET

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<b>Date of Meeting:</b>	<b>10 November 2015</b>
<b>Report of:</b>	<b>Chief Operating Officer (Section 151 Officer)</b>
<b>Subject/Title:</b>	<b>2015/16 Mid Year 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 mid year 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 mid year 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 mid year review the Council's reserves strategy remains effective, with a modest overspend of £0.5m being forecast. This represents a variance of only 0.2% 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 Two, examples of good performance were:
  - Launching the 'Report it Track it' tool for the public to report highway faults

- Being named the best county in the country in which to set up a rural business
- Having the lowest number of young people not in education, employment or training in the North West

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 half 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 mid year 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 196 to 208 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**).

### **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 mid year stage, the Council's reserves strategy remains effective with a modest forecast overspend of £0.5m (0.2%) 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. The legal implications surrounding the process of setting the 2013 to 2016 medium term financial strategy were dealt with in the reports relating to that process. The purpose of this paper is to provide progress report at the mid 2015/16 stage. That is done as a matter of prudential good practice, notwithstanding the abolition of centrally imposed reporting requirements under the former National Indicator Set.

7.2.2. The only implications arising directly from this report relate to the internal processes of approving supplementary capital estimates and virements referred to above which are correctly dealt with through the Finance Procedure Rules as discussed.

7.2.3. There may well be legal implications that arise when activities funded from the budgets that this report deals with are undertaken, but those implications will be dealt with in the individual reports to Members or Officer Decision Records that relate.

## **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 2 and predicts the year end position. Any equality implications that arise when activities funded from the budgets that this report deals will be dealt with in the individual reports to Members or Officer Decision Records that relate.

## **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 2 and predicts the year end position. Any HR implications that arise when activities funded from the budgets that this report deals will be dealt with

in the individual reports to Members or Officer Decision Records that relate.

#### **7.7. Public Health Implications**

7.7.1. This report is a backward look at Council activities in Quarter 2 and predicts the year end position. Any public health implications that arise when activities funded from the budgets that this report deals will be dealt with in the individual reports to Members or Officer Decision Records that relate.

#### **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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**Designation:** Chief Operating Officer  
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# **Mid Year Review of Performance 2015/16**

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**November 2015**



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)**



# 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 Mid Year, the Council's reserves strategy remains effective, with a modest forecast overspend of £0.5m (0.2%) 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 Budget changes since First Quarter Review.
- **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.

*Peter Bates* CPFA CIPD MBA

Chief Operating Officer (Section 151 Officer)

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# 2015/16 Outturn Forecast at Mid Year Review – Financial Position

2015/16 Mid Year 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	43.4	1.9	-1.5	0.4	Section 1 - Paragraphs 108 - 111
Adult Social Care & Independent Living	95.3	7.3	-6.5	0.8	Section 1 - Paragraphs 139 - 141
Public Health	0.0	0.0	0.0	0.0	Section 1 - Paragraphs 152 - 153
Economic Growth & Prosperity	6.2	0.0	0.0	0.0	Section 1 - Paragraphs 54, 83-85, 114
Chief Operating Officer:					
Commissioning Services:					
Building Control etc	1.7	0.0	0.0	0.0	
Environmental (incl Bereavement)	27.4	0.5	-0.3	0.2	Section 1 - Paragraphs 124 - 126
Highways	11.2	0.0	0.0	0.0	Section 1 - Paragraphs 73 - 75
Leisure	2.1	0.0	0.0	0.0	Section 1 - Paragraph 142
Transport	14.6	0.3	0.0	0.3	Section 1 - Paragraphs 70 - 72
Communities	9.2	0.8	-0.6	0.2	Section 1 - Paragraphs 39 - 43
Other (e.g Finance, ICT, Legal, Facilities)	39.2	-1.4	0.0	-1.4	Section 1 - Paragraphs 164 - 165
<b>Total Services Net Budget</b>	<b>250.3</b>	<b>9.4</b>	<b>-8.9</b>	<b>0.5</b>	
<b>CENTRAL BUDGETS</b>					
Specific Grants	-18.9	0.0		0.0	Section 2 - Paragraphs 172 - 175
Capital Financing	14.0	0.0		0.0	Section 2 - Paragraphs 209 - 217
Transfer to Earmarked Reserve	0.2	0.0		0.0	Section 2 - Paragraph 229
Corporate Contributions	1.0	0.0		0.0	Section 2 - Paragraph 218
<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>9.4</b>	<b>-8.9</b>	<b>0.5</b>	
	Planned Contribution	Forecast Variance	Impact on reserves		
	2015/16	Quarter 2	Quarter 2 Forecast		
	£m	£m	£m		
Impact on Reserves	-2.2 *	-0.5	-2.7		
*Increased from £1.7m by in-year transfers to earmarked reserves					
General Reserves Balance	2015/16 Budget		Quarter 2 Forecast		
	(estimated) £m		£m		
Opening Balance April 2015	14.2	Actual	14.7		
2015/16 Impact on Reserves (see above)	-1.7	Forecast	-2.7		Section 2 - Paragraphs 223 - 228
Closing Balance March 2016	12.5	Forecast	12.0		

# 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

- Working with the community and multi-agency groups following the July explosion in Bosley
- Presenting to 25 schools and 796 children on the importance of doorstep safety
- Working with partners to significantly reduce incidences of antisocial behaviour at a number of locations
- Re-opening Nantwich and Poynton libraries following refurbishment work to improve their role as community hubs
- Awarding a total of £77,661 in Community Grants to 61 organisations
- Launching the 'Report it Track it' tool, allowing the public to report highway faults and track what the Council is doing to respond

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

- Being named the best county in the country to set up a rural business
- Increasing the number of apprenticeship starts
- Reducing highway insurance claims by 67%
- Launching Phase 2 of the Connecting Cheshire project with an aim of achieving 98% fibre broadband by the end of 2017
- Completing the Superfast Business programme early, providing support to a total of 935 businesses
- Making strong progress on major highway and transport infrastructure schemes, and developing an ambitious pipeline of future schemes

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

- Maintaining a significantly high number of schools judged as good or outstanding; 93.5% of primaries, 90% of secondaries and 100% of special schools
- Achieving a provisional A-Level results pass rate of 99%, above the national average of 98%
- Further reducing number of NEETs; best in the North West at 2.8%
- Responding to residents' feedback regarding the Local Offer for those with special educational needs and disabilities
- Working with providers to develop supported internship programmes designed to lead to employment for young people with special educational needs

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

- Retaining consistently high recycling figures
- Working with the charitable sector and household waste recycling centres to reuse around 100 tonnes of materials per month
- Commencing the LED upgrade to 9,000 high wattage traffic route lanterns, for completion in early 2016
- Obtaining 7 Green Flag Awards

### 5 ~ People live well and for longer

- Managing a 4-week unannounced inspection of Children's Services
- Preparing a mental health paper outlining business cases for projects aiming to improve emotional health and wellbeing
- Improving public satisfaction with countryside events to 98%
- Progressing Public Health Transformation Fund projects
- Continuing strategies to ensure recruitment of local foster carers

## 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 2** a potential **overspend of just £0.5m** is being reported compared to budget.
- The **potential** overspend represents only 0.2% of the Council's **net revenue budget of £246.6m**. This is the nearest forecast to budget ever reported for the Council at the Mid Year 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 £0.5m 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 £179,000 higher than budget at Quarter 2. The average rate earned on investments (1.01%) 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 £0.5m is less than the original forecast risks. Further mitigation of the forecast overspend is expected to be achieved.
- At the Mid year review stage the Council is forecasting **Capital Budget** expenditure of £139.3m in 2015/16, which is a decrease of £15.3m from the First Quarter Review following a review of in-year forecasts.
- For monitoring purposes, **the in-year capital budget** for schemes committed or in progress is £96.1m, against which an underspend of £4.5m 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 £10.1m. Debt over 6 months old is £2.4m (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 York £	Urban Liverpool £
Grants	335	391	838
Council Tax	453	387	252
<b>Total</b>	<b>788</b>	<b>778</b>	<b>1,090</b>

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 July 2015 to September 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. Work in Cheshire East has been completed to launch a 'Divert' scheme targeting out of court disposals with the aim of further reducing the number of first time entrants (FTE) to the youth justice system. This will involve:
  - Police notifying the Youth Engagement Service (YES) of all young people who are eligible for an out of court disposal
  - YES Prevention Team will assess each young person within ten days and make an outcome recommendation to the police
  - Dependant on the identified needs/outcome, then the Prevention Team, Youth Offending Team or a partner agency may deliver an intervention

All of this will be done within the relevant national standard and timescales and cases will be tracked against these.

5. The CCTV team dealt with an average 18 drug-related incidents giving Police the necessary information to be able to pursue the offenders, resulting in arrests and convictions. CCTV has proved instrumental in both drug crime prevention and detection. An example of success is recent work around the underpass at the foot of Brunswick Hill in Macclesfield to improve the visibility in an area associated with drug related crime.
6. The Multi Agency Action Groups (North and South) have implemented multi-agency work which has resulted in, for example:
  - Significantly reduced levels of incidence of antisocial behaviour (ASB) at a number of locations such as Brunswick Hill and Jasmine Park in Macclesfield, West Street and the Town Centre in Crewe.
  - Joint work with Cheshire Probation to clean up alleyways in Crewe.
  - Provision of crime prevention advice to over 150 new students at the Freshers Fair at Reaseheath College.
  - Identification of four (so far) locations which are hotspots for legal high wrappers or nitrous oxide canisters and introduction of measures to prevent the issue and warn of their dangers.
  - Implementation of Operation Shield involving 300 homes in Crewe West. This aimed at preventing and detecting domestic burglaries in identified burglary “hot-spots”.
  - Currently active Multi-Agency Action Group cases as at 30th September include 16 cases of ASB and/or environmental nuisance and nine involving vulnerable individuals impacting on their local communities.
7. Two Anti-Social Behaviour Orders (ASBOs) were converted into Criminal Behaviour Orders (CBOs) in Quarter 2, the first such conversions in Cheshire East.
8. We have actively promoted the banned use of sky lanterns at events that required a licence from the Council and on our own land. This will support our rural communities in particular as the lanterns pose a risk to livestock.
9. We are consulting on a range of new powers that have come into force to tackle ASB and legal highs. These include Public Space Protection Orders and issuing on-the-spot fines to individuals who breach an order.
10. As an Enforcing Council we want to bring relief to long-suffering neighbourhoods where residents have had to put up with car racing in car parks, open drug taking, loud music and intimidating behaviour by gangs. Five parts of the Borough have been identified in Poynton, Macclesfield, Crewe and Alsager to implement these new powers.
11. We have continued to successfully prosecute those that claim benefit that they are not entitled to. A recent case saw a benefit cheat face a bill for £15,000.
12. The Benefit Fraud team investigate Benefit fraud, Blue Badge fraud and work with colleagues from the Department for Work and Pensions (DWP) on other welfare benefit investigations. The team have increased the number of overpayments detected and offenders sanctioned in 2015/16, with 89 sanctions in the first half of the year compared with 143 in total in 2014/15.
13. Effective verification is in place when new claims are received but a lot of fraud and error arises due to claimants failing to report

changes in circumstances. The improved performance is the result of innovative and improved methods of enquiry, joint working with the Police targeting criminals across the Cheshire East area, and encouraging referrals from residents by publicising successful prosecutions in the local press to demonstrate that the Council does enforce and that allegations are acted upon. From December 2015 the Fraud Team will be transferring to the Department for Work and Pensions as part of the new Single Fraud Investigation Service.

14. In terms of parking enforcement, July exceeded the monthly deployed hour's target (95.2%). However, some vacancies in the team reduced the deployed hours figure below the target in August. The focus on keeping traffic moving safely and preventing dangerous and selfish parking continues.
15. Proactive work to move on unauthorised gypsy and traveller encampments continues and numbers of encampments have decreased from last year. Work is ongoing to create a transit site which will greatly help in ensuring that minimum disruption is caused to residents and businesses.
16. In July the licensing enforcement team took part in Operation Crossbow – a joint initiative with Cheshire Police and other enforcement agencies. Over 700 vehicles were stopped across Cheshire with a total of 23 arrests. Although not a high proportion of licensed vehicles were stopped, all of those that were demonstrated offences and relevant action was taken. In a further focussed licensed vehicle stop at the end of the same month, 30 vehicles were stopped including several licensed outside of Cheshire East but operating under private hire work. A number of offences were identified with appropriate action and advice issued by officers.
17. The animal health team undertook an investigation into a local farm following an anonymous tip-off. Although anonymous complaints are not encouraged, in this case the information provided was so specific that officers felt investigation was necessary. Work involved the identification of an animal burial pit on site which is contrary to Animal By-Products legislation and also the falsification of records. The farmer had no choice but to organise for the removal and licensed disposal of the animal remains.
18. In response to Scams Awareness Month we issued a press release encouraging individuals who feel they have been subject to a scam to contact the service for help and advice. This has followed on from our direct work with vulnerable individuals within Cheshire East who have been identified as potential victims from national database information.
19. We obtained a £900 refund on behalf of a local consumer who had requested the option to cancel a contract but had been refused. Following officer involvement the money was duly refunded. A further £200 refund was gained for a local resident in relation to unsuccessful boiler repairs.
20. Officers from Regulatory Services and Health attended the Manchester Metropolitan University Freshers Fayre to provide advice and guidance to new students. Particular topic areas included taxi safety, food hygiene and pest control, counterfeit products (especially alcohol and tobacco) and also their responsibilities as new members of the community in terms of noise disturbance and respect for their new neighbours.
21. This year, 25 schools took part in the 'Knock Knock' campaign, aimed to inform children of the types of people that may come knocking at their door, the importance of doorstep safety

(including keeping doors and windows locked), making the necessary checks before opening the door, and what to do if they don't know who is calling. A total of 796 children received our presentation and we received 244 entries for our 'Knock Knock' poster campaign, with judging ongoing at the end of Quarter 2.

## Communities

22. On Friday 17th July 2015 an explosion took place at Wood Treatment Limited in Bosley. The explosion and subsequent fire at the site resulted in a number of fatalities and casualties, and caused damage to property and infrastructure. This disaster has had a major impact on the local community both in Cheshire East and in the neighbouring county of Staffordshire and affected people living in other parts of the country.
23. Bosley is demonstrating a strong and resilient community in action. The response from the community was, and continues to be, incredible with many people impulsively running towards the explosion to help people, offering accommodation, food, jobs and much more to those affected.
24. Lots of local businesses including the Council, its alternative service delivery vehicles (ASDVs) including Ansa and Ringway Jacobs (who deliver our Highways contract) offered employment opportunities. Community fundraising efforts have now exceeded £167,000. There is a well-coordinated, ongoing multi-agency approach, which is developing a new method of recovery planning based upon a community impact assessment, clearly reflecting the needs of those affected and developing actions around these.
25. Cheshire East Reflects (CER) is launching the education programme and education element of the CER website. Schools' interest in the programme has been high with many visits planned to engage with

teachers and an INSET day planned too. Schools will be offered a programme of activities including the opportunity for pupils to gain an Arts Award. Support is being given to volunteers in Crewe who are staging a display of knitted poppies in Memorial Square in November.

26. Nantwich and Poynton libraries have re-opened following refurbishment work to improve their role as community hubs. The Citizens Advice Bureau and Department for Work and Pensions are now delivering their local community services from Nantwich Library. A new shared entrance for the Civic Hall and Library has been created at Poynton to enable more joined up delivery of community services. Visitor numbers at these libraries have increased compared with previous years as a result of the improved facilities and wider range of community services now available.
27. This year's Summer Reading Challenge in libraries was another record breaker, with 5,788 children starting the annual challenge. The children were challenged to visit their local library four times and to read six books. Over 60% of the children who started the challenge completed it and received a medal and certificate at a special ceremony where many Councillors and local VIPs helped them to celebrate their achievement. The summer began with library staff recruiting 80 volunteers to assist with the scheme. Importantly the scheme helped to reach children who were not already members of their local library, with 300 children given their first library card when they signed up to the challenge.
28. The range of activities provided from community venues across the Borough continue to develop as part of our community hub network. Examples include:

- Four new IT and Chat groups formed within the rural communities – Worleston Village Hall, Elworth Methodist Community Church, Church Minshall Ladies Group, and Hankelow Village Hall;
  - Two of five to ten week IT tuition/workclubs delivered from the Light House Centre, Crewe;
  - Summer Street sports sessions delivered across Crewe for five weeks in ten locations;
  - BASE Brunch clubs delivered in three locations across Crewe;
  - Consultations undertaken regarding the development of rural hubs in Barbridge and Ravensmoor;
  - Community cafés launched in Barnies and What's On in North Street Centre, Crewe;
  - Coffee and Stop sessions (multi-agency) running at Wrenbury Primary School;
  - Let's Get Cooking course for people with disabilities running in Middlewich.
29. Mentoring Programmes have been extended, including Twista Connect Programmes and graduations at Eaton Bank High School Congleton and Sir William Stanier Academy, Crewe.
30. Community Training has included: 20 Volunteers Level 2 Food Hygiene; 12 Volunteers Level 1 Food Hygiene; 15 Volunteers Basic First Aid Course; and nine Volunteers Mental Health Awareness.
31. Wilmslow Town Partnership has recently been established with the ambition to bring additional investment into the town. The new partnership will be driven by a management team made up of local volunteers, together with a part-time project officer funded by Cheshire East Council. The partnership will canvass for projects to promote the economic, social, environmental and cultural health of the town and then source funds to bring selected projects into being.
32. The Council invested in a Sports Barn on Longridge Estate, Knutsford, and the summer sports programme attracted 85 young people.
33. Congleton Community Hub attracted over 170 residents to a consultation event resulting in implementation of an allotment project for the elderly on Bromley Farm estate.
34. A successful 'WREN' bid secured £48,000 to upgrade sports and recreation facilities in South Park, Macclesfield.
35. Community Hub development in Knutsford resulted in an increase in service use following the relocation of Citizens Advice Bureau services in the town supported by Cheshire East.
36. The community grant scheme has so far awarded a total of £77,500 to 61 organisations across two rounds. This has enabled £565,000 worth of projects to take place across the Borough. Through people attending clubs, activities, events and performances, the grant money has benefitted nearly 200,000 members of the community. The following organisations received a grant in this round:
- St Mary's Church, Nantwich - the church successfully applied for a community grant of £5,000 towards its £126,000 project to install new toilets and disabled access to provide better facilities for a wide range of local community users and visitors. The grant is conditional on securing funding for the total project costs.
  - Congleton Musical Theatre - the group successfully applied for a community grant of £1,000 towards the cost of sound and lighting for their production being rehearsed for an October performance. The majority of the costs are being



funded by ticket sales and there is also a contribution from Congleton Town Council;

- Macclesfield Academy Learning Community - the organisation successfully applied for a community grant of £1,000 to fund a summer school with the aim of reducing anti-social behaviour locally. The costs include music tutors and coach fees.

37. We know that community grants provide a lifeline for many local groups who simply wouldn't be able to survive, let alone thrive, without this support. We recognise the tremendous community work that can be unlocked and enabled by the provision of relatively small amounts of public money. It shows what good work can be achieved by the Council working closely with community groups and partners. Cheshire East recognises the valuable input that the voluntary and community sector brings to the quality of life in the community.
38. 590 volunteer days have been worked with the Countryside Rangers between 1st April and 30th September 2015, which is on track for the year against a target of 1,100 days. From mid-July to the end of September 2015 there have been 1,130 volunteer days worked across all sites at Tatton Park.
39. There is an overall budget pressure forecast for Communities of £0.2m which is an improvement on the position at First Quarter.
40. £0.1m of the pressure relates to 2015/16 business planning proposals for Pest Control and Trading Standards Investigations. These cannot be met fully in-year due to the one-off cost of redundancies and a delay in implementing the pest control proposal.

41. 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.
42. These pressures have been partially offset by other savings in Regulatory Services and Health and Consumer Protection, mainly due to delays in filling vacancies.
43. Pressures on car parking income of £0.1m continue mainly due to reduced levels of fines income. There is also an anticipated cost pressure of £0.1m resulting from unbudgeted gritting costs.

#### **Civic Pride**

44. Following delivery of local and national elections in May 2015, further work is being carried out in response to new legislation, which has introduced Individual Electoral Registration. This is the biggest change in electoral law and practice in a century, and it is hoped that this will result in increased public participation in elections.
45. Migration of the website [cheshireeasthighways.org](http://cheshireeasthighways.org) to the Cheshire East site, [cheshireeast.gov.uk/highways](http://cheshireeast.gov.uk/highways), is complete with a significant update to the content. The changes reflect those areas where website hits were greatest, and the initial feedback has been very positive with increased visits.
46. As part of the Business Improvement Programme, the Highways team launched the 'Report it Track it' tool on 19th August. The tool allows the public to report highway faults and track what the Council is doing to respond to their issue. The tool is due to be further developed to include street lighting, and a media campaign has been developed to coincide with the upgrade.

47. A strong focus has been placed on the Highways Twitter account to make it more proactive and positive. We are now tweeting information regarding maintenance activities, improvement works and street lighting upgrades. We have also introduced our hashtag #workingforyou as one of our key messages. The effect is generating more public interest with 2,151 followers.

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

### Business and Visitor Economy

48. 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).
49. Consultants working with the Silk Heritage Trust are due to present their interim report in October. Work is ongoing with the Trust to consider future options for business development and future sustainability including consideration of the future of Paradise Mill in Macclesfield.
50. A public art scheme is being developed for Waters Green in Macclesfield. Artists will be appointed by the end of October with final art works due to be installed by the end of the calendar year.
51. Cheshire has been named the best county in the country to set up a rural business. The finding emerged from a new study by the Country Land and Business Association (CLA) – an organisation that represents farmers and rural businesses across the UK. The CLA scored each county on its ability to support rural businesses, such as the amount of broadband coverage available, planning policies and business support – and Cheshire came out top.
52. The Tatton Vision programme of investment is ongoing and will result in a continued increase in a sustainable income base. In Quarter two, work has been ongoing in the Stableyard retail and catering 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.
53. The bid to the Heritage Lottery Fund for second round funding of Tatton Dale farm's 'Field to Fork' project has now been submitted. 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.
54. Visitor Economy and Tatton Park are working towards a balanced budget, with any potential shortfall in car park income arising in 2015/16 being offset by the use of earmarked reserves.
55. Progress continues on securing the sustainable regeneration of Cheshire East's major town centres. 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. Informed by the Regeneration Delivery Framework, the Council also completed on the acquisition of the Royal Arcade site and have received a number of 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 and will be seeking a development partner for all or part of the site in the near future. The Council also embarked on a major consultation with local residents and businesses seeking views on the future of

Crewe Town Centre. Six consultation events/meetings were held and two surveys were published for consultation using social media and the local newspaper as media partner and almost 1,200 responses were received which support the Vision and Objectives of the Regeneration Delivery Framework.

56. The Council also remains committed to regenerating Macclesfield to ensure it is an exciting and vibrant place, which celebrates its heritage and is an attractive place to shop, live, visit, work and do business. Key to this is working with local residents and businesses to achieve the right outcomes and the Council has set up the Macclesfield Town Vision Stakeholder Panel to consider views from a wide range of people and perspectives to help shape and influence the way forward for the town centre. A major town centre Council-owned site in Macclesfield is currently being marketed to attract a developer to deliver a flagship leisure-led development to boost footfall and revitalise the town centre. In addition, smarter shop fronts supported by the Council are boosting 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, as part of a wider programme of public realm improvements that will be progressed across the town centre.

### **Workforce**

57. With regards to apprenticeships, comparative data (SFA Datacube) for the same period (Quarter 2 - Nov through to Jan) for each of the academic years 2013/14 and 2014/15 show that:

- 16-18 year-old apprenticeship starts have increased from 530 to 579;

- 19-24 year-old apprenticeship starts have increased from 518 to 580; and
  - 25+ apprenticeship starts have increased from 278 to 531
- The significant increase in 25+ starts is likely to have been influenced by Cheshire & Warrington Local Enterprise Partnership's (C&WLEP) prioritising higher level skills.

58. Latest data for the period from January 2014 to December 2014 show the percentage of the resident population (16-64) with an NVQ3 and above in Cheshire East was 57.3% (NOMIS Labour market Profile).
59. Cheshire East Highways has successfully completed its apprentice recruitment for 2015; ten new apprentices commenced on 14th September, and are employed in a mixture of office-based and operational roles.

### **Infrastructure**

60. The Council's additional £6.5m Highway Investment Programme for 2015/16 is underway and will see over 75km of roads improved across the borough. All schemes will be completed by the end of October 2015.
61. The positive news story on the reduction in highway insurance claims continues with only 116 claims submitted to date. This represents a 67% reduction on the same point in 2012/13 and a year-on-year reduction. Of those claims submitted, only £127 has been paid to date maintaining a 99% repudiation rate.
62. The £28.5m Connecting Cheshire project has already provided fibre broadband to more than 82,000 homes and businesses. This builds on BT's commercial investment so that 96 percent of Cheshire – around 400,000 premises – will have access to speeds of up to

80Mbps by the end of 2015. A £6m phase two roll-out aims to increase this coverage to 98 per cent by end of 2017.

63. The Connecting Cheshire Partnership has won almost £90,000 from the government's Equalities Office towards a second phase project to help female entrepreneurs exploit Superfast broadband and digital technology. Building on the success of the Phase 1 project which saw over 300 female-led business benefit from support, the second phase will see Cheshire partner with the Greater Manchester Business Growth Hub to deliver an inspirational programme to support entrepreneurs and businesses via a range of free workshops, masterclasses, 1-2-1 support and e-learning. The project will run from this autumn through to March 2016.
64. The Superfast Business programme successfully completed delivery in June, having exceeded its target by 13% and providing 12 hours support to a total of 935 businesses. As a result of the programme, 416 businesses are targeted to experience improved Gross Value Added (GVA) performance, equating to a £19.5m GVA uplift, and 161 jobs are to be created or safeguarded. To date the programme has already directly contributed to growth in over 130 businesses, adding £8.8m to the local economy, and over 30 new jobs have been created.
65. Strong progress continues to be 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.
66. Current Delivery Schemes include:
  - Poynton Relief Road - Work is now progressing to work up to a planning application which is on track to be submitted in

February 2016. The public consultation is now underway and will be taking place throughout October 2015. Exhibitions have been arranged for a number of dates throughout the month at various locations and times across the Poynton area.

- Congleton Link Road – Work has continued to be pushed in order for our planning application date of September 2015 to be met. The planning application was successfully made on the 30th September 2015.
- Sydney Road Bridge – Approval of the Development Service Agreement with Network Rail has now been agreed, which will firm up the delivery programme and scheme costs.
- Crewe Green Link Road - Problems around the bridge structure are now coming to a conclusion and works on site are taking place with the contractor still showing planned completion of December 2015.
- The A6 SEMMMS scheme is currently under construction with main works starting on the two bridge locations shortly and mainline works currently underway. The technical approvals process and detailed design checks are ongoing. There is a requirement to discharge Cheshire East Council planning conditions in Disley and Handforth, sketch designs are now complete in regards to this. These will require public consultation in early 2016.
- A500 J16 Pinch Point Scheme – This scheme has been implemented to alleviate 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 and work continues to close this project out and address final payments.
- 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 opened in July 2015 and housing developments have commenced.

- M6 junction improvements (Highways England scheme) – Work is now complete on improvements at Junction 17 to ease access to and from the motorway. Currently we are awaiting final safety audit alterations.
  - A556 Knutsford to Bowden (Highways England scheme) – This scheme allows for the construction of 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, is progressing well and the scheme is due to complete in 2017.
  - Crewe Green Roundabout – Work has started with option studies currently underway. Crewe Green Roundabout is a five-arm signalised roundabout, forming a major confluence of roads to the east of Crewe. Peak period congestion is severe and traffic modelling shows the opening of Crewe Green Link Road (South) will add approximately 15% more traffic to the junction. A scheme has been developed to manage the revised traffic flows by remodelling the junction and the diversion of one arm of the roundabout.
  - Leighton West Spine Road - Due to the development of Leighton West, new infrastructure is required to enable the additional demands on the network to be handled. Therefore there is a need for the Leighton West Spine Road to be developed and built. Currently work is underway to assess the options around the proposed site.
  - Middlewich Eastern Bypass – Work is underway on the scheme. A route options report has been completed. Currently options are being developed specifically around the Midpoint 18 site.
  - King Street Public Realm Scheme (Knutsford) – Post public consultation any form of scheme surrounding King Street Public Realm is being considered as part of Knutsford Town Council's neighbourhood plan.
67. In addition to the major schemes currently being delivered, the Council is developing an ambitious pipeline of highway and transport infrastructure schemes for future delivery. The schemes under development include Crewe Bus Station, Congleton Public Realm Scheme, M6 Junction 16-19 SMART Motorway (Highways England scheme), and A500 Dualling.
  68. A decision on whether HS2 comes via Crewe is expected on or after 26th November 2015. A wider Growth partnership is being developed with neighbouring authorities and in the Council; plans are being developed to assess growth and regeneration changes linked to a Hub station in Crewe. A decision on HS2 coming to Crewe will increase work requirements across the Economic Growth and Prosperity directorate.
  69. Cheshire East have had input to the Cheshire and Warrington Sub Regional Transport Strategy (Phase 1) documents, 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.
  70. The Transport commissioning service is currently reporting a potential budget pressure of £0.3m. This relates to pressures in a number of areas and additional funding requested by Transport Services Solutions Limited, the Council's wholly owned company.
  71. The pressures arise from non achievement of commissioner-led savings of £150,000 related to Available Walking Routes, and from increased demand in Special Education Needs (SEN) of £131,000.
  72. Following discussions between the S151 Officer, Transport commissioner and the company, it has been agreed that the Council will underwrite the pressures subject to progress during

the year (Available Walking Routes) and evidenced demand information (SEN), respectively.

73. The Highways service is reporting a balanced position against a £11.2m net budget. The Highways commissioning team continue to manage and monitor the Cheshire East Highways contract and no pressures are currently identified.
74. The recent Cabinet-approved decision to outsource the procurement of a replacement winter service fleet comes at a cost that can be part funded and part mitigated within the existing approved annual budget.
75. The accurate prediction of Winter Service costs is challenging due to the unpredictability of the conditions faced. The forthcoming Winter Service has been target costed based on average circumstances with a modest contingency to cover the possibility of worse than average conditions occurring. Highways and Finance will continually monitor expenditure in this area over the coming months to minimise the possibility of potential pressures developing.
76. The Strategic Infrastructure service area now incorporates two new strategic roles in respect of the Crewe High Growth business case. This will be offset by the provision of some external funding and an increase in the level of Section 38 income expected in 2015/16.

#### **Inward Investment**

77. Alderley Park Development Framework was approved by Cabinet in February following revisions as a result of a public consultation. The document will now be given material consideration in the planning process. A planning application for the site is anticipated in October 2015.

78. The Chancellor recently announced a £5m Medicine Technologies Catapult Centre for Alderley Park which will create a national centre of excellence for Research & Development and commercialisation of new therapies, based on the existing high quality facilities and activity on site.
79. The Business Engagement Service has met with 130 companies (against a target of 40) to support their growth and investment plans. The Service has identified growth opportunities with 23 of Cheshire East's top 100 accounts. Should all convert this would lead to the creation of over 994 new skilled jobs and a capital investment in plant, machinery and equipment of approximately £45m. A significant proportion is expected to contract before year end.
80. The Service also has an intensive programme of support with high growth Small and Medium-sized Enterprises (SMEs). To date the Service has helped secure £398,000 of grant funding. In addition, 39 companies have received referrals to high growth business support programmes to improve their productivity. The Service has also coordinated a series of events for small businesses to help companies understand the public sector procurement process and to improve access to finance for the digital and creative sector.
81. To date, the Inward Investment service has responded to 82 enquiries against a target of 200. The Service has supported the creation of 103 new jobs with a pipeline of investment opportunities that could lead to a further 300 new jobs. Recently a US-owned payment and processing company has committed to consolidating their back office functions in Cheshire East, which will lead to the creation of 25 new jobs.
82. The Service is responsible for increasing income generated from Business Rates through enabling development, and has secured an in principal offer of £3.2m for Cheshire Green Employment to

secure finance to fund the infrastructure phase of the development.

83. At First Quarter Review the Economic Growth and Prosperity Directorate were anticipating a broadly balanced Budget position at the year end which remains the position at Mid Year.
84. Within the Growth and Regeneration service area, additional Strategic Asset management and Asset disposals work is being undertaken this year. This will be part funded by the Investment & Sustainability reserve.
85. Within the Investment Service a number of vacancies within Strategic Housing & Business Engagement are anticipated to be filled this year. £250,000 of the Investment reserve has been earmarked for the Manchester Growth Fund – this is included in this service area for 2015/16 and is expected to be fully utilised by the year end.

### **Responsible Business**

86. A food business operator was fined £1,100 for obstructing an officer undertaking an investigation under food hygiene offences.
87. The Licensing team have had two successful court cases where our decision to refuse to issue driver licences has been upheld in both the Magistrates Court and the Crown Court. In both cases we have been awarded costs.

### **3 ~ People have the life skills & education they need in order to thrive Securing the Best Start in Life**

88. 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. Data from September 2015 will not be comparable to previous years as the government has changed the threshold from 85% to 90% as the indicator for persistent absenteeism. All schools have been informed of these changes.

89. The number of children achieving a good level of development at the Early Years Foundation Stage (EYFS) is 68.4% for the academic year 2014/15; an improvement of 6.4% on last year. In addition there has been an increase of 4.5% in the number of children eligible for free school meals achieving a good level of development. Of the 164 children who had received 2 year old funding, 69.6% achieved a good level of development.
90. The focus continues to be supporting children in areas with the highest deprivation to narrow the gap between their achievement and that of their peers. The achievement gap in relation to the lowest 20% and the rest has narrowed in all areas apart from free school meals eligible children (which has stayed the same). The overall figure is a reduction of 1.3%.
91. In the summer term 869 children accessed the two year old offer. 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**

92. Cheshire East continues to have a significantly high number of schools judged as good or outstanding. In Quarter 2 this stood at 93.5% of primaries, 90% of secondaries and 100% of special schools. Work by the monitoring and intervention team has continued to focus on reducing the number of schools judged as

‘requiring improvement’ or ‘inadequate’. This continues to be at a three-year low, reducing from 15.4% of schools in October 2013, to 6.7% in July 2015. Cheshire East is currently third in the national league table of schools with the highest proportion of schools that are good or better.

93. Analysis of the pupils’ achievement and progress given by Key Stage 2 tests shows that in reading, writing and maths there has been a dip in the number of children achieving Level 4+ in all three subjects. From 84% in 2014 to 81% in 2015, however Cheshire East is still above the national figure.
94. Validated data for A-Level results are expected in January 2016. Provisional A-Level results indicate that the students achieved a pass rate of 99%, above the national average of 98%.
95. Around 10% of students in Cheshire East got an A\* compared to 8% nationally. 28% of all students achieved grades A\* to A and 57% achieved an A\* to B grade. Both of these figures are an improvement on last year and above the national average. Based on average point scores per A-Level entry, the average Cheshire East student now achieves a high B grade, up from a high C grade last year.

### **Achieve Aspirations**

96. 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). This currently stands at 2.8% or 315 young people. Intensive support is provided for young people by 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 in the North West.

97. New projects currently being developed include a new multi-agency NEET project, and plans are in place to deliver tailored career advice for Cheshire East cared for young people.
98. A partnership between Cheshire East Youth Theatre, Total People and Lyceum Theatre has begun delivery of training sessions for young people at risk of becoming NEET. There are 15 young people currently signed up with more expected to join over the coming weeks.
99. Not Knowns (NCCIS): The number of young people who are not known continues to improve and the percentage of not knowns at the end of July 2015 was 0.4% (49 young people). This is a drop from the same period (July) in 2014 when the not known level was 1.3% (152 young people).
100. Figures from the Department for Education (DfE) show that 98.8% of Year 11 leavers in 2015 had an offer of education or training. This is an improvement on the same time last year when 97.9% of Year 11 leavers in 2014 had an offer.

### **Inclusion**

101. In line with legislative requirements, feedback received from local residents during the period September 2014 to August 2015 regarding Cheshire East’s Local Offer for those with special educational needs and disabilities was published at the end of August, along with the Council’s responses. This can be viewed on the Council’s website at:  
<https://ice.cheshireeast.gov.uk/Information/LOComments>
102. In many areas, steps have already been taken to respond to feedback, for example, following engagement exercises with local parent/carers about our short break and respite offer, steps were



taken to improve the search function of the directory. Further information pages have also been added to the directory to describe how the Local Offer was co-produced by residents and professionals, along with more information to describe how residents and professionals can “tell us what they think”.

103. In order to reduce the reliance on ‘out of area’ provision, an ‘invest to save’ business case to expand the number of places at Cheshire East special schools is currently being developed.
104. The Council is working with a number of further education and training providers to develop supported internship programmes that are designed to lead to employment for our young people with complex SEN. This is part of a grant-funded DfE programme to develop supported employment. We are also working closely to ensure that cared for children and care leavers aged 16 to 18 are supported in education, employment and training.
105. Excluding individuals not available to the market place because of illness, disability or pregnancy/parenting, there are currently 39 care leavers who are not in education, employment and training. Council staff are working closely with these individuals. The ‘care to be different’ project was established in Quarter 2 and is focussing on 16 to 24 year old care leavers who are in poor health or struggling in education. The aim is to provide targeted and specialist support with individuals who can move on to the Cygnet Project if required. The Cygnet Project is currently supporting six individuals in work placements.
106. Based upon provisional data, 25% of cared for children that took their GCSE’s achieved five A\* to C grades, including English and Maths. This is an increase on the performance in the previous year. In addition, three young people taking A-Levels all achieved the

grades they required to access their first choice university and course.

107. The analysis of disadvantaged gaps and overall five A\*- C rates at the end of Key Stage 4 is currently being amended by schools and will be available in Quarter 3.
108. Children and Families is projecting an overspend of £0.4m. The department’s financial position in 2015/16 has been dominated by two main factors, firstly the numbers of Children in Care and secondly, the cost involved in delivering the improvement required by Ofsted.
109. In terms of Children in Care the budget for 2015/16 anticipated further reductions to this cohort (based on the reduction experienced during both 2013/14 and 2014/15) whereas the actual numbers being experienced tell a different story. Numbers have risen over the past twelve months by over 10% to their current level of 390. In addition, complexity has on occasion increased which directly correlates with the costs being incurred by the service. Nevertheless progress continues to be made towards alleviating the financial pressure created by an increase of this size by consistently seeking better value for money placements that both provide the necessary support for vulnerable children but also reducing cost on an individual by individual basis. Moves of this nature are inevitably resource intensive and time consuming and follow on from more intensive packages of care that are needed at the outset.
110. The department is now post Ofsted inspection reviewing all its commitments and is already paring down the level of additional temporary support that was put in place to deliver the requirements of the Improvement Plan.

111. The aim remains a balanced outturn by year end which will be a major achievement bearing in mind not only the above factors but also the level of budget reductions applied to the base this year. This in turn will create the financial stability in order to provide the further efficiencies required as part of the budget setting process for next year.

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

##### Development Management

112. Civicance (the Council's wholly owned company providing professional services for Building Control, Structural Appraisal, Fire Risk Assessment, Local Land Charges, Address Management, Planning Support and Liaison) are still seeking to improve market share for Building Control under stiff competition from Approved Inspectors which is putting pressure on budgets. However, Land Charges continues to operate very strongly to balance shortfalls. Improvements are now coming forward from the support team with significant benefits on registration of applications and process changes for the Development Management service.
113. Planning application performance has remained strong with an emphasis being maintained on major applications. Challenging conditions remain with high numbers of appeals and applications, which have stretched resources. Additional resource should enable positive progress across all applications to be made over the coming period, while the introduction of a new Priority Application Team and new pre-application processes will strengthen the ability to deliver in a timely manner.
114. Strategic and Economic Planning Service continue to undertake 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 £1m are expected to be incurred this year with respect to this activity, and are largely anticipated to be offset by use of the Planning reserve. 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.

##### Waste Management

115. **Reduce** – A waste prevention program is delivered through Ansa and their volunteers. Highlights include the Nantwich agricultural show, engaging with primary schools at the Junior Recycling Officer (JRO) final in Styal Mill, working with young students at primary college. Ansa and our waste reduction volunteers continue to promote home composting and 'love food hate waste' at events across the Borough supplying home compost bins through leaflets at events and our website.
116. **Reuse** – the amount of materials that we reuse continues to be around 100 tonnes per month working with the charitable sector and our household waste recycling centres.
117. **Recycle** – figures remain consistently high. An information campaign to all households in the authority is underway to ensure that we maintain clean, loose recycle within the silver bin.
118. **Disposal** – the Council has begun the process of reducing its reliance on landfill and continues to divert a third of its black bin waste to an energy from waste plant in Stoke-on-Trent. At present the remainder is disposed to landfill within Cheshire East. The Council is investing in the infrastructure through the Environmental Hub project to reduce the use of landfill from 2016/17.

119. The Environmental Hub project was granted planning permission at the September strategic planning board and will now move into the construction phase of the new facility.

### **Carbon Management**

120. The 2,500 street lighting column replacement programme started in June, with all new columns being fitted with energy efficient LED lanterns. The LED upgrade to the 9,000 high wattage traffic route lanterns commenced in September and is expected to be completed by the end of February 2016.

### **Environmental Management**

121. The Council has obtained seven Green Flag Awards (a scheme recognising and rewarding the very best green spaces) this year. Awards were announced in July 2015, and were achieved by Bollington Recreation Ground, Brereton Heath, Congleton Park, Sandbach Park, The Moor in Knutsford, Tatton Park and Tegg's Nose. In addition Tatton Park has been awarded Green Heritage accreditation. Satisfaction with Cheshire East Country Parks is currently at 93.4%.
122. The Cheshire East Contaminated Land Strategy has been updated in line with new statutory guidance and has been published on our website.
123. Our Fast Charge electric vehicle (EV) points are up and running and we are starting to receive usage data. Staff usage is subject to reasonable use terms and users are required to register with the authority so that this can be monitored. Data so far indicates that our Macclesfield and Westfields points are reasonably well used and we are hoping that the grant-funded project to update our pool fleet with electric vehicles will see even further use and

reduced vehicle running costs to the authority. Our Rapid Charger project is currently moving through an asset transfer process to our sub-contractor and should be in place by early November making it an accessible resource for local and national EV drivers.

124. 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. The reprofiling of savings has been fully mitigated by improvements on the household waste recycling centre contract, including reducing the bonus element. Overall, Environmental Operations (including Bereavement) is projecting a potential budget pressure of £0.2m against a net budget of £27.4m, which is a relatively small variance.
125. Approximately £0.1m of the potential pressure relates to a forecast shortfall in Markets income. This continues the trend of a gradual decline in income over the last few years, specifically in Macclesfield, where low rents of vacant shops and a major trader leaving have contributed to the shortfall. Negotiations over the projected transfer of Crewe Markets to Crewe Town Council are continuing.
126. Bereavement Services are currently projecting a potential budget pressure of £0.1m based on the mid-year income forecast against a net income budget of £1.3m. This relates to a realignment of the original proposed income growth over a period of five years to gradually build market share. The core bereavement income budget, including first year growth is forecast to be achieved.

### **Sustainable Energy**

127. Levels of landfill disposal and energy production are in line with the targets of 16% 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.

128. In September, Cabinet endorsed market engagement and a procurement process to enable the recycling of food waste with garden waste in the green bin. The Council will now work with industry to procure a preferred bidder and proposal returning to Cabinet in autumn 2016.
129. The Fairerpower scheme is now in its second quarter and has reached over 2,300 customers. The average saving for customers is £250 per annum. A marketing plan has been created to continue to pursue a co-ordinated and proactive approach to promote Fairerpower, including a targeted campaign to staff at Cheshire East Council. Several partner organisations have come forward in expressing interest in the Fairerpower scheme.
130. The Solar Panel installation project for Westfields has now been costed for a 30 Kw system to be installed.
131. The Deep Geothermal bidders day attracted 44 attendees. An open procurement process to secure a 30-year Joint Venture Agreement commenced on 17th August 2015.
132. The Anaerobic digestion facility site longlist has been completed and the business case updated. A paper has been submitted to Cabinet to seek authority for market engagement activity and a Joint Venture partner procurement.

## 5 ~ People live well and for longer

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

133. The Walking to Wellbeing scheme has been well received with over two-thirds of attendees being 51 years or over, and two-thirds being repeat attendees. The led-walks programme is attracting a contingent of people from the local community who really value and appreciate the opportunity to walk with others. These participants would not necessarily have the confidence to go walking on their own, and are enjoying the themed nature of the walks too. The level of support and requests for more walks has led to consideration to continue ranger support for a longer period throughout the autumn.
134. At the end of Quarter 2, public satisfaction with countryside events stood at 98%, having improved from 85% in March 2014.
135. Cheshire and Wirral Partnership NHS Foundation Trust (CWP) are the lead provider for the Cheshire East Substance Misuse Service 'Stepping Stones' for which the contract was awarded in November 2014 by Public Health. Stepping Stones takes a life-course approach, supporting adults and young people. CWP have also subcontracted Catch 22, a voluntary sector organisation who provide individual level case support, group work and information, advice and guidance for young people, as well as working with schools to deliver training and group sessions. Catch 22 are in the process of developing arrangements to be part of the Emotionally Healthy Schools programme, which will enable their support within schools to be delivered through a more targeted and focused approach. The aim of Stepping Stones and the partnership arrangement with Catch 22 is to prevent and reduce alcohol harm amongst young people, therefore reducing the admissions for alcohol-specific conditions among under 18 year-olds. Updated performance data for under 18 admissions will be available by March 2016.

136. During the consultation process in developing the Council's 'Vulnerable and Older Persons' Housing Strategy/ Homelessness Strategy' (VOPHS) and the Commissioning Intentions for our Substance Misuse Service Tender (both in 2014), we identified a need to respond to the needs of people who continue to use alcohol despite losing access to rented accommodation. The VOPHS specifically identified the need to respond to the following:
- People with complex needs (including substance misuse) and not appropriately catered for within the current supply of supported accommodation and may therefore be sofa surfing/rough sleeping
  - People who need support to use abstinent housing provision
  - People engaged in multiple presentations to Council and partner services.
137. In response to this local need, Public Health are therefore working in partnership with Housing colleagues to commission a 'Recovery Based Accommodation' model which provides a safe temporary home to enable Cheshire East residents without accommodation and currently using alcohol or other substances in an uncontrolled manner. The project will aim to support individuals to the point where they can start to work towards maintaining an independent tenancy.
138. A mental health paper has been prepared for Management Group Board and Cabinet. This includes outline business cases for projects that aim to improve emotional health and wellbeing across the lifecourse including: Increased Family Nurse Partnership (FNP) capacity, improving postnatal depression pathways, improving pathways that support school readiness, emotionally healthy schools programme, self-harm and suicide prevention and empowerment. The funding for these business cases is the Public Health budget. However, there is uncertainty over the availability of the budget due to national and local budget decisions.
139. Adult Social Care is forecasting an overspend of £0.7m. The latest projection shows an improvement on that reported at First Quarter Review as the service continues to make progress towards achieving a balanced budget by year end. It is pleasing to report that Care costs remain broadly stable now that the first care periods of 2015/16 have been accounted for and also, that income levels remain buoyant. Both of these are positive given demand levels the service are facing as a result of the demographics within the Borough and provide assurance overall that the existing and new early intervention and preventative measures being introduced are contributing towards this position.
140. The service continues to progress negotiations with Health colleagues around the funding of service users with complex needs, this is being worked through on a detailed client by client basis. The outcome of these negotiations will, given the sums of money involved, prove crucial to the final outturn position of both this (the Council's largest service) and the wider Council position. Progress is now being made in relation to Care Fund Calculator budget savings for 2015/16 that were previously delayed due to a lack of social worker capacity.
141. In addition to moving towards a balanced position for the third successive year the service is actively seeking to create a solid platform from which to deliver the challenging Medium Term Financial Strategy for next year and beyond. Work in progress includes preparing for the introduction of a Resource Allocation System (RAS), detailed review of the usage of respite care and deep examination of the ongoing performance of all external contract expenditure.

142. The Leisure commissioning service is currently forecasting a net nil position, in respect of base budget spend on client and management fee costs, against a net £2.1m budget.

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

143. There continues to be an increase in multi-agency early help assessments. There has been a 14% increase in the number of Common Assessment Frameworks (CAF's) since the start of the financial year; this is currently standing at 119 per 10,000 of the 0-17 year old population. The majority of these continue to be led by the Cheshire East Family Service or schools, along with Health.
144. There is a comprehensive and free multi-agency CAF training programme aimed at improving engagement with early help; so far there have been three sessions this year, with a further one planned for November 2015. 78 professionals have attended this training and feedback has been extremely positive. In addition to this, bespoke training has been offered to several teams within Cheshire East, Catch 22, Cheshire East Early Years team and a planned session with the SEN team in December.
145. There have been three meetings of the multi-agency CAF audit group which has met to consider the quality of CAF assessments and consider themes and learning points for CAF authors. In total, around 30 CAF assessments have been audited by this group. Added to this, there has been an increase in the amount of CAF's agreed and recommended as an outcome of contacts into Cheshire East Consultation Service (ChECS) over the past few months. ChECS staff are working hard to ensure callers engage parents in CAF at an earlier level of need. The integrated nature of the ChECS front door service (with health, education, and commissioned service representatives) also ensures better communication, co-operation and commitment to CAF.
146. 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. This will introduce the new support system by the end of March 2016, and was agreed by Cabinet in September.
147. Progress is continuing to be monitored against Public Health Transformation Fund projects. These are:
- Catch 22 (MyChoice - Holistic Sexual Health Education, Advice and Guidance) – Project continuing to proceed to plan although outreach service being used instead of a drop-in service.
  - Cheshire East CAB (Advice on Prescription) – Action plan has been put in place to tackle disappointing lack of referrals by GPs in Macclesfield although figures are more encouraging from Waters Green (Crewe).
  - Cheshire East Council Public Rights of Way and Countryside Management Service (Walking to Wellbeing) – Project continuing to plan. A programme of walks has been running from July-September which has seen good attendance by members of the public.
  - Cheshire Without Abuse (Safer and Healthier Families) - Project continuing to plan, 16 families in Crewe and Macclesfield are currently being worked with (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. A project monitoring meeting will be held to verify project progress.

- Food Dudes (Food Dudes in our Schools) - project completed, with an evaluation report now produced.
- NHS SCCCH (Diagnose Cancer Early – campaign) – Project proceeding to plan with strong performance in several areas.
- Peaks and Plains Housing Trust (Keeping Warm, Living Well) – Referrals continue to be strong. Marketing work has been conducted including advertisements in the local press and on the internet.
- Royal Voluntary Service (Staying Home Community Support) – Project proceeding to plan, all milestones achieved.
- St. Luke's Hospice (Volunteer Befriending in Crewe and Nantwich) – Volunteer recruitment slow at first but building now and producing linked increase in individuals helped (currently 9). Work is ongoing to meet targets. Marketing action plan put in place. Follow up to take place on this.
- The Reader Organisation (Reader in Residence Project) – Project began later than most others in April but significant work required to increase number of members of the public attending reading groups. Series of meetings to be held to work on performance.
- CVS (social prescribing project) – four practices have agreed to take part in scheme, however, number of referrals low at present in comparison to targets. Project monitoring meeting to be held where action plan to be drawn up.
- YMCA (healthy conversation project) – 7 learners signed up to programme since project began in June. Progress fair against targets so far given intensive nature of intervention.

148. The new Sexual Health service will commence on 1st 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. 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.

149. 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.

150. 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)

151. 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.
152. The current projection is that Public Health will be able to deliver a balanced outturn position from within its grant funded allocation from central government. It should be recognised that this achievement includes delivering an in-year grant reduction of £1m following the summer announcement from the Chancellor of the Exchequer.
153. The Public Health team have now worked through an intensive investment plan that targets their resources on areas of evidenced need, right down to individual ward level. This plan will guide where Public Health resources go in the future as part of the Council's Medium Term Financial Strategy. This plan represents a major stepping stone for future investment and builds on the work undertaken to date, including embedding the service within the Council and working through major contracts inherited from Health partners as part of the transfer across.

## Public Protection and Safeguarding

154. In Quarter 2, Ofsted carried out an unannounced inspection of Children's Services. The inspection covered services for children in need of help and protection, children looked after and care leavers in Cheshire East and a review of the effectiveness of the Local Safeguarding Children Board (LSCB). The Inspection, which was carried out by ten Ofsted Inspectors, took place over a four-week period and included looking in-depth at casework, observing practice and interviewing staff from the Council and partner agencies.
155. Ofsted's judgement was that Cheshire East 'requires improvement' to ensure it is providing good services in the above areas; however, Inspectors were impressed with the Council's adoption services, which they judged to be 'good'. Inspectors found that planning for permanence is improving with a good focus on adoption and children are well supported in their new families. They also stated that support for adopters is a strength.
156. To date, 67 local authority areas have been inspected under the single inspection framework. Almost a quarter of those inspected have been judged as inadequate, over half have been judged as 'requires improvement', less than a quarter are good and none have been judged outstanding.
157. There continues to be an improving picture in the percentage of cases taking 45 days or less from the start of the combined assessment, averaging 95% in Quarter 2. This continues to remain a focus of fortnightly challenge sessions with teams.
158. The three year average adoption scorecard targets are likely to be achieved by 2017; this is due to a number of children being adopted who have been looked after for a significant period of



time. This has resulted in a positive outcome for the young people involved, but reflects negatively on the overall scorecard. For children who have entered care since 2012 the timeliness threshold is below the government threshold. Over 80% of Cheshire East children are placed for adoption in timescales significantly below the government thresholds.

159. Strategies to ensure recruitment of local foster carers continue and there is currently an evaluation underway to determine local in-house residential requirements.

160. Cheshire East continues to monitor the participation of children and young people in their child protection conference through either clear articulation of their wishes and feelings in collective reports or through discussions at visits, as well as direct involvement through a range of options. During Quarter 2 there was evidence of child participation in 95% of cases. However, the intention is to make the participation meaningful and so work has been taking place on different models both in relation to advocacy for those children and the development of a new framework for delivering the child protection conference process intended to promote better planning and engagement. This will help to ensure that this good level of participation is of a good quality.

## **6 ~ A Responsible, Effective and Efficient Organisation**

161. In September, the Council received its annual report from external auditors providing findings for the year ending 31 March 2015. The auditors reported that, “based on our review of the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources, we propose to give an unqualified Value for Money conclusion.” The report went on to state that, “The Council continues to demonstrate good financial performance...”

162. In July, the Council announced its aim to make savings from empty buildings and unneeded sites by selling off surplus assets, for reinvestment in frontline services. The new Strategic Asset Management and Delivery Plan was backed by Cabinet, and called for the creation of a Corporate Property Board to test whether assets should be retained or sold off as surplus to requirements. The Plan sets out a target of raising £25m from asset sales in 2015/16.

163. The Council has significantly reduced the average age of debt invoices at mid-year for the fourth consecutive year following targeted work by its Finance team, achieving a reduction of nearly 40% year-on-year, and 65% since 2012.

164. At the mid-point 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 £1.2m (£1.3m at FQR), with the majority of the underspend (£1.0m) within the energy budget in Facilities Management. The remaining underspend of £0.2m is due to predicted savings from staff vacancies across the service.

165. Underspends against budget are being reported by Organisational Development (£0.1m); Strategic Commissioning (£0.1m); and Communications (£27,000). Balanced positions are being reported by Governance & Democratic, and Monitoring Officer and Head of Legal Services.

## 2. Financial Stability

### Introduction

166. 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.
167. 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.
168. **Table 1** provides a service summary of financial performance at Quarter Two. For further details please see Section 1 and the notes below the table. Changes to service net budgets since First Quarter Review 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	43,449	1,909	-1,471	438	3,5
Adult Social Care & Independent Living	95,297	7,302	-6,558	744	5
Public Health	0	0	0	0	5
Economic Growth & Prosperity	6,143	0	0	0	2
Chief Operating Officer					
Commissioning Services:					
Bldg Control, Land Chges & Planning Support	1,693	0	0	0	2,4,5
Environmental (incl Bereavement)	27,395	462	-283	179	2,4,5
Highways	11,190	0	0	0	2,4,5
Leisure	2,040	30	0	30	2,4,5
Transport	14,601	281	0	281	2,4,5
Communities	9,205	786	-545	241	1,2
Other (e.g Finance, ICT, Legal, Facilities)	39,240	-1,391	0	-1,391	
<b>TOTAL SERVICE OUTTURN</b>	<b>250,253</b>	<b>9,379</b>	<b>-8,857</b>	<b>523</b>	

169. The impact of the projected service outturn position at this stage of the financial year is to decrease balances by £0.5m. Further items impacting on the level of the Council's balances are detailed in the paragraphs below on centrally held budgets.
170. 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.

171. 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

172. 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.
173. 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. This figure was revised at the first quarter stage to £263.9m and this remains unchanged for mid year review as no further schools have converted 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 have increased this figure to £96.7m at mid year stage.

174. An additional general purpose grant of £0.35m for Neighbourhood Planning has been received during the second quarter of 2015/16. A request for the allocation of this additional grant is detailed in **Appendix 10**.
175. **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**

	2015/16 Revised Forecast FQR £m	2015/16 Revised Forecast MYR £m	2015/16 Change £m
<b>SPECIFIC USE</b>			
Held within Services	263.9	263.9	0
<b>GENERAL PURPOSE</b>			
Central Funding	77.8	77.8	0
Service Funding:			
Children and Families	1.0	1.0	0
Adult Social Care and Independent Living	3.3	3.3	0
Economic Growth and Prosperity	0.8	0.8	0
Chief Operating Officer	13.9	13.9	0
Total Service Funding	18.9	18.9	0
TOTAL GENERAL PURPOSE	96.7	96.7	0
<b>Total Grant Funding</b>	<b>360.6</b>	<b>360.6</b>	<b>0</b>

## Collecting Local Taxes for Local Expenditure

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

### Council Tax

177. 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.
178. 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.
179. 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 and Crime Commissioner	21.7
Cheshire Fire Authority	9.8
Town and Parish Councils	5.5
<b>Total</b>	<b>205.8</b>

180. 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.
181. 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 £210.4m.
182. **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	*98.3
After 3 years	99.5	*99.1	**

\* year to date

\*\*data not yet available

183. The Council Tax in-year collection rate for 2015/16 shows a small increase at 48.7% compared to 48.6% for the same period in 2014/15.
184. Council Tax support payments (including Police and Fire) were budgeted at £18.6m for 2015/16 and at the end of the second quarter the total council tax support awarded was £15.6m. 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.
185. Consultation on proposed changes to the Council Tax Support Scheme for 2016/17 was launched in August 2015, with the final scheme to be agreed by full Council later in the year when the results have been reviewed.
186. Council Tax discounts awarded are £18.8m which is broadly in line with the same period in 2014/15.
187. Council Tax exemptions currently awarded total £3.2m which is broadly in line with the same period in 2014/15.

## Non-Domestic Rates (NDR)

188. 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%.
189. 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.
190. 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.
191. 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.
192. 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.
193. Mid year analysis has shown successful appeals have been awarded at a higher level than have currently been provided for.

This issue will be resolved at year end with the business rates retention earmarked reserve being utilised to cover this increased pressure.

194. **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	CEC Cumulative		
	2012/13	2013/14	2014/15
	%	%	%
After 1 year	98.0	98.2	98.1
After 2 years	98.8	99.2	*98.7
After 3 years	99.4	*99.3	**

\* year to date

\*\*data not yet available

195. The business rates in-year collection rate for 2015/16 is currently 46.5% compared to 47.6% for the same period in 2014/15. The reduction is largely due to significant rateable value decreases which have required refunds relating to previous years.

## Capital Programme 2016/19

196. Since the reporting the Capital Programme at the First Quarter Review the overall forecast expenditure for the next three years has increased by £6.1m as shown in **Table 6**.

**Table 6 – Summary Capital Programme**

	Revised Total Forecast Budget FQR 2015/19 £m	Amendments to MYR Forecast Budget 2015/19 £m	Amended MYR Forecast Budget 2015/19 £m	Budget Reductions £m	SCE's £m	Revised Total Forecast Budget 2015/19 £m
Children & Families	62.4	0.0	62.4	-0.1	1.3	63.6
Adult Social Care & Independent Living	3.5	0.0	3.5	0.0	0.0	3.5
Economic Growth & Prosperity	258.8	-11.6	247.2	-1.4	7.9	253.7
Chief Operating Officer - Commissioning	108.4	11.8	120.2	0.0	-0.5	119.7
Chief Operating Officer - Other	37.9	0.0	37.9	0.0	-1.3	36.6
	<b>471.0</b>	<b>0.2</b>	<b>471.2</b>	<b>-1.5</b>	<b>7.4</b>	<b>477.1</b>

197. One of the main changes since the figures were reported at First Quarter Review is due to a proposed Supplementary Capital Estimate for the Crewe Green Roundabout scheme. This will be a five arm signalised roundabout, forming a major confluence of roads to the east of Crewe. Peak period congestion is severe and traffic modelling shows the opening of Crewe Green Link Road (South) will add approximately 15% more traffic to the junction. The scheme will remove a key congestion 'Pinch Point' on the main distributor network in Crewe and will improve access to strategic areas within Crewe. The scheme is fully funded by Local Growth Fund Grant and Section 106 contributions.

198. There is also a further notable Supplementary Capital Estimate request for the Crewe Lifestyle project of £0.4m which relates to an increase in the contingency budget from 2.4% to 5%, which is normal for a project of this size. It is required to ensure the project has the flexibility to conclude the construction phase and draw

down against the contingency for reasonable and necessary client changes. No direct works have been assigned to this amount at this stage and should it not be required the additional budget will be removed at the conclusion of the scheme and the funding returned to the capital programme. This will enable the project to complete without delay should the need to action contingency materialise. This decision was endorsed at the Executive Monitoring Board Meeting on the 23<sup>rd</sup> September 2015.

199. There is a Virement request of £1.8m from the Strategic Pot (£1.3m) and the Macclesfield Town Centre Renewal Project (£0.5m) to the Regeneration and Development programme. This will bring all the budgets available under a single pot to deliver the Macclesfield Town Centre Redevelopment scheme as well as the other town regeneration projects within the borough of Cheshire East.
200. There is a Supplementary Capital Estimate request of £1.2m in respect of the preliminary work required for the proposed Middlewich Eastern By-pass. This project aims to reduce the traffic pressure at the pinch point of Junction 18 of the M6 and Midpoint 18. This project is fully funded from Government Grants.
201. The programme has also been revised to reflect Budget reductions of £1.5m and other Supplementary Capital Estimates of £0.7m contained in **Appendices 5 to 7**.
202. 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 7 – Capital Funding Sources**

	FQR Total Forecast Budget £m	MYR Total Forecast Budget £m	Variance £m
Grants	210.7	203.2	-7.5
External Contributions	57.7	50.8	-6.9
Cheshire East Resources	202.5	223.1	20.6
	471.0	477.1	6.1

### Capital Budget 2015/16

203. At the Mid year review stage the Council is forecasting expenditure of £139.3m in 2015/16, which is a reduction of £15.3m from the First Quarter Review. This is because project managers have been asked to review their in-year forecast and slip to future years if still required to present a realistic expenditure forecast in 2015/16.
204. 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 £91.6m 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**.

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

Committed Schemes	Revised FQR Budget	Revised MYR Budget	Forecast Expenditure	Current Forecast (Over/ Underspend)
	£m	£m	£m	£m
Children & Families	9.8	10.3	9.6	-0.7
Adult Social Care & Independent Living	0.8	0.5	0.5	0.0
Economic Growth & Prosperity	22.0	27.7	24.3	-3.4
Chief Operating Officer - Commissioning	41.4	43.0	42.5	-0.5
Chief Operating Officer - Other	15.3	14.6	14.7	0.1
<b>Total Committed Schemes</b>	<b>89.3</b>	<b>96.1</b>	<b>91.6</b>	<b>-4.5</b>

205. **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.
206. **Appendix 6** lists requests for supplementary capital estimates and virements above £250,000 up to £1,000,000 to be approved by Cabinet.
207. **Appendix 7** lists two requests for a supplementary capital estimate. The first is for £5.0m in respect of Crewe Green Roundabout which is fully funded by Government Grants and External Contributions. The second is a request for £1.2m in respect of Middlewich Eastern By-pass which is also fully funded by government grants. A virement has also been requested for £1.8m in respect of the Regeneration and Development Programme and is funded by Cheshire East Resources.
208. **Appendix 8** lists details of reductions of £1.5m in Approved Budgets where schemes are completed, will not be monitored as 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

209. 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.
210. Investment income to September 2015 is £279,000 which is higher than the budgeted income of £100,000 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 September 2015 is £71.4m.
  - The average annualised interest rate received on in house investments up to the end of September 2015 is 0.64%.
  - The average annualised interest rate received on the externally managed property fund up to the end of September 2015 is 4.78%.
211. The Council's total average interest rate for 2015/16 up to the end of September is 1.01%. The returns continue to exceed our benchmark, the London Inter-bank Bid Rate for 7 days at 0.46%,



and is consistent with our own performance target of 1.00% (Base Rate + 0.50%).

**Table 9 – Interest Rate Comparison**

Comparator	Average Rate to 30/09/2015
Cheshire East	1.01%
LIBID 7 Day Rate	0.46%
LIBID 3 Month Rate	0.53%
Base Rate	0.50%
Target Rate	1.00%

212. The capital financing budget for interest charges and debt repayment remains on target.
213. 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**.
214. At the end of the first 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 continues to grow and has demonstrated consistently high returns over the last few years with underlying capital growth being maintained. However, this fund should be judged over a five to six year period as returns and the underlying capital value of the fund can be volatile.
215. Over the last year, 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.

216. 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.
217. 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 September the Council had investments in five Corporate bonds totalling £12.8m. Full details are shown in **Appendix 9**.

### Central Contingencies and Contributions

218. 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

219. 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

220. The balance of outstanding debt has increased by £1.9m since First Quarter review. 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

221. The impact of the projected service outturn position could reduce balances by up to £0.5m as reported above (**para 169**).
222. Taken into account with the central budget items detailed above and the approved use of general reserves below (**paras 225-226**), the financial impact described in this report could decrease balances by £2.7m as summarised in **Table 10**.

**Table 10 – Impact on Balances**

	£m
Service Net Budget Outturn	-0.5
Central Budgets Outturn	0.0
Use of Reserves approved by Council	-2.2
<b>Total</b>	<b>-2.7</b>

## Management of Council Reserves

223. 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.
224. The opening balance at 1st April 2015 in the Council's General Reserves is £14.7m as published in the Council's Statement of Accounts for 2014/15.
225. 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.
226. At First Quarter Review, Council approved that £0.5m be transferred from balances to an earmarked reserve for Early Intervention initiatives.
227. 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 <sup>st</sup> April 2015	14.7
Impact on Balances at Quarter 2	-2.7
<b>Forecast Closing Balance at March 2016</b>	<b>12.0</b>

228. The projected balance of £12.0m 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.
229. The Council also maintains Earmarked Revenue reserves for specific purposes. At 31st 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. At First Quarter Review, Council approved the transfer of £0.5m to an earmarked reserve for Early Intervention Initiatives.
230. During 2015/16, an estimated £25.8m will be drawn down and applied to fund service expenditure specifically provided for. Service outturn forecasts take account of this expenditure and funding.
231. A full list of earmarked reserves at 1<sup>st</sup> April 2015, and estimated movement in 2015/16 is contained in **Appendix 12**.

## 3. Workforce Development

232. 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.
233. 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. Work is underway to establish an online platform through which colleagues can more easily access a wider range of benefits.
234. Work is continuing to implement the Living Wage for directly employed staff with effect from 1<sup>st</sup> 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.
235. The learning, development and staff improvement training programme, in conjunction with all Directorates 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. We have offered 42 courses on the training programme between July and September 2015, with percentage take up of places slightly ahead of expectation.
236. The delivery of 19 different City and Guilds accredited vocational courses through Cheshire East Council Virtual College, in Health and Social Care, Business Administration and ATE (Adult Teaching), continues to support teams across the organisation with Level 2, 3, 4 and 5 qualifications, with the addition this year of an Advocacy, Information and Advice NVQ. We currently have 468 employees from across the organisation registered on these courses.
237. The Management Development Programme continues with the delivery of ILM levels 3 & 5 in Leadership and Management. There are currently 85 registered on these qualifications. A new 'Aspiring Managers' programme has also started with the new academic year. Offered to those identified through the PDP process as future managers, there are 11 candidates in the first cohort.
238. Workforce development has continued to support the development of staff and their teams. 6 applications for individual funding support have been approved through the CPD virtual panel and four teams have started team development programmes.
239. Services continue to request apprentices, with the current cohort being 44. The majority of this cohort is working towards a Business Admin NVQ, followed by five studying for a finance qualification, one for a customer service qualification and one for an agricultural qualification. The Chief Operating Officer's service employs 19,

Economic Growth and Prosperity 13, Adult Social Care 5, Children & Families 6 and one is employed by Public Health. During the last quarter 4 apprentices secured a position with the Council.

240. An awards ceremony was held in July to recognise and celebrate the learning and qualifications achievements of colleagues across the Council over the last academic year. A range of nationally accredited qualifications were represented from all 5 directorate areas. The award for the A\* Apprentice of the Year 2015 was also made at the event.
241. In August a new traineeship /pilot work readiness programme, entitled the Cygnet Pathway was launched to help prepare cared-for young people into work. Six young people are on the six month programme.
242. Cheshire East Council continues to offer a Graduate Programme, which includes Graduate Internships and a Graduate Development Programme. In this quarter, one Graduate Internship appointment has been made, bringing the total internships across the Council to 6 (including Education, Legal, HR, C&F). One further position is currently advertised (Business Intelligence) and one is awaiting paperwork (Regeneration). One intern (Legal) has been extended and one intern (Education) has passed their 6 month probation review with high praise. In terms of the Graduate Development Programme, 18 graduates from across the Council have taken part in development events.
243. Other important developments since April to note which have had a significant impact on workforce development are the introduction of the Care Certificate, the closure of the College of Social Work and the introduction of the Care Act.

244. 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.
245. 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 three schools and academies signing up.
246. The Health & Safety buy-back period for schools remains open until 30<sup>th</sup> September 2015 - currently 92% of schools have purchased a service for the 2015/16 academic year.

### Staffing Changes

247. The employee headcount at the end of September 2015 was 3,799, a 0.29% decrease from June 2015.

**Table 12 - Corporate core CEC employee headcount and FTE figures for July, August and September 2015**

Directorate/Service (excludes ASDVs and Schools)	Jul-15		Aug-15		Sep-15	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
Public Health	23	20.4	26	23.4	26	23.4
Media (Communications and PR)	8	7.9	8	7.9	8	7.9
Strategic Commissioning	2827	2075.7	2847	2095.0	2827	2081.2
Adults Social Care & Independent Living	1134	862.8	1148	875.3	1137	867.8
Children's Services	1170	776.0	1178	785.7	1171	781.3
Commissioning and Client Support	25	24.2	25	23.8	25	23.8
Communities	498	412.7	496	410.2	494	408.3
Chief Operating Officer	589	479.1	593	484.0	595	487.0
Commissioning	48	44.5	47	44.0	46	43.0
Corporate Resources & Stewardship	316	253.2	315	252.6	316	253.4
Democratic Services & Governance	90	58.1	88	56.1	87	56.1
Legal Services	35	30.9	35	30.9	36	31.9
People and OD	60	53.4	60	53.4	59	52.6
Apprentices	39	38.0	46	45.0	50	49.0
Economic Growth & Prosperity	355	282.6	360	282.4	355	282.3
Assets	25	24.0	24	23.0	24	23.0
Crewe – High Growth City	3	3.0	3	3.0	3	3.0
Investment	87	78.8	87	78.6	86	77.4
Strategic and Economic Planning	63	61.0	66	64.0	66	64.0
Strategic Infrastructure	8	7.5	9	7.5	9	8.5
Visitor Economy, Culture & Tatton Park	164	103.6	166	101.6	162	101.9
<b>Cheshire East Council Total</b>	<b>3790</b>	<b>2866.6</b>	<b>3821</b>	<b>2893.6</b>	<b>3799</b>	<b>2882.7</b>

248. **Table 13** demonstrates that throughout the second quarter in 2015/16 the cumulative average days lost to sickness was lower than the same period in 2014/15.

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

	Jul	Aug	Sep
Q2 2015/16	3.46	4.24	5.19
Q2 2014/15	3.79	4.63	5.58

## Voluntary Redundancies

249. 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.
250. Four people have left the Council under voluntary redundancy terms in quarter 2, two of whom held posts within the management grades (Grade 10 or above). The total severance cost, for all four employees was £144,228, inclusive of redundancy and actuarial costs. Over the next five years, these reductions are estimated to save the Council over £627,800 (which is the combined accumulated costs of the deleted posts).

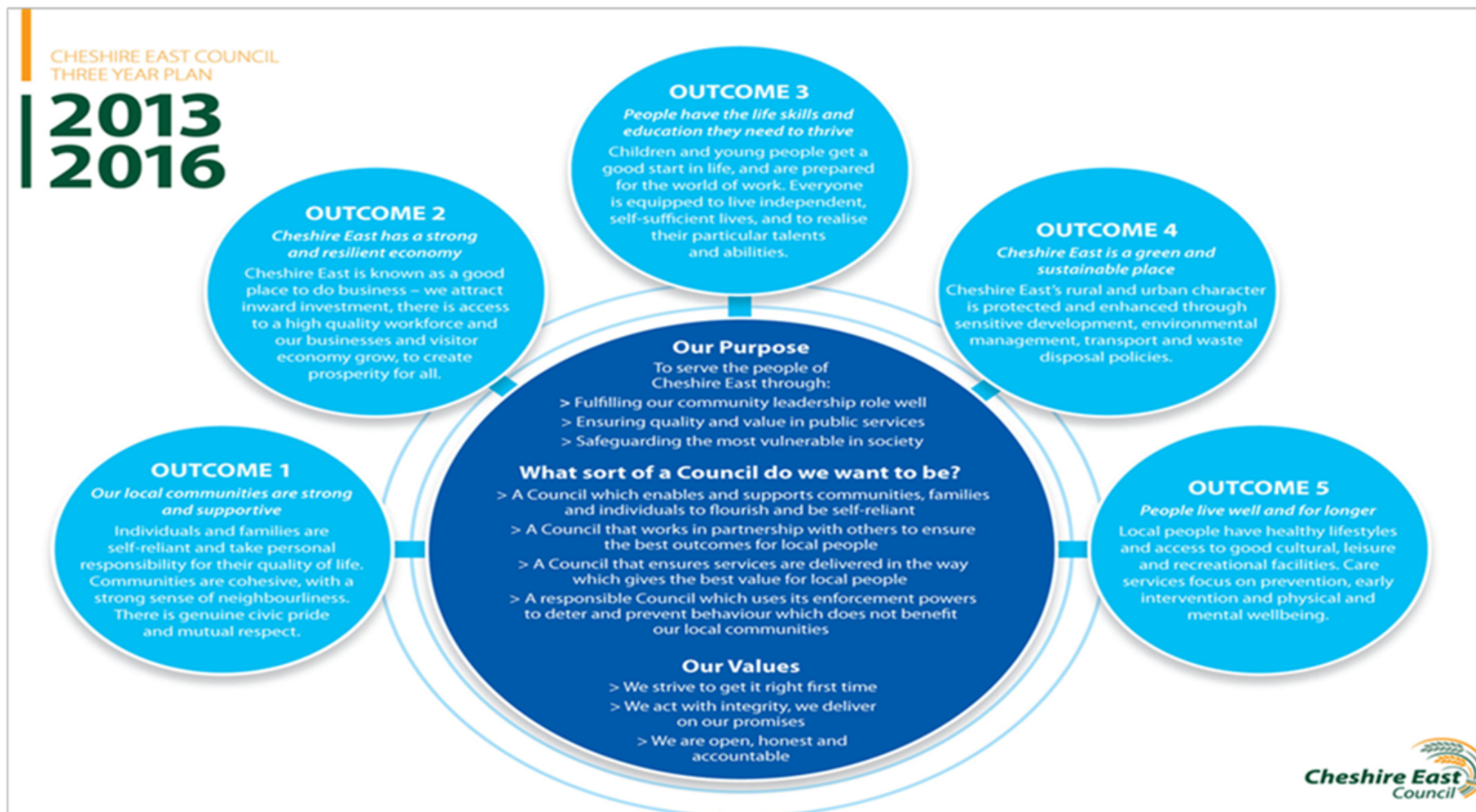
# **Appendices to the Mid Year Review of Performance 2015/16**

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**November 2015**



# Appendix 1 Cheshire East Council Three Year Plan



# Appendix 2 Changes to Revenue Budget 2015/16 since First Quarter Review

	Quarter 1 Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Other Virements £000	Quarter 2 Net Budget £000
Children & Families	43,366			83	43,449
Adult Social Care & Independent Living	95,080			217	95,297
Public Health	0				0
Economic Growth & Prosperity * see note	6,290	35		-182	6,143
Chief Operating Officer:					
Commissioning Services:					
Building Control, Land Charges and Planning Support * see note	1,715			-22	1,693
Bereavement	-1,292				-1,292
Environmental	28,769			-82	28,687
Highways	11,108			82	11,190
Leisure	2,130			-90	2,040
Transport * see note	14,683			-82	14,601
	57,113	0	0	-194	56,919
Communities	9,187			18	9,205
Other (e.g Finance, ICT, Legal, Facilities)	39,182			58	39,240
<b>TOTAL SERVICE BUDGET</b>	<b>250,218</b>	<b>35</b>	<b>0</b>	<b>0</b>	<b>250,253</b>
Central Budgets					
Specific Grants	-18,894	-35			-18,929
Capital Financing	14,000				14,000
Corporate Contributions	1,008				1,008
Contribution to / from Reserves	241				241
	-3,645	-35	0	0	-3,680
<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 Mid Year Review		Revised Forecast FQR 2015/16 £000	Revised Forecast MYR 2015/16 £000	Change 2015/16 £000	SRE / Balances (Note 2)
	Note				
<b>SPECIFIC USE (Held within Services)</b>					
<b>Schools</b>					
Dedicated Schools Grant	1	154,136	154,136	0	
Pupil Premium Grant	1	6,795	6,795	0	
Sixth Forms Grant	1	4,164	4,164	0	
<b>Total Schools Grant</b>		<b>165,095</b>	<b>165,095</b>	<b>0</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>263,894</b>	<b>263,894</b>	<b>0</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 Mid Year Review		Revised Forecast FQR 2015/16 £000	Revised Forecast MYR 2015/16 £000	Change 2015/16 £000	SRE / Balances (Note 2)
	Note				
<b>GENERAL PURPOSE (Held Corporately)</b>					
<b>Children &amp; Families</b>					
Troubled Families		332	332	0	
Troubled Families - Co-ordinator		200	200	0	
Youth Justice Grant		326	326	0	
Youth Rehabilitation Order - Junior Attendance Centre		33	33	0	
Extended Rights to Free Transport		128	128	0	
Staying Put Grant		73	73	0	
<b>Adult Social Care &amp; Independent Living</b>					
Local Reform and Community Voices Grant		195	195	0	
Independent Living Fund		749	749	0	
Adult Social Care New Burdens		2,272	2,272	0	
Social Care in Prison Grant		70	70	0	
<b>Economic Growth &amp; Prosperity</b>					
Skills Funding Agency		628	628	0	
Neighbourhood Planning Grant		20	55	35	SRE
Right to Move		3	3	0	
Property Searches New Burdens - Tinklers		5	5	0	
<b>Chief Operating Officer - Commissioning Services:</b>					
<b>Environment</b>					
Lead Local Flood Authorities		35	35	0	
Lead Local Flood Authorities - technical advice on surface water proposals		82	82	0	

Corporate Grants Register 2015/16 Mid Year Review		Revised Forecast FQR 2015/16 £000	Revised Forecast MYR 2015/16 £000	Change 2015/16 £000	SRE / Balances (Note 2)
	Note				
<b>GENERAL PURPOSE (Held Corporately)</b>					
<b>Communities</b>					
Housing Benefit and Council Tax Administration		1,549	1,549	0	
NNDR Administration Grant		559	559	0	
Implementing Welfare Reform Changes		53	53	0	
<b>Chief Operating Officer - Other:</b>					
Education Services Grant		3,000	3,000	0	
Council Tax Freeze Grant 2015/16		1,840	1,840	0	
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		126	126	0	
Individual Electoral Registration		101	101	0	
<b>Total Service Funding</b>		<b>18,915</b>	<b>18,950</b>	<b>35</b>	
<b>TOTAL GENERAL PURPOSE</b>		<b>96,704</b>	<b>96,739</b>	<b>35</b>	
<b>TOTAL GRANT FUNDING</b>		<b>360,598</b>	<b>360,633</b>	<b>35</b>	

## Notes

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

2 SRE - Supplementary Revenue Estimate requested by relevant service.

# Appendix 4 Summary Capital Programme and Funding

Service	In-Year	SCE's	SCE's	Revised	Forecast Expenditure		
	Budget	Virements	Virements	In-Year			
	MYR	Reductions	Reductions	Budget	2015/16	2016/17	2017/18 and
	2015/16	2015/16	2015/16	2015/16	2015/16	2016/17	Future Years
	£000	£000	£000	£000	£000	£000	£000
<b>Children and Families</b>							
Committed Schemes - In Progress	10,065	0	202	10,267	9,577	1,707	948
Committed Schemes at Gate 1 Stage	2,663	0	9	2,672	2,672	1,028	0
Medium Term and Rolling Programme	5,154	0	-79	5,075	5,076	5,481	5,944
Longer Term Proposals	100	0	0	100	100	0	30,975
<b>Adult Social Care and Independent Living</b>							
Committed Schemes - In Progress	484	0	0	484	484	0	0
Committed Schemes at Gate 1 Stage	280	0	60	340	340	0	0
Medium Term and Rolling Programme	1,128	0	0	1,128	1,128	800	800
<b>Commissioning Services:</b>							
<b>Leisure</b>							
Committed Schemes - In Progress	10,332	0	400	10,732	9,732	1,000	0
Committed Schemes at Gate 1 Stage	500	0	0	500	500	3,150	5,065
Longer Term Proposals	0	0	0	0	0	250	0
<b>Environment</b>							
Committed Schemes - In Progress	3,099	32	0	3,131	3,131	0	0
Medium Term and Rolling Programme	9,077	0	0	9,077	8,887	7,346	0
Longer Term Proposals	470	4,000	0	4,470	2,470	10,303	0
<b>Highways</b>							
Committed Schemes - In Progress	27,681	30	51	27,762	28,409	7,414	5,000
Medium Term and Rolling Programme	500	-500	0	0	0	12,927	12,637

Service	In-Year	SCE's	SCE's	Revised	Forecast Expenditure		
	Budget	Virements	Virements	In-Year			
	MYR	Reductions	Reductions	Budget	2015/16	2016/17	2017/18 and
	2015/16	2015/16	2015/16	2015/16	2015/16	2016/17	Future Years
	£000	£000	£000	£000	£000	£000	£000
<b>Communities</b>							
Committed Schemes - In Progress	1,415	0	0	1,415	1,225	229	0
<b>Economic Growth and Prosperity</b>							
Committed Schemes - In Progress	28,011	0	-350	27,661	24,312	5,748	2,127
Committed Schemes at Gate 1 Stage	150	500	1,659	2,309	2,159	720	4,650
Medium Term and Rolling Programme	6,295	0	857	7,152	3,494	6,724	2,275
Longer Term Proposals	32,143	-4,000	-200	27,943	15,398	30,768	155,337
<b>Chief Operating Officer</b>							
Committed Schemes - In Progress	15,311	0	-660	14,651	14,698	200	5,997
Committed Schemes at Gate 1 Stage	0	0	660	660	660	300	0
Medium Term and Rolling Programme	608	0	0	608	608	9,903	0
Longer Term Proposals	5,550	0	-1,292	4,258	4,258	0	0
<b>Committed Schemes - In Progress</b>	<b>96,398</b>	<b>62</b>	<b>-357</b>	<b>96,103</b>	<b>91,568</b>	<b>16,298</b>	<b>14,072</b>
<b>Committed Schemes at Gate 1 Stage</b>	<b>3,593</b>	<b>500</b>	<b>2,388</b>	<b>6,481</b>	<b>6,331</b>	<b>5,198</b>	<b>9,715</b>
<b>Medium Term and Rolling Programme</b>	<b>22,762</b>	<b>-500</b>	<b>778</b>	<b>23,040</b>	<b>19,193</b>	<b>43,181</b>	<b>21,656</b>
<b>Longer Term Proposals</b>	<b>38,263</b>	<b>0</b>	<b>-1,492</b>	<b>36,771</b>	<b>22,226</b>	<b>41,321</b>	<b>186,312</b>
<b>Total Net Position</b>	<b>161,016</b>	<b>62</b>	<b>1,317</b>	<b>162,395</b>	<b>139,318</b>	<b>105,998</b>	<b>231,755</b>

Funding Sources	2015/16	2016/17	2017/18 and
	£000	£000	Future Years
Grants	41,369	37,904	123,963
External Contributions	14,836	14,616	21,348
Cheshire East Council Resources	83,113	53,478	86,444
<b>Total</b>	<b>139,318</b>	<b>105,998</b>	<b>231,755</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 and Families</b>		
Kitchens block (Gas interlock)	43,845	Contributions from schools delegated budgets towards works being undertaken to improve kitchen facilities
Suitability/Minor Works/Accessibility Block Provision - Lindow Primary School	20,784	Works to be undertaken at Lindow Primary School , funded from contributions from the school and the SEN Support budget, to adapt the school to better enable the one to one support of children with special needs
CyPad Tablets	180,000	To introduce CyPad Tablets within Catering services at schools, funded from a revenue contribution
<b>Adult Social Care and Independent Living</b>		
Adults Case Management	60,000	Additional Grant funding has been secured to fund the ongoing development of the Adults Case Management System.
<b>Leisure</b>		
Squash Court Refurbishment - Macclesfield	6,117	The budget has been re-instated to cover the final stages of the project
<b>Highways</b>		
Capacity enhancement - A534 Nantwich Rd	51,000	Demolition costs of 22 South Street to assist with the traffic management amendments to Pedley Street and Gresty Road, to be funded by S106 contributions



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>Economic Growth &amp; Prosperity</b>		
Central Heating Fund	180,340	Fully funded by a specific grant for an energy efficiency project, to be spent by 30 June 2016
NEA Technical Innovation Fund	198,822	Funding has been secured from National Energy Action for energy innovation in domestic properties, to trial the use of energy storage devices with solar panels and for full insulation of park homes.
Regeneration & Development Prog	5,000	Police Crime Commissioner Funding of £5,000 for Macclesfield regeneration
<b>Chief Operating Officer</b>		
Asset Management Maintenance Programme	25,000	Insurance settlement for wall repairs at Tatton Park following an accident
<b>Total Supplementary Capital Estimates</b>	<b>770,908</b>	

Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Capital Budget Virements</b>		
<b>Children and Families</b>		
Lacey Green PS - Basic Need	6,585	Virements of Capital Maintenance grant to meet the cost of feasibility works incurred on this project
Kitchens block (Gas interlock)	76,806	Contributions from schools Devolved Formula Capital Allocations towards works being undertaken to improve kitchen facilities
Manor Park - Basic Needs	7,201	Virement to merge projects relating to Manor Park Primary School
Ngage Provision - Alternative Pupil Referral Unit	1,524	Virement to reallocate residual grant from Suitability/Minor Works/Accessibility Block Provision
Suitability/Minor Works/Accessibility Block Provision - Shavington Primary School	41,000	Virement to merge projects relating to Shavington Primary School
Universal free school meals	2,800	Contributions from schools Devolved Formula Capital Allocations towards works being undertaken to improve kitchen facilities
Children's Financials	10,000	Virement to meet the costs of integration between between the Liquidlogic and ContrOCC systems for case management and finances
Capital Maintenance Central Allocation	27,267	Residual grant from the completed schemes at Buglawton and Mossley CofE Primary Schools and Ruskin High School
<b>Total Capital Budget Virements Approved</b>	<b>173,183</b>	
<b>Total Supplementary Capital Estimates and Virements</b>	<b>944,091</b>	

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

Capital Scheme	Amount Requested £	Reason and Funding Source
Cabinet are asked to approve the Supplementary Capital Estimates and Virements above £250,000 up to and including £1,000,000		
<b>Supplementary Capital Estimates</b>		
<b>Leisure</b>		
Lifestyle Centre Crewe	5,400	Transfer of budget from Adults for the Sensory Room at Crewe Lifestyle Centre, this is grant funded.
	10,000	Revenue contribution from Adults for the Medical Room changes.
	379,000	Additional budget required as part of the contingency costs. If the budget is not required at the end of the project it will be returned to the capital programme. This decision was endorsed at the Executive Monitoring Board meeting on the 23rd September 2015.
<b>Total Supplementary Capital Estimates Requested</b>	<b>394,400</b>	

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>Capital Budget Virements</b>		
<b>Children and Families</b>		
Hollinhey Primary School	250,766	This virement is for the condition works at Hollinhey Primary School, approved at Gateway 1 and will be fully funded by Grant.
<b>Economic Growth &amp; Prosperity</b>		
Handforth Mitigation Package	400,000	The Handforth Mitigation Package and A6 Corridor Improvements projects both relate to the same project. This virement from the A6 Corridor Improvements project will bring the Handforth Mitigation Package project upto the level of grant funding available from Stockport MBC. The scheme will be renamed "SEMMMS Mitigation (Disley/Handforth)".
<b>Chief Operating Officer</b>		
Schools Capital Maintenance	960,176	Children's Services allocate, to Facilities Management, a sum of money each year from the Capital Maintenance Grant for essential schools maintenance works. Historically this has been incorporated into the block allocation for non schools buildings. For reasons of future transparency, a separate project has been set up for the schools works afunded by the grant allocation.
<b>Total Capital Budget Virements Requested</b>	<b>1,610,942</b>	
<b>Total Supplementary Capital Estimates and Virements</b>	<b>2,005,342</b>	

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

Capital Scheme	Amount Requested £	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>Economic Growth &amp; Prosperity</b>		
Crewe Green Roundabout	5,000,000	This is a new scheme for a five armed roundabout that will ensure that once the new Crewe Green Link Road opens in early 2016 the increased traffic flow will not cause additional congestion at this junction. The scheme is fully funded by Local Growth Grant funding and S106 contributions
Middlewich Eastern By-pass	1,200,000	This project will utilise the Local Growth Funding already received by the Council to start preliminary work on the proposed by-pass in Middlewich to ease the pinchpoint areas from Junction 18, via Midpoint 18 through to the surrounding routes out of Middlewich.
<b>Total Supplementary Capital Estimates Requested</b>	<b>6,200,000</b>	

Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Cabinet are asked to request Council to approve the Capital Virements and SCEs over £1,000,000</b>		
<b>Capital Budget Virements</b>		
<b>Economic Growth &amp; Prosperity</b>		
Regeneration & Development Programme	1,792,123	The Council's regeneration programme is focussed on realising the potential of Cheshire East. This budget virement aligns the budget for both the Macclesfield Town Redevelopment and the existing regeneration and development programme in to one budget. This scheme is funded by Cheshire East Resources
<b>Total Capital Budget Virements Requested</b>	<b>1,792,123</b>	
<b>Total Supplementary Capital Estimates and Virements</b>	<b>7,992,123</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>Education Strategy</b>				
Springfield Special School (School Funded Project)	1,252,000	1,146,903	-105,097	Reduction of schools contribution as the budget is no longer required
Suitability/Minor Works/Accessibility Block Provision - Buglawton and Mossley CofE Primary Schools	1,470,827	1,462,151	-8,676	Reduction in budget is required as the project is now complete
<b>Economic Growth &amp; Prosperity</b>				
Crewe Rail Exchange	6,963,838	6,614,129	-349,709	This project is now complete and has been handed over. This residual budget was to be funded by external funding and will no longer be received
A6 Corridor Improvements	1,600,000	600,000	-1,000,000	The full budget approval is no longer required due to the revised SEMMMs Mitigation scheme
<b>Total Capital Budget Reductions</b>	<b>11,286,665</b>	<b>9,823,183</b>	<b>-1,463,482</b>	

# Appendix 9 Treasury Management

## Counterparty Limits and Investment Strategy

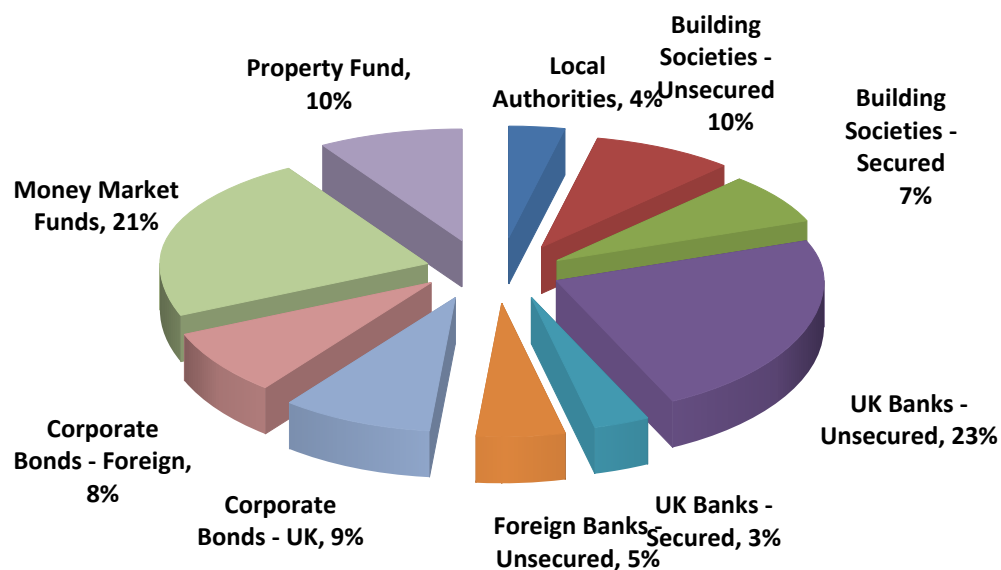
1. The maximum amount that can be invested with any one organisation is set in the Treasury Management Strategy Report. The maximum amount and duration of investments with any institution depends on the organisations credit rating, the type of investment and for banks and building societies, the security 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 30th September 2015 total £10m 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. **Chart 1** shows an analysis of the investments by counterparty type. A full analysis of the types of investment and current interest rates achieved is given in **Table 1** with the maturity profile in **Chart 2** which also shows the value of investments potentially subject to bail-in in the event of counterparty failure and those which are exempt from bail in requirements.

**Chart 1 – Current Investments by Counterparty Type**



**Table 1 – Types of Investments and Current Interest Rates**

Instant Access Accounts	Average Rate %	£m
Instant Access Accounts	0.45	2.5
Money Market Funds	0.43	15.4

Notice Accounts	Notice Period	Average Rate %	£m
Lloyds Bank	180 days	0.75	3.0

Fixed Term Deposits (Unsecured)	Start	Maturity	Rate %	£m
Standard Chartered CD	01/04/2015	01/10/2015	0.82	5.0
Lancashire County Council	25/06/2015	18/12/2015	0.47	3.0
Nationwide Building Society	31/07/2015	18/01/2016	0.64	2.0
Landesbank Hessen-Thuringen CD	31/07/2015	29/01/2016	0.70	2.0
Nationwide Building Society	03/08/2015	18/01/2016	0.62	1.0
Lloyds Bank	03/08/2015	18/03/2016	0.77	2.0
National Counties Building Society	05/08/2015	13/11/2015	0.54	1.0
Santander UK	05/08/2015	29/01/2016	0.72	2.8
Cumberland Building Society	13/08/2015	18/11/2015	0.53	1.0
Vernon Building Society	28/08/2015	04/12/2015	0.53	1.0
Close Bros	11/09/2015	11/03/2016	0.60	2.0
Santander UK	22/09/2015	18/03/2016	0.67	1.0
Mansfield Building Society	25/09/2015	18/03/2016	0.72	1.0
Santander UK	28/09/2015	24/03/2016	0.67	1.3

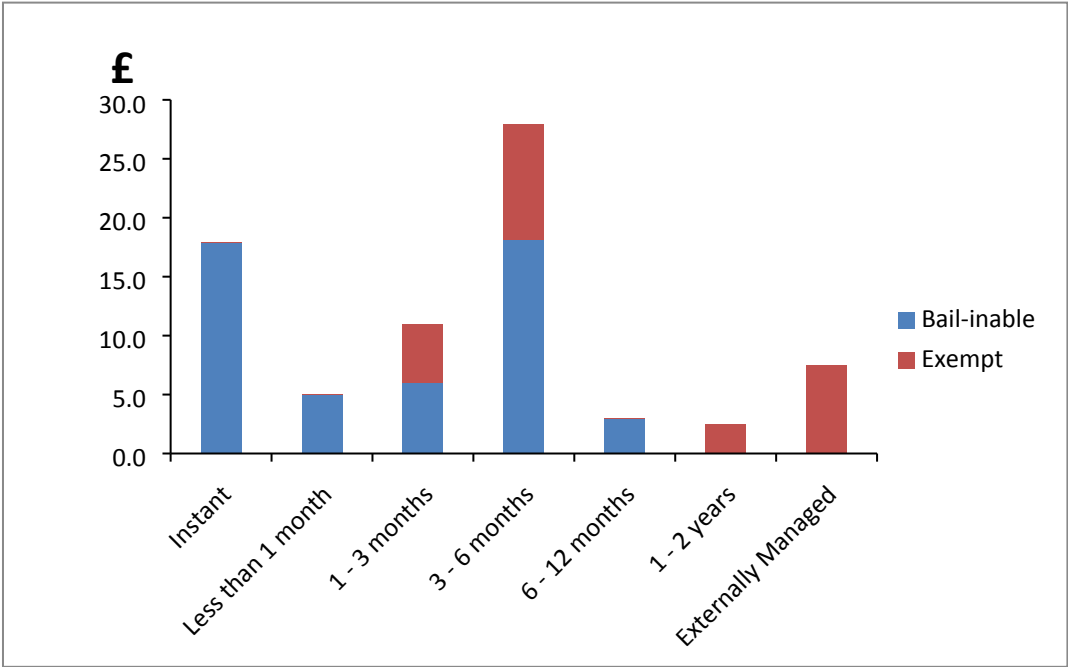
Secured Deposits	Start	Maturity	Rate %	£m
Yorkshire Building Society	05/11/2014	16/03/2016	0.73	3.0
Yorkshire Building Society	16/12/2014	16/03/2016	0.73	2.0
Bank of Scotland	17/06/2015	08/11/2016	0.84	2.5

Corporate Bonds	Start	Maturity	Rate %	£m
Volkswagen Financial Services	27/04/2015	23/05/2016	0.90	3.0
Heathrow Funding Ltd	08/05/2015	31/03/2016	0.90	2.8
Daimler International Finance	21/07/2015	10/12/2015	0.88	2.0
United Utilities	22/07/2015	29/12/2015	1.02	3.0
GE Capital UK Funding	28/08/2015	18/01/2016	1.08	1.0
Heathrow Funding Ltd	01/09/2015	31/03/2016	1.02	1.0

Externally Managed Funds	£m
Property Fund	7.5

Summary of Current Investments	£m
<b>TOTAL</b>	<b>74.8</b>

Chart 2 – Maturity Profile of Investments



# Appendix 10 Requests for Allocation of Additional Grant Funding

Service	Type of Grant	£000	Details
Economic Growth and Prosperity	Neighbourhood Planning Grant  (General Purpose)	35	A grant of £35,000 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.
<b>Total</b>		<b>35</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 September 2015 was £12.8m. After allowing for £2.7m of debt still within the payment terms, outstanding debt stood at £10.1m. This is £1.9m higher than at the end of the first quarter and is largely within the Adult Social Care area.
4. The total amount of service debt over six months old is £2.4m which is broadly in line with the end of the first quarter.
5. Services have created debt provisions of £2.7m 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	268	13	13
Adult Social Care & Independent Living	8,291	1,807	2,133
Public Health & Wellbeing	4	0	0
Economic Growth & Prosperity	425	154	113
Chief Operating Officer: Commissioning Services:			
Environmental	362	116	116
Highways	403	291	291
Leisure	11	0	0
Communities	36	17	17
Other	257	38	62
	<b>10,057</b>	<b>2,436</b>	<b>2,745</b>

# Appendix 12 Earmarked Reserves

Name of Reserve	Opening Balance 1 <sup>st</sup> April 2015 £000	Forecast Movement in 2015/16 £000	Estimated Balance 31st 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.
Early Intervention Initiatives	0	150	150	A recommendation to set up this reserve at £500,000 will be considered by Council on 22 October. Planned use in year of £350,000 to develop and implement a plan to improve the emotional health and wellbeing of young people.
<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.

Name of Reserve	Opening Balance 1 <sup>st</sup> April 2015 £000	Forecast Movement in 2015/16 £000	Estimated Balance 31st March 2016 £000	Notes
<b>Highways</b>				
Winter Weather	240	120	360	To provide for future adverse winter weather expenditure.
<b>Communities</b>				
Communities Investment	1,788	-1,363	425	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	3,552	8,200	To manage cash flow implications as part of the Business Rates Retention Scheme. Includes liabilities that will not be paid until 2016/17.
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 <sup>st</sup> April 2015 £000	Forecast Movement in 2015/16 £000	Estimated Balance 31st March 2016 £000	Notes
<b>Cross Service</b>				
Trading Reserve	36	-36	0	The Authority's share of ASDVs net surplus to be spent in furtherance of the ASDV's objectives.
Service Manager carry forward	5,244	-3,615	1,629	Allocations for Cost of Investment or grant funded expenditure.
Revenue Grants - Dedicated Schools Grant	8,184	-8,184	0	Unspent specific use grant carried forward into 2015/16.
Revenue Grants - Other	2,733	-1,570	1,163	Unspent specific use grant carried forward into 2015/16.
<b>TOTAL</b>	<b>51,016</b>	<b>-25,762</b>	<b>25,254</b>	

Note 1

#### Notes:

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

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## **CHESHIRE EAST COUNCIL**

### **REPORT TO:**

### **CORPORATE OVERVIEW AND SCRUTINY COMMITTEE**

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<b>Date of Meeting:</b>	5 <sup>th</sup> November 2015
<b>Report of:</b>	Chief Operating Officer (Section 151 Officer)
<b>Subject/Title:</b>	2016/17 Pre-Budget Report
<b>Portfolio Holders:</b>	Cllr. Peter Groves

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#### **1.0 Report Summary**

- 1.1. This report introduces the Council's Pre-Budget Report 2016/17. The actual budget will not be set until February 2016, but the Council is committed to open and transparent processes and is therefore providing stakeholders with early indications of proposals that put residents first and target scarce resources to the areas of most need.
- 1.2. The Pre-Budget Report gives details of how the Council intends to vary existing budgets to continue to maintain viable and sustainable services to local people. Significantly the report sets out proposals to:
  - i. Maintain appropriate reserves levels that protect against risks.
  - ii. Enter in to no additional borrowing in 2016/17.
  - iii. Achieving Net Revenue Budget savings in response to forecast reductions in Government Grants of £13m, additional service demands £5.3m and inflationary pressures of £5.4m, totalling £23.7m.
- 1.3. The Council's Pre-Budget Report is based on estimates and focused on the 2016/17 financial year. This acknowledges the lack of detailed funding information for the medium term and the need to balance later years when the position is clearer.
- 1.4. By providing this report in November 2015 the Council is maintaining continuing improvements in financial planning, control and transparency. This opportunity to comment on proposals is ahead of the standard process.
- 1.5. Comments received throughout the process will support Cabinet in developing the recommendations for a balanced budget to be agreed in February 2016. Corporate Overview and Scrutiny Committee Members are therefore being provided with an opportunity to not only consider the proposals in the report but also to consider additional recommendations for consideration as potential budget variations.
- 1.6. Early responses to the Council's proposals support the strong process to achieve a balanced financial position and put residents first. This is important as Cheshire East is the third largest Council in the Northwest of England, responsible for over 500 services, supporting over 370,000 local people.

Meeting the complexity of demand from local people requires annual spending in the region of £750m.

1.7. The attached report, **Annex 1**, is structured into these important sections:

<b>Pages 1 to 9</b>	<b>Introduction and Comments from the Finance Portfolio Holder and the Chief Finance Officer.</b>
<b>Pages 10 to 41</b>	<b>Details on proposals to vary the Council's current budget.</b>
<b>Pages 41 to 56</b>	<b>Details of efficiencies in the support services and additional funding opportunities together with the financial estimates that underpin budget setting</b>
<b>Pages 58 to 62</b>	<b>Information about important dates.</b>

## **2.0 Recommendations**

2.1 Corporate Overview and Scrutiny Committee are asked to:

- a. Note and respond to the invitation to make comments on the contents of the Pre-Budget Report 2016/17 as provided at **Annex 1**,
- b. Confirm any process for providing feedback to Cabinet in support of the overall process to provide a balanced 2016/17 budget.

## **3.0 Reasons for Recommendations**

3.1 The Council's annual budget forms part of the overall Medium Term Financial Strategy of the Council and is a key decision. The Pre-Budget Report 2016/17 provides an early indication of proposals to vary existing plans. Feedback on these proposals, from stakeholders, is requested to ensure a robust process is achieved.

3.2 Feedback from Members of the Corporate Overview and Scrutiny Committee provides insight and analysis that supports the overall legal requirement for the Council to set a balanced annual budget.

## **4.0 Wards Affected**

4.1 All

## **5.0 Local Ward Members**

5.1 All

## **6.0 Policy Implications**

6.1 The report outlines proposals that may affect the medium term policies of the Council.

## **7.0 Financial Implications (Authorised by the Chief Operating Officer)**

- 7.1 The current medium term financial forecast highlights a potential revenue deficit of £13m in 2016/17 and £10.2m in 2017/18. The report includes financial proposals that are intended to lead to the balancing of the 2016/17 budget following further consideration of service and budgetary pressures.
- 7.2 The Chief Operating Officer (as Section 151 Officer) has a responsibility to ensure the annual budget is balanced, includes robust estimates and is supported by adequate reserves.
- 7.3 The rolling three year Medium Term Financial Strategy of the Council has moved forward to consider the period 2016/17 to 2018/19. The Pre-Budget Report sets out proposals to address 2016/17, however, there is an identified funding gap for 2017/18 and the expectation of further austerity measures in the medium term.
- 7.4 The on-going impact of the proposals in the Pre-Budget Report, including the revised estimates surrounding the taxbase, will help to reduce future financial deficits.

## **8.0 Legal Implications (Authorised by the Head of Legal Services)**

- 8.1 The Council has legal responsibilities to provide local services that will be funded from Council resources.

## **9.0 Risk Management**

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

## **10.0 Background**

- 10.1 Each year the Council operates a rolling Business Planning Process to match resources with service needs by consideration of the Council's priorities, risks and targeted service changes. The process addresses these requirements through four stages:
  - **Set parameters** ~ assess funding levels through reviewing corporate funding assumptions in relation to Council Tax etc and agree the Council's priorities going forward.
  - **Gather Evidence** ~ develop proposals to manage the reduction in resources and additional growth pressures through changes to services, efficiency savings, increasing income etc.
  - **Consult and Refine** ~ share the proposals with Corporate Overview and Scrutiny Committee, Members and interested parties for comment and an invitation for further suggestions for making savings. Further internal challenge will develop the detail behind the proposals.

- **Approve** ~ Finalise the funding position and proposals. Report to Cabinet and Council to set the Budget.

Further details are shown on page 57 of the Pre-Budget Report.

- 10.2 This year has maintained the process to develop proposals much earlier in the year. This provides an opportunity for the “**Consult and Refine**” stage to share those proposals with interested parties at a much earlier stage, and allow more time for engagement (including use of modern techniques) and to consider the feedback.
- 10.3 This improvement builds on the success in 2014/15 where the Council’s financial and service performance has continued to improve.
- 10.4 Comments received throughout the process will support Cabinet in developing the recommendations for a balanced budget to be agreed in February 2016. Corporate Overview and Scrutiny Committee Members are therefore being provided with an opportunity to not only consider the proposals in the report but also to consider additional recommendations for consideration as potential budget variations.
- 10.5 Further details on the process to date and the timetable to approval are set out in the Pre-Budget Report at pages 57 and 58 respectively.
- 10.6 The Council continues to face financial challenges in the medium term and the position will be refined as the full impact of the 2016/17 proposals is understood and further information on funding levels is released.

### Access to Information

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

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Designation:	Chief Operating Officer, (Section 151 Officer)
Tel No:	01270 686013
Email:	<a href="mailto:peter.bates@cheshireeast.gov.uk">peter.bates@cheshireeast.gov.uk</a>

# Cheshire East Council Pre-Budget Report 2016/17



October 2015

This document provides an opportunity for interested parties to review and comment on the Council's Budget proposals. It is available to download on the [Cheshire East Council](#) website and has been distributed to all Cheshire East Councillors.

You can give feedback on the proposals in this report by speaking to your local Councillor – visit [Find Your Local Councillor](#) on the Cheshire East Council website for contact details.

Comments on this document are welcome until **Monday, 15<sup>th</sup> February 2016**.

You can also send any comments, queries or other responses, such as alternative areas for savings, to the email address below - all responses will be captured and reported to Cabinet Members and Council. When submitting a response or comment, please also include your name, organisation (if applicable) and contact details.

If you have any comments or queries please e-mail: [shapingourservices@cheshireeast.gov.uk](mailto:shapingourservices@cheshireeast.gov.uk)

After this date, interested parties may still submit comments on the budget up to the Council meeting on **Thursday, 25<sup>th</sup> February 2016** where the Budget is considered by all Members.



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# Foreword from the Finance and Assets Portfolio Holder

Cheshire East Council is a local authority with national ambition. We put our residents first and Cheshire East is a great place to live, work and play.

Since the elections in May we have been working hard, reflecting on our ambitions and prioritising our resources. Value for money is essential and Cheshire East is a council that delivers. The 2014/15 Financial Year delivered another small financial surplus, good service performance and Cheshire East earning its place as the Best Place to Live in the Northwest.

The Council has started well in 2015/16, budgets are balanced, satisfaction with services is high and the area retained its place as the Best Place to Live in the Northwest. 2016/17 presents a difficult challenge as the country continues to drive out costs in public services. Government grants may be reduced by up to 25% and the target reduction in Council spending in 2016/17 is almost £24m. But the Council is building from a solid base and as usual will adapt and innovate to meet this challenge.

The 2016/17 Budget provides a refresh of the Council's Outcomes. The Council's 3 year plan 2013 to 2016 introduced Residents First outcomes, and the plan provided an excellent focus for our activities. So, looking ahead, these headline outcomes will remain. The Council can achieve what it needs to, within the resources available, by working in new ways.

The Council will work towards a 4 Year Plan 2016 to 2020 and focus on:

**Communities** ~ helping residents to help themselves and each other. Supporting volunteering, and minimising anti-social behaviour.

**Economy** ~ encouraging and supporting businesses to create high employment and creating opportunities for all.

**Education** ~ intervening early to provide a great start in life.

**Environment** ~ supporting energy saving initiatives and making sure our green spaces make Cheshire East a great place to live.

**Health** ~ safeguarding the vulnerable and providing appropriate care that helps people live well and for longer.

We will continue to tackle the issues that concern our local residents. We will work with our partners and plan to invest more in new early intervention activities, and we will specifically aim to eradicate self harm. Cheshire East is a strong player in the regional economy and we will continue to extend opportunities that create a diverse workforce with opportunities for all, there will be no barriers to aspiration. Helping our residents to be ready for work is a key priority and we will work with local business to reduce NEETs even further and increase skills through training and apprenticeships.

Council Tax provides the largest single source of funding for Council Services and, following five consecutive years of freezing payments, the Council is aiming to continue into a sixth year, funding permitting.

Council Tax and business rates that are paid locally already provide the majority of funding for Council Services. Cheshire East is gradually becoming a self financing authority where residents and businesses provide all the necessary funding to meet our ambitions. Local growth is a key factor to continuing this trend, and this will be managed properly in the interests of local residents to continue to make Cheshire East such a great place to live, work and play.

*Peter Groves*

Cllr Peter Groves,  
Finance and Assets Portfolio Holder



# Comment from the Chief Operating Officer

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Cheshire East Council continues to arrange delivery of over 500 services every day that meet the needs of local people. The Chancellor's announcement of 5<sup>th</sup> October 2015, about increasing the local retention of business rates, was welcome news. Cheshire East has a large number of businesses and collects more business rates than it currently gets to spend, so we will work hard with central government to ensure the best local deal from any changes to these arrangements.

Putting residents first and providing value for money remain the Council's key priorities. This Pre-Budget Report provides further evidence of how Cheshire East Council is dealing with austerity and continuing to provide sustainable and affordable services.

The financial planning arrangements in recent years have provided a solid foundation for the future. We continued to build on best practice during the development of the Budget for 2015/16, providing increased confidence and assurance over the strong financial management of the Organisation. This was clearly demonstrated in the independent Audit Report on the 2014/15 accounts.

The current financial performance of the organisation is impressive but difficult choices lie ahead. Initial budget deficits of £13m and £10m for 2016/17 and 2017/18 were forecast in February 2015. This report updates these estimates with the latest intelligence and current assumptions. This has increased the size of the financial challenge and this report explains how the revised gap for 2016/17 will be closed through changing the relationships with partners, suppliers and residents and through continuing to drive local sustainable growth in housing, businesses and jobs.

We have continued to improve the budget process and the outline proposals set out in this report are robust and are being shared as early as possible. This is designed to encourage feedback and engagement with all stakeholders.

The Council is committed to exploiting opportunities to revolutionise service delivery arrangements. This is based on the belief that we can find or even create the right arrangements and the right providers that will get close to the resident and better understand local needs and therefore deliver a better service at a better price.

Change is constant and we will constantly monitor and compare our service levels and performance against best practice to continue to challenge, innovate and improve within the financial resources we have available. I encourage everyone to have their say on these proposals and the executive would welcome any new ideas that would help with the financial challenge and continue to put residents first.

*PJ Bates*

**Peter Bates** CPFA CIPD MBA

Chief Operating Officer  
(Section 151 Officer)



# Pre-Budget Report 2016/17 - Putting Residents First

## Achieving the Council's outcomes through improved value in services

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

### Outcome 1 – Our local communities are strong and supportive

- Individuals and families are self-reliant and take personal responsibility for their quality of life.
- Communities are cohesive, with a strong sense of neighbourliness. There is genuine civic pride and mutual respect.

### Outcome 2 – Cheshire East has a strong and resilient economy

- Cheshire East is the place where people mean business – investing in the building blocks that will allow business to grow, ensuring we have the right skills and promoting opportunities for investment. Working together we will create prosperity for all!

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

- Children and young people get a good start in life, and are prepared for the world of work. Everyone is equipped to live independent, self-sufficient lives, and to realise their particular talents and abilities.

### Outcome 4 – Cheshire East is a green and sustainable place

- Cheshire East's rural and urban character is protected and enhanced through sensitive development, environmental management, transport and waste disposal policies.

## Outcome 5 – People live well and for longer

- Local people have healthy lifestyles and access to good cultural, leisure and recreational facilities. Care services focus on prevention, early intervention and physical and mental wellbeing.

## Outcome 6 – A responsible effective and efficient organisation

- The Council serves the people of Cheshire East through: Ensuring quality and best value for local people, striving to get it right first time, and acting with integrity, being open, honest and accountable and delivering on our promises.

## Financial Stability

- Strong financial management, achieving outcomes within budget.
- Council Tax policy that supports national policies and puts residents first.
- Consistently reducing Council debt since 2009.
- Managing reserve levels that are appropriate and based on risks.

## Enhanced Budget Processes

- Maintaining improved timescale for developing and sharing draft Budget Proposals.
- Maintaining elected Member input and extended stakeholder engagement.
- Development and stream-lining of internal challenge processes.

PUTTING RESIDENTS  
**FIRST**

## The Financial Challenge

The Medium Term Financial Strategy highlighted a potential £13m revenue budget deficit in 2016/17, which reflected reducing government grant and inflationary pressures. Every effort continues to be made to mitigate any additional costs and demands where possible.

To develop a balanced 2016/17 budget the Council started with the 2015/16 baseline position, taking the opportunity to review all services. Potential scale of reductions in government grant was revisited and then the exposure to inflation and increasing demand was considered. This was essential as the government continues to reduce funding for local government services and to reflect other local spending pressures and priorities. The additional unavoidable financial pressures include nationally agreed pay awards, changes to National Insurance contributions and the planned uplift in pension contributions to address the existing pension deficit. Increasing costs also arise within services, for example in social care there are local demographic changes, implications from changes in service provider costs which also reflects the national living wage commitments.

The Council also stated its ambition to make a real positive impact which addresses the root causes of problems that can increase costs to the public purse over the medium term. More activity and investment will therefore be directed towards the development of skills and intervening early.

Overall this meant the Council has to identify substantial reductions in expenditure of circa £24m compared to the current baseline budget for 2015/16.

Financial issues in 2016/17	£m
Potential Reduction in Government Grant	13.0
Inflation (Pay, Pensions, National Insurance)	5.4
Estimated increases from demand for services	5.3
Changes required to balance 2016/17 Budget	23.7



## The Council's Response

This Pre-Budget Report identifies where the Council is making changes to address the financial challenge of £23.7m whilst still protecting front line services and meeting local needs.

By reviewing all estimates a revised, balanced position has been developed. The proposals include changes to services which are laid out alongside each outcome in specific sections of this report. The published budget of the Council reflects a net financial position, meaning all income, expenditure and growth pressures from inflation and demand, associated with all services, is consolidated into one overall net budget.

The overall net budget must be funded by Council Tax, Business Rates and General Government Grant. In 2016/17 the combination of changes to

these income sources is expected to leave the Council with £6.4m less to spend than is available in 2015/16.

Throughout the process the Council puts residents first and has focused on achieving efficiency, improving productivity and maximising the income available from sustainable growth in the local tax bases.

The net impact on each of the Outcomes is shown in the table below:

Outcome	Base Budget 2015/16	Budget including pressures	Proposed Budget 2016/17	Change from 2015/16
	£m	£m	£m	£m
Outcome 1	25.5	26.0	25.2	-0.3
Outcome 2	31.7	32.3	31.9	0.2
Outcome 3	12.2	13.4	11.1	-1.1
Outcome 4	30.9	31.3	30.2	-0.7
Outcome 5	109.8	114.8	109.3	-0.5
Outcome 6 (Services and Capital Financing)	54.4	55.3	50.4	-4.0
<b>Total</b>	<b>264.5</b>	<b>273.1</b>	<b>258.1</b>	<b>-6.4</b>

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# 1. Achieving Outcomes

Cheshire East Council is responsible for providing 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 will be in the region of £750m, which is raised from a combination of local taxes, national taxes (in the form of government grants) and payments direct from service users and other organisations.

Maintaining excellent services requires the constant review of what is needed and how this can best be provided. During the summer of 2015 the Council's Cabinet Members have re-considered the outcomes contained within the current Three-Year Plan (2013-16). The review concluded that the outcomes remain hugely relevant to the way the Council can meet the needs of local residents and businesses. However, it is inevitable that local needs and priorities in Cheshire East change over time and the Council must therefore be flexible. This section provides details on how the Council aims to achieve its outcomes through focused and clear priorities.

Each of the Council's Resident First outcomes is set out on the following pages along with proposed budget changes that will achieve a balanced position in 2016/17.

The following pages set out:

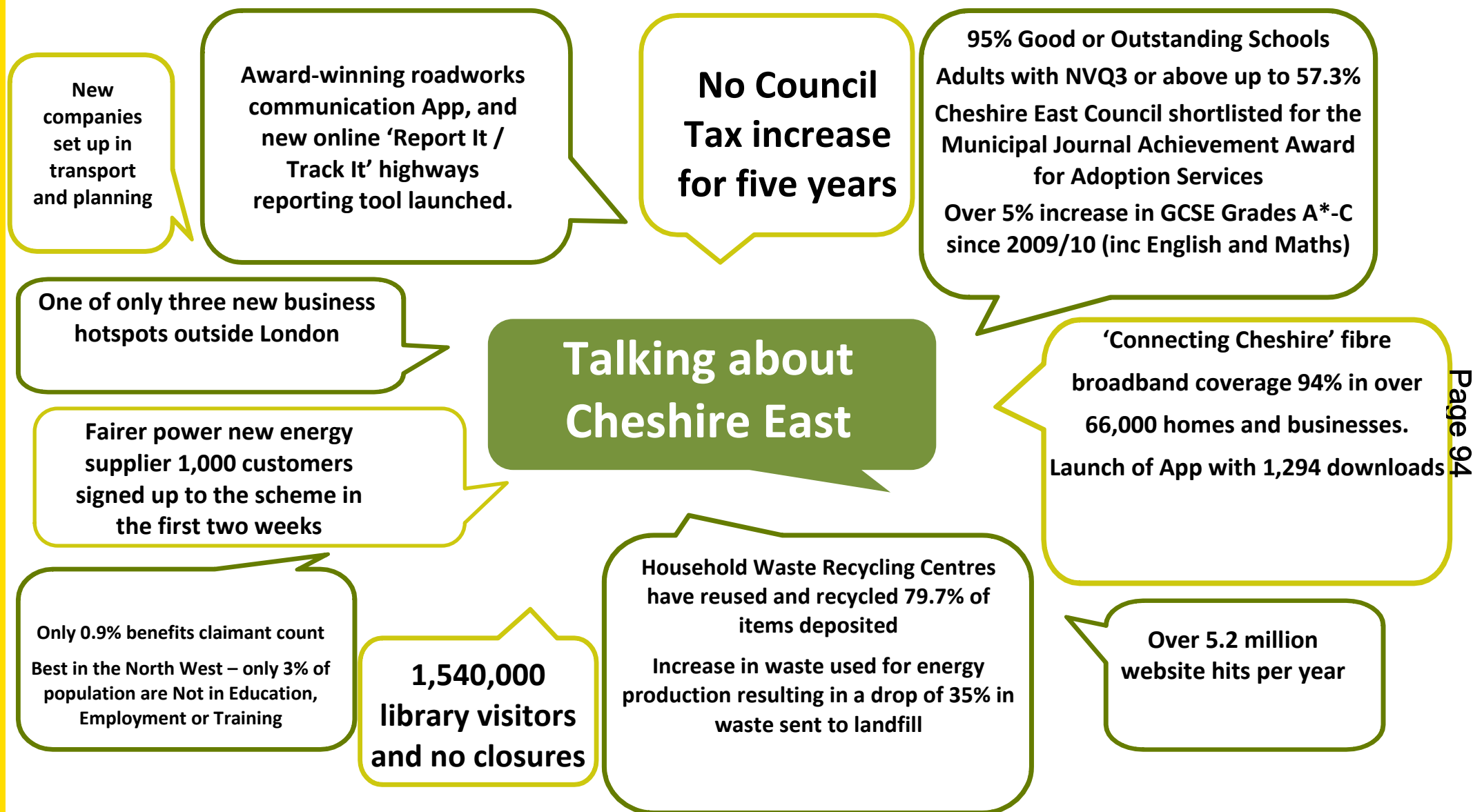
- Some of Cheshire East Council's achievements over the last year, as detailed in the Council's Outturn Report.
- A clear indication of the Council's current priorities.
- The engagement plan for the current budget setting process. The Council Plan details its "Residents First Outcomes" and sub-themes which form the guide for development of any proposals. The proposals in this report reflect the Council's ambition to achieve these outcomes.

The engagement schedule identifies who is being consulted with as part of this budget development process.

The uncertainty over medium term funding levels has led to this document being focused on 2016/17.

These pages are followed by further detail for each of the Council's service areas and corporate initiatives. Each page sets out key facts and figures (including the net budget) and narrative on what services are delivered. This is followed by details on the proposals for changing the budget and the broad financial impact. Service pages also set out the relevant performance indicators that would demonstrate successful performance together with some of the key challenges and opportunities facing each service.







## Local Engagement

### Cabinet and Council meetings

- Cabinet December 2015 (Taxbase)
- Cabinet February 2016 (Budget / MTFS)
- Council February 2016 (Budget)

### Member briefings

- Finance Induction Session 13<sup>th</sup> July 2015
- Programme of Finance briefings covering induction and Budget development

### Updates for staff on budget progress

- Updates to be made available in Team Voice, on Centranet and the Cheshire East Council website. This will include the Pre-Budget Report.

### Overview and Scrutiny

- Corporate Overview and Scrutiny Committee 9<sup>th</sup> July 2015
- Opportunity to examine service budget proposals on 5<sup>th</sup> November 2015

### Engagement events with other stakeholder groups

- Including businesses, Trades Unions (02/11 and 08/02), key partners, voluntary, community and faith sector, and the Schools Forum (03/12 and 28/01)
- These events will be highlighting how the Cheshire East Council budget will affect our different stakeholders and help to answer questions, address concerns these stakeholders may have, and help us to develop our relationship with our stakeholders and the wider community

### Residents

- Any comments? – Speak to your local Councillor
- Information included with Council Tax bills
- Media releases
- Citizens' Panel survey
- Social media

### Group meetings

- An opportunity to discuss details of the budget with Officers
- Available upon request

# Outcome 1 - Our local communities are strong and supportive

<b>What this means:</b>	<b>Individuals and families are self-reliant and take personal responsibility for their quality of life.</b> <b>Communities are cohesive, with a strong sense of neighbourliness. There is genuine civic pride and mutual respect.</b>	
<b>What the Council will focus on:</b>	<b>1. Active, Resilient and Connected Communities where people want to live</b>	<b>2. Communities where you are - and feel - Safe</b>
<b>What this will look like:</b>	People work together to help each other, take action and take pride in where they live. We enable and support all of our communities to be independent, and develop effective Community Hubs. We lead by example as a proactive and enforcing Council.	People feel safer in their own homes and in their communities. We work with partners to target a reduction in anti-social behaviour and improve public and road safety.



## Some facts about Outcome 1

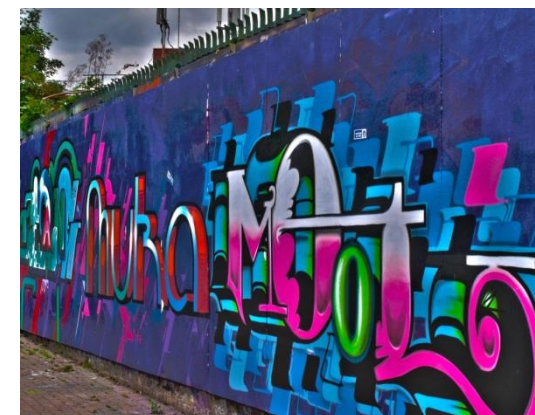
1. Over 1,540,000 visitors pass through the doors of Cheshire East libraries each year.
2. Work in communities delivers a wide range of community activities and projects with over 100 new volunteers getting involved in projects such as managing community centres or volunteering at one of the 16 new work clubs.
3. Focus on local area working attracted £0.65m in external funding and £0.3m in kind contributions from Partners in a year.
4. The number of Council website visits increased to 5.2 million during 2014/15, and visits made via a mobile device increased to 45%. We successfully launched our App on Apple and Android phones and achieved nearly 1,300 downloads in the first three months.
5. The Council's Community Grants Scheme granted over £225,000 of funding to 129 organisations, contributing towards over £1.5m worth of projects and community activities during 2014/15.
6. Reports of anti-social behaviour in Cheshire East are less than half the average for the Northwest.
7. Regulatory Services carry out c.1,000 inspections a year in relation to diverse cases such as animal welfare, permitted processes, food safety and health and safety.
8. 97% of businesses and domestic service users are satisfied with the service received from Environmental Health.
9. The Bikeability scheme continues its success with 6,000 young people receiving accreditations in 2014/15.
10. Planning enforcement has responded to almost 600 new reports of alleged breaches of planning control issuing 21 formal notices.

## 2016/17

<b>2015/16 Budget</b>	<b>£25.5m</b>
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<b>Change</b>	<b>-£0.3m</b>
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<b>Proposed 2016/17 Budget</b>	<b>£25.2m</b>
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## Proposals to vary the budget under Outcome 1 are focused on these areas:

After allocating inflationary and demand led budget pressures, the following changes are being targeted -

- **Reducing welfare demand (-£0.28m)**
  - More and more residents are taking responsibility for their own welfare. Only 0.9% of residents are seeking work, which is helped through economic growth initiatives, this enables benefit administration costs to be reduced in preparation for universal credit.
- **Reducing Council Tax Support Compensation Grant (-£0.3m)**
  - Reliance on funding local services through grants has been reducing, and it is proposed that Council Tax Support compensation payments to Town & Parish Councils cease on 31<sup>st</sup> March 2016.
- **Providing appropriate levels of service in regulatory services (-£0.1m)**
  - The National Citizens Advice Consumer Services will not be duplicated by the Council's Fair Trading Service.
  - Funding from the Proceeds of Crime Act will be used to support the cost of local services.
  - Licensing Budgets will be increased to reflect the increasing workload and reconfiguration of the budgets.
- **Communities / Partnerships Restructure (-£0.13m)**
  - The approach to providing support for the community is changing and staffing levels will be reconfigured and possibly reduced in Communities and Partnerships to reflect new ways of working. Emergency planning as a shared service will increase its income target to achieve a saving in core budget.

## Outcome 1 - Capital Investment is focused on:

- **Libraries** – continued capital investment into the Library investment programme (£0.25m).
- **High Quality Housing** – Bringing forward the right mix of housing for our residents with a focus on living independently for longer, Brownfield first, Affordable Accommodation, Gypsy and Travellers site (£2.3m).

## Measures of successful performance:

Performance of Outcome 1 will be measured through the use of performance indicators such as the examples below:

- Increased overall satisfaction with the local area (currently at 54%).

- Decreasing incidents of anti-social behaviour.
- Increasing the % of residents confident that Cheshire East are effectively reducing antisocial behaviour (currently at 55%).
- Increase the percentage of people feeling safe when they are alone in their own home at night (which is currently at a positive 87%).

## Challenge for 2016/17:

Some of the challenges the Council expects to manage are:

- Enabling communities to become even more independent and less reliant on our services.
- Developing a new model for sustainable libraries within community hubs and bucking the national trend of declining library usage.
- Enabling an effective and efficient civil enforcement and car parking service that ensures our local towns are prosperous and vibrant
- Maintaining our road network and road safety to an appropriate condition with the resources available.
- 

## Opportunities for 2016/17:

There are a number of opportunities for the Council to improve performance in relation to Outcome 1.

- Supporting communities to take action to improve their neighbourhoods.
- Ensuring that there is the capability to effectively respond to any major emergency and support the community via a multi-agency response.
- Ensuring community assets are open, accessible, meet local needs and are well organised.
- Promoting digital customer services, which can increase access to users and achieve greater efficiency.
- Providing responsive and effective customer access to services.
- Ensuring that residents receive the right benefits at the right time.
- Ensuring the protection of public health consumers.
- Improving the environment and supporting local businesses and taking action when it's not working.



# Outcome 2 - Cheshire East has a strong and resilient economy

What this means:	Cheshire East is the place where people mean business – investing in the building blocks that will allow business to grow, ensuring we have the right skills and promoting opportunities for investment. Working together we will create prosperity for all!			
What the Council will focus on:	1. Business Growth and Tourism	2. Jobs and Skills	3. Inward Investment	4. Infrastructure
What this will look like:	Businesses will grow and thrive in Cheshire East.  Town centres will be busy and more visitors will be attracted to Cheshire East	The Cheshire East workforce will be well educated and skilled.  Unemployment will be kept low, new jobs will be created and people will be ready for work as soon as they leave education or training	Sites will be available to support new business and allow existing businesses to grow	Cheshire East will be well connected.  Travel will be safe and efficient.





## Some facts about Outcome 2

1. Cheshire East is well established as a top-performing economy; in a national context, out-performing many of the leading economies in the country.
2. Cheshire East's economic output (Gross Added Value) per head is 16% above the UK average and 34% above the regional average.
3. Cheshire East's Job Seekers Allowance claimants are at a five year low at 0.7%; lower than the regional rate of 1.5%.
4. Business birth and survival rates continue to increase with a 92.5% '1-year Business Survival Rate' for 2013/14.
5. Cheshire East is home to nearly 18,500 businesses including 21 of Insider's Top 250 Companies. In fact, there are more businesses in Cheshire East than any other unitary council in the Northwest - even more than in Manchester.
6. An estimated 37% of the Northwest region's Research and Development jobs are based in Cheshire East, with over 5 times more people employed in science R&D than the UK average.
7. Cheshire East has a £240m highways investment programme, one of the largest outside of any metropolitan centre.
8. Cheshire East's visitor economy and tourism industry employs 10,851 Full Time Equivalents and attracts 14.62 million visitors. It has grown 9.4% since 2013 and is now worth £807m to the local economy.
9. "Free after 3" car parking has been introduced in seven car parks across the Borough to help businesses and increase footfall in town centres, with the addition of four more free after 3 car parks in Crewe, Congleton, Macclesfield and Wilmslow.

## 2016/17

<b>2015/16 Budget</b>	<b>£31.7m</b>
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<b>Change</b>	<b>+£0.2m</b>
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<b>Proposed 2016/17 Budget</b>	<b>£31.9m</b>
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Cheshire East Council is working closely with partners to facilitate the conditions that will encourage economic growth. Cheshire East has all the right ingredients to see a step change in economic productivity and become the growth engine of the North. We are investing in the building blocks that will allow businesses to grow; ensuring we have the right skills, capitalise on opportunities for investment and provide the necessary infrastructure.

## Key Priorities:

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### High Growth City - Crewe

- **Crewe Town Centre** – Stimulating new investment: retail, culture, leisure, residential and business.
- **High Speed2 (HS2) SuperHub Station** – Investing in a state of the art HS2 hub station at the heart of the Northwest.
- **Northern Gateway Partnership** – this is an emerging economic partnership between local authorities and Local Enterprise Partnerships to deliver sustainable plan led growth on the back of HS2 investment.
- **Fostering the growth of Crewe businesses and attracting inward investment.** For example Bentley Automotive.
- **Infrastructure Programme** – Multi-million pound major road building programme for Crewe, Middlewich and Congleton.
- **Ensuring young people have the right skills and experience**, preparing them for Work, University, Technical College and Apprenticeships.
- **Developing skills specialisms** in rail, engineering, automotive and advanced manufacturing.

### High Growth Sectors

- **Science** – Maximising investment into the Cheshire Science Corridor and capitalising on the Borough's world class science assets including Jodrell Bank, Alderley Park and Hurdsfield Business Park.
- **Energy** – Delivering the Council's Energy vision by securing investment in renewable and low carbon energy projects such as Geothermal, an Energy Company, Fairer Power, Energy from waste and Renewables.
- **Technology** – exploring opportunities for incubation space to support our creative and digital technology companies. Working with the digital and creative sector, expected one of the fastest growing sectors in the borough, to help it achieve its full growth potential.
- **Creation of a Skills and Growth ASDV**, to ensure all residents have the opportunity to work and all businesses have the opportunity to thrive.

### High Quality Places

- **High Quality Town Centres** – focusing and investing in our key towns to create high quality places for residents, visitors and businesses including bringing forward the redevelopment of the Royal Arcade site in Crewe, securing a high quality leisure-led development in Macclesfield alongside investment in the public realm, developing a strategy for regeneration and marketing of Middlewich town centre, and investing in the town centre public realm and securing the future use of a key listed building in Congleton.
- **High Quality Infrastructure** – major investment programmes such as Connecting Cheshire Broadband, M6 Smart Motorway, Congleton Link Road, Macclesfield Movement Strategy, Poynton Relief Road and SEMMMS2 (a strategic development link in regards to airport expansion), Crewe Green Roundabout, Sydney Road Railway Bridge and Middlewich Eastern Bypass.



- **High Quality Rural** – promoting and investing in our rural areas -Tatton Park, Reaseheath Food Enterprise Zone, Jodrell Bank First Light and the visitor economy.
- **High Quality Development** – working with partners to deliver strategic development in key locations including North Cheshire Growth Village, South Macclesfield Development area, Earl Road, Leighton Green and St Ann's Lane.

## Outcome 2 - Budget proposals are focused on these significant areas:

After allocating inflationary and demand led budget pressures, the following budget changes are being targeted -

### Economic Growth and Prosperity Team (-£0.6m)

- Invest in the Growth, Regeneration and Planning teams to support the local growth agenda.
- Increase charges for car entry into Tatton Park for the first time in six years to contribute to the conservation and management of the historic estate and achieve efficiencies in other areas of culture and visitor economy expenditure.
- Introduce charges to developers for public rights of way services and increase income from pay & display car parking to contribute to management, conservation and access in our countryside areas.
- Introduce new property charges for asset services, such as implementing rent reviews and lease renewals, effective management of debt and quick turn around on relettings and vacant premises to reduce holding costs and empty rates.
- Removal of vacant posts from the regeneration and investment staff structure.
- Transfer Macclesfield town centre management to Macclesfield Town Council.
- Reduce ground rent to facilitate growth of the Royal Horticultural Society Tatton Show.
- Reduce business rates and holding costs of Council buildings by completing planned asset disposals.
- Apply costs of the Property Management Team and Strategic Infrastructure & Transport Team to capital budgets where appropriate.
- Realign Silk Heritage Trust contribution to achieve revenue reduction over time.

### Highways Winter Services (-£0.22m)

- Reduce costs from a Winter Service Review into routes treated and provision of salt bins, in accordance with the Councils Policy and stop further payments to reserves as balances are already adequate.

## Car Parking (+£0.37m)

- Our emerging strategy will reflect our ambition around economic prosperity in town centres and effective traffic management. This may mean, after a period of consultation, possible alterations to pricing. It also takes into account the impact of Crewe Lifestyle Centre and the refund of car parking charges for users.

## Outcome 2 – Capital Investment is focused on:

- Strategic Infrastructure and Connectivity.
- Town Centre Regeneration.
- Development of Council assets to support growth and regeneration.
- Tatton Vision: investment in developing a sustainable income base to support the conservation, management and access of this important heritage attraction and its contribution to visitor economy.
- Investment to bring forward the right mix of housing for residents.

## Measures of successful performance:

- Increasing the employment rate in Cheshire East
- Increase in skills for people aged 14 years+
- New jobs created and jobs safeguarded
- Levels of employment / unemployment
- Economic productivity
- Business survival rates
- Inward investment
- High-speed broadband coverage
- Strategic highways investment.
- Business Rates.
- Vacancy rates in town centres



## Opportunities for 2016/17:

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- Development of benefits associated with a HS2 / SuperHub station.
- Explore potential of a new approach to affordable housing and housing delivery.
- Promoting local issues and opportunities as part of the science corridor programme.
- Development sectoral proposition for Rail and Engineering, Advanced Manufacturing, Financial and Technical services and Digital and Creative.
- Making the most of our towns and attracting inward investment.
- Working with companies to boost employment.
- Maximising investment and grant funds specifically European Structural funds and the Leader Programme.
- Making the most of our cultural, heritage, natural and visitor assets in contributing to town centre regeneration, rural and visitor economy, quality of places and related growth opportunities.

## Challenges for 2016/17:

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- Availability of commercial premises and land.
- Changing landscape of incentives and local government funding.
- Ability to compete with other towns and out of town locations to retain and grow retail and leisure spend.
- Establishing and implementing a car parking strategy across Cheshire East town centres.
- Maintaining impetus on the development and delivery of new road infrastructure in a climate where government capital funding is reducing.
- HS2 SuperHub station to continue to influence the choice and scale of investment required to deliver a solution that supports transformational economic growth.
- Maintaining levels of growth in the cultural & visitor economy, including the financial performance of Tatton Park, remains a significant challenge in a competitive market.
- Delivery of regeneration proposals linked to silk heritage in Macclesfield has high dependency on a number of inter-related projects and partnerships coming together in the context of the wider town centre vision.

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

<b>What this means:</b>	Children and young people get a good start in life, and are prepared for the world of work. Everyone is equipped to live independent, self-sufficient lives, and to realise their particular talents and abilities.		
<b>What the Council will focus on:</b>	<b>1. Securing the Best Start in Life</b>	<b>2. Highest Achievement for All Learners</b>	<b>3. Inclusion</b>
<b>What this will look like:</b>	Pupils will be school ready and have a firm foundation for a good education at the end of Early Years Foundation stage	Academic achievement and employability will be outstanding in Cheshire East	Vulnerable children and young people are supported to achieve their potential and increase aspirations

These outcomes align with existing partnership plans and strategies, including the Children and Young People's Plan where Priority 5 is to ensure that children and young people leave school with the best skills and qualifications they can achieve and the life skills they need to thrive into adulthood.



## Some facts about Outcome 3

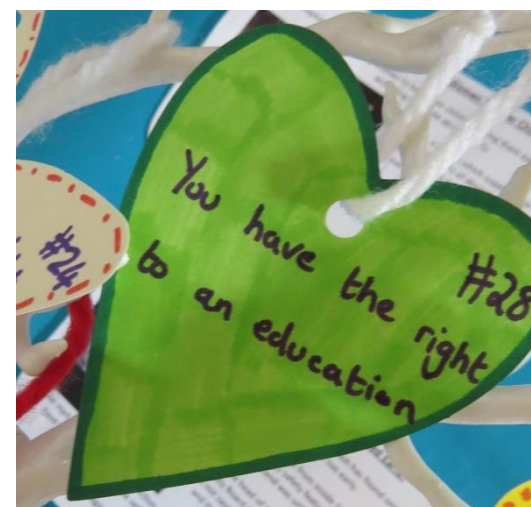
1. 95% of all schools in Cheshire East are rated good or outstanding, which places the Authority 3<sup>rd</sup> nationally when compared to all other Authorities.
2. Over 25% of post-16 learners in schools achieve the top A/A\* grade at A Level with over 50% achieving an A\* - B grade.
3. Latest figures for 2014 show that the number of adults with NVQ3 or above is at 57.3%; higher than England (56.5%) and North West (52.7%).
4. Excellent education, employment and training uptake – over 97% of young people are in education, employment and training (EET), with only 45 young people (0.4%) whose destination is not known.
5. The overall performance of schools at the end of every Key Stage shows that Cheshire East performs above national comparators and rates highly compared to our statistical neighbours. Provisional end of key stage 4 performance ( 5 A\*-C in English & Maths ) shows Cheshire East ranked 26 out of 152 local authorities.
6. 87% of cared for children and young people attend good or outstanding schools. There has been improvements in the number of these young people who achieve 5 A\* - C including English and Maths at the end of Key Stage 4 – this has increased from 15% to 25% over the last 12 months, with good rates of progress in core subjects. More cared for children continue to access higher and further education courses.
7. Cheshire East has a higher than national uptake of the two year old offer in the summer term. Currently around 70% of eligible two year olds take up the offer, compared with the national average of 63%.
8. In the early years, 68.4% of young learners achieved the expected good level of development this year, which is a rise of 6.4% points on the previous year.

## 2016/17

2015/16 Budget	£12.2m
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Change	-£1.1m
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Proposed 2016/17 Budgets	£11.1m
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In Cheshire East we believe in delivering the best education to give our young people the best chance of succeeding in later life. The majority of children and young people in the borough make good educational progress in schools but we know that differences exist across Cheshire and our positive achievement figures overall mask variation differences across the borough, which extend into adulthood. Addressing this gap in achievement needs to start in the early years and extend to after young people leave school. The outcome focuses on providing children with a good start in life in their early years, ensuring resilience and aspiration, raising achievement across primary and secondary education, and working closely with partners to protect vulnerable children including those placed in the care of the Council.

Achievements within the Children's and Families Service will be measured through improvements in areas such as increased numbers of recognised qualifications, an increase in the number of young people in education, employment and training and the improved attainment of vulnerable children. In addition, there will be an increased focus on the life skills of young people in preparing them for the world of work as well as supporting the emotional health and wellbeing of children from a young age.

Cheshire East was inspected for the first time under the single inspection framework in July 2015 and the inspection report was published on the [Ofsted website](#) on 15<sup>th</sup> September 2015. The Inspection, which was carried out by ten Ofsted Inspectors, took place over a four week period and inspected the following key areas:

- The experiences and progress of children who need help and protection;
- The experiences and progress of children looked after and achieving; permanence including graded judgements on
  - i) Adoption performance; and ii) Care leavers;
- Leadership, management and governance; and
- A review of the Local Safeguarding Children Board.

Ofsted's judgement was that Cheshire East Council requires improvement to ensure it is providing good services in the above areas; however, Inspectors were impressed with the Council's adoption services, which they judged to be 'good'. Inspectors found that planning for permanence is improving with a good focus on adoption and children are well supported in their new families. They also stated that support for adopters is a strength.

The following strengths of the local authority were identified by Inspectors:

- Plans, resources and Political commitment is in place
- There is active involvement of young people in strategic decisions and plans.
- The local authority knows itself well and uses external scrutiny and challenge to inform improvement
- The strategic response to children who go missing or are at risk of child sexual exploitation is strong
- The identification and referral to Children's Services for assessment, intervention and support is swift
- There is improved stability and reduced caseloads for most social workers which has led to greater continuity for children.
- Planning for permanence is improving with a good focus on adoption.
- Support for adopters is a strength.

## Outcome 3 - Budget proposals are focused on these significant areas:

After allocating inflationary and demand led budget pressures, the following changes are being targeted -

### 1) Reduction in agency staff costs (-£0.3m)

The proposal to reduce the reliance of agency staff and interim specialist support will enable permanent savings to be made. Through a proactive and innovative approach, to recruitment and retention, high cost agency staff are being replaced by permanent staff at a lower cost.

### 2) Commissioning Efficiencies (-£0.66m)

Efficiencies will be achieved through improvements in the effectiveness of commissioning and a focus on value for money together with a reduction in the value of some contracts. This will be done as some contracts are due to come to the end of their initial period and the requirements will be reviewed upon re-commissioning. We will also look at better commissioning of short breaks.

### 3) Traded Services – increase income through efficiency and growing the business (-£0.4m)

The proposal is to maximise the business trading models for the School Meals service and Adoption services to deliver increased income so the services reduce the need for base budget funding. Both services already generate levels of income but this can be further realised by increasing efficiency and growing the businesses.

### 4) Incentives for Foster Carers (-£0.13m)

The current 100% council tax support provided to all Cheshire East Foster Carers will be targeted to support lower income foster carer households and those households with exceptional circumstances whilst retaining a generous 50% reduction for all Cheshire East foster carers.

### 5) Review of Staffing (-£0.16m)

A reduction in posts and greater efficiencies across the children's workforce will realise savings in staffing budgets and supplies and services. A full consultation will take place with any permanent staff affected by this review.

### 6) Realignment of Children's Centre Provision (-£0.5m)

Children's Centres deliver both universal and targeted services some of which serve geographical areas where the number of vulnerable children is very low. Delivery will be focused upon those areas of greatest need with the development of a flexible offer, taking the support to the heart of the community via a mobile service delivery approach. Any decision to de-designate a small number of Children's Centres will be the subject of public consultation which will also involve consultation with any affected staff.



## 7) Youth Engagement Service (-£0.04m)

The Youth Engagement Service will delete a vacant post, realising efficiencies of £40,000. The work undertaken by the post is now managed by the Public Health team.

## 8) Supplies and services and Special Guardianship Allowances (-£0.1m)

A review of expenditure on supplies and services, and allowances, to ensure value for money and a consistent and fair application of policy. This will generate savings whilst ensuring we are continuing to meet statutory obligations.





## Outcome 3 – Capital Investment is focused on:

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- Ongoing maintenance of maintained schools based upon their condition.
- Responding to Basic Need requirements to ensure sufficiency of school places.
- Reviewing Special Educational Needs Provision across the Borough as part of an ongoing review.
- Shaping new provision in schools in Knutsford and Crewe which promotes creative solutions to address primary / secondary transition.
- Reviewing existing IT systems within Children's Services which provide essential data to undertake statutory processes.
- Redesign of Children's residential services.

## Measures of successful performance:

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<b>Early Years</b>	% of learners achieving a good level of development
<b>Early Years</b>	Gap in achievement for lowest 20% of learners
<b>End of Key Stage (KS) 2</b>	% of learners achieving combined Level 4 in Reading, Writing and Maths
<b>End of KS2</b>	% of learners achieving expected progress in Maths
<b>End of KS2</b>	% of learners achieving expected progress in English
<b>End of KS4</b>	% of learners achieving 5 A* - C including English and Maths
<b>End of KS4</b>	% of learners achieving expected progress in English
<b>End of KS4</b>	% of learners achieving expected progress in Maths
<b>End of KS2</b>	Disadvantage Gaps – L4 Reading, Writing and Maths
<b>End of KS4</b>	Disadvantage Gaps – 5 A* - C including English and Maths
<b>Ofsted</b>	% of Schools Good and Outstanding
<b>NEET Rates</b>	Maintain current low rates
<b>Sufficiency of Places</b>	Areas of highest need have sufficient places to meet need.

## Challenges for 2016/17:

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- To continue to close gaps in achievement, especially for disadvantaged learners.
- To meet sufficiency of school places resulting from associated issues linked to the Local Plan.
- To ensure young people leave education with the skills needed to be successful in a range of employment opportunities.
- To ensure that Special Educational Needs (SEN) provision appropriately addresses the education, health and care needs of young people.
- To continue to improve Children's social care services.
- To invest in prevention and early intervention.

## Opportunities for 2016/17:

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- To review and improve within the borough's SEN provision to reduce costs.
- To increase the employability and skills of young people across the borough, ensuring that they succeed in their transition into work.
- To improve school readiness through an improved 2 and 3 year old offer.
- To reduce inequalities in achievement and opportunity of young people through better targeting of resources.

## Outcome 4 - Cheshire East is a green and sustainable place

<b>What this means:</b>	<b>Cheshire East's rural and urban character is protected and enhanced through sensitive development, environmental management, transport and waste disposal policies.</b>			
<b>What the Council will focus on:</b>	<b>1. Planning and Sustainable Development</b>	<b>2. Waste Management</b>	<b>3. Environment</b>	<b>4. Affordable Energy</b> <b>Growing Energy Businesses</b> <b>Independent Energy</b>
<b>What this will look like:</b>	New development will be controlled through the planning process to ensure that it will fit within its local setting, help create a better place for residents to live and work in, and protect the areas urban and rural character	Cheshire East Council and its residents will produce less waste and keep the borough clean	Outdoor spaces will be pleasant and appreciated. Harmful emissions will be minimised	Providing affordable energy for our residents (e.g. Fairerpower)  Developing a local energy economy



## Some facts about Outcome 4

1. Over 240,000 bins are emptied every week in Cheshire East, and 12.5 million bins emptied in the year.
2. We have the second highest recycling rate in the North West with an expected 3% rise in recycling this year.
3. The Authority received seven Green Flag awards for its parks and open spaces in 2014/15 and Tatton also achieved 'Green Heritage' status.
4. 56,270 Gullies were cleaned during 2013/14 to achieve reduced flooding last year.
5. Tree of Light events at our cemeteries have helped families remember loved ones by placing over 3,000 stars of light.
6. First local authority to supply energy direct to the public since gas and electricity were nationalised in 1948, through Fairerpower.
7. The Cheshire basin, underneath Crewe and large parts of Cheshire East has enough hot water to provide hot showers for residents in the UK for the next 142 years.
8. We deal with approximately 4,500 planning applications per year and in 2014 we received more major housing applications than any other authority.

Environmental Services incorporate a wide range of front line operational services that are delivered by the Council and used by all residents who live in and travel through Cheshire East. The services range from those that are essential to all residents such as waste collection, roads and bereavement services; to services that enhance the environment, such as the Countryside and Public Rights of Way. All of which are vital and valued by the communities within Cheshire East.

From 2014/15 the Council will deliver many of these services through the alternative service delivery vehicles (ASDV) of:

- ANSA Waste Services
- Orbitas Bereavement Services



## 2016/17

2015/16 Budget	£30.9m
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Change	-£0.7m
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Proposed 2016/17 Budget	£30.2m
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Achievements in this service are measured by such things as maintaining the high recycling and satisfaction rates in waste services, improving the condition of the Highway Network by reducing the number of potholes, managing down overall pollution in the area whilst increasing satisfaction with parks, open spaces and countryside.

## Energy

**Key Priorities:** The Council has made a commitment to: help reduce the number of local households in fuel poverty; seek to gain energy security and independence; and support a growing energy business.

- **A Cheshire East Council Energy Framework** has been devised and a programme of sustainable alternative energy sources is being explored, to ensure a lower cost and resilient supply of energy and heat for local communities and businesses.
- **A programme of energy projects** is being developed to deliver the ambitions of the framework. This includes development of a district heat network in connection with deep geothermal energy and seeking to secure decentralised energy and working in partnership with an energy knowledge transfer network partner to seek further external funding and drive innovation.
- There will be development of a specification for **generating energy from garden waste** and a series of renewable energy projects for the Council's buildings to reduce carbon, increase efficiency and achieve long term sustainability.

## Planning and Sustainable Development

- Development Management provides a customer facing service that deals with a wide range of operations including planning applications, appeals and enforcement for residents across Cheshire East. Since 2015/16 the Council's planning support services have been provided through an alternative service delivery vehicle (ASDV), Civicance, which also deals with street naming and numbering, land charges and Building Regulations.
- Spatial planning provides the policy basis through the Local Plan and associated guidance to guide and control growth across the district. It ensures the delivery of plan led growth and provides the control mechanisms to deliver good quality and sustainable development.

### Key Priorities:

- **Facilitating the delivery of new development** to appropriate locations whilst protecting the character of the area through preparing and adopting the Local Plan, Supplementary Planning Guidance, Local Development Orders and investigating the potential development of a Community Infrastructure Levy.
- **Providing a more responsive and customer focused service** to support prospective developers, businesses and local residents to guide development to appropriate locations and defend against inappropriate development, including the provision of an effective and proportionate enforcement service.

- **Supporting local Parish and Town Councils** in the production of Neighbourhood Plans which help to identify the built and natural features which contribute to the character of our settlements.



## Outcome 4 – Budget Proposals are focused on these significant areas:

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After allocating inflationary and demand led budget pressures, the following budget changes are being targeted -

- Working with ASDVs to achieve efficiencies and productivity gains that can be recognised in management fees.
- Re letting our waste disposal contract to reduce waste sent to landfill – 25% of any surplus can be retained by the Council.
- Realigning the Planning budget to address anticipated pressures in policy planning, development management and improvements in service delivery.

## Outcome 4 – Capital Investment is focused on:

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- The development of a new Environmental Hub in Middlewich providing a waste recycling / transfer station, and base for our parks, waste, street cleaning and vehicle maintenance operations.
- Wheeled bins replacement.
- Procurement of a District Heating Joint Venture partner to progress its Deep Geothermal Energy ambitions as well as other renewable energy initiatives.

## Measures of successful performance:

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- Maintaining the high percentage of waste recycled
- Diversion of Waste from Landfill to Energy production
- Maintaining satisfaction levels in waste services
- Achieving 6,000 Fairerpower customers in 1 year
- The speed in which planning applications are registered and processed

## Challenges for 2016/17:

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- Working with greater exposure to market forces.

- Delivering outcomes through commercial skills and effective contract management.
- Reduction in Government Feed in Tariffs and Renewable Heat Incentive subsidies will impact upon the energy sector.
- The pressures of development levels across Cheshire East – plan led growth delivery.

## Opportunities for 2016/17:

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- Building commercial capacity and producing a dividend on investment.
- Producing new income streams.
- New contracts for waste processing that could allow the future collection of food waste in the garden waste bin, and divert black bin waste from landfill to waste to energy.
- Progression of new Joint Ventures to deal with our household and garden waste.
- To develop the mechanism, through the adoption of a Local Plan, to provide a basis for a plan led approach for future growth and the potential development of a Community Infrastructure Levy to help fund essential infrastructure to support our communities.
- Seek additional savings and income streams through Civicance.
- Alternative models to improve performance and delivery of faster planning decisions.



## Outcome 5 - People live well and for longer

<b>What this means:</b>	<b>Local people have healthy lifestyles and access to good cultural, leisure and recreational facilities. Care services focus on prevention, early intervention and physical and mental wellbeing.</b>			
<b>What the Council will focus on:</b>	<b>1. Empowering people to live independent, healthier and more fulfilled lives</b>	<b>2. Information, Advice and Guidance, Prevention and Early Intervention</b>	<b>3. Accessible high quality services, Information &amp; Advice</b>	<b>4. Public Protection, Health Protection and Safeguarding</b>
<b>What this will look like:</b>	<p>Our residents are supported to live independently with a high quality of life</p> <p>Our residents take responsibility for their own health and well-being. They have a positive experience in all interactions with the health and care system</p>	<p>The Council commissions and delivers proactive services which help to support physical and mental wellbeing</p> <p>Facilitating the identification, at an early stage, of individuals who can benefit from preventative services and interventions which help improve physical and mental health and wellbeing</p>	<p>Residents and customers find it easy to access local services and get the information they need</p> <p>Our residents have choice when accessing our high quality services. Our residents achieve excellent outcomes through engagement with our local services</p>	<p>There are strong, multi-agency arrangements in place to ensure residents are safeguarded and protected</p>





## Some facts about Outcome 5

1. Life expectancy in Cheshire East is significantly higher than the England average for both men and women. However, indicators of quality of life (social inclusion, self reported wellbeing) are only average.
2. Cheshire East Council supports an average of 5,700 adults with their social care needs at any given time. More than one third of the Council's net budget is utilised in support of services to adults.
3. Planned re-tendering of services will take place over the next two years.
4. A new fund has been created to assist in the delivery of new innovative services.
5. There were over 2.7 million visits to Council leisure facilities during 2014/15.
6. There is a clear link between loneliness and poor mental and physical health. Empowering people to engage more with their communities will have a positive impact on their quality and length of life.
7. Demand for health and social care occurs because of poor health. Many health problems are preventable through adopting a healthy lifestyle. In Cheshire East 17% of adults smoke, 61% of adults are overweight, 28% of adults are physically inactive and 27% of adults are high or increasing risk drinkers.
8. Cheshire East is identifying an Early Intervention, Help and Prevention budget of £2m. This brings together the relevant budgets from public health, adult social care, children's and communities to commission together.
9. Responsibility for some public health duties and services were transferred to Local Authorities on 1<sup>st</sup> April 2013 under reforms set out in the Health and Social Care Act (2012). Drug, alcohol and sexual health services account for around half of the total public health budget.

## 2016/17

**2015/16**                      **£109.8m**  
**Budget**

**Change**                      **-£0.5m**

**Proposed**                      **£109.3m**  
**2016/17**  
**Budget**



Responsibility for Public Health functions transferred to local authorities in April 2013 from the National Health Service. This means Cheshire East Council is required to “take appropriate steps to improve the health of the people who live in their area”. We do this by commissioning a wide range of services for residents such as sexual health, drugs and alcohol services, smoking cessation services and the NHS health checks programme. We also ensure that there are effective and tested emergency response arrangements for major incidents and the public is protected from the outbreak of communicable diseases and other significant threats including extreme weather events. Finally, we continue to support the NHS by offering specialist public health advice to ensure the public have access to evidence based services that will not only improve health but will reduce health inequalities.

These new responsibilities for the Local Authority came with a ring-fenced grant from the NHS to ensure the Council can invest in the delivery of these new functions. This has been in place within Cheshire East Council since April 2013 and has been used to support improvements in health and wellbeing for all residents. The changes we have implemented include:

- A new Drug and Alcohol service for adults and young people focused on preventing drug use, ensuring people who need treatment and care have the best possible support and opportunities to move on from substance misuse. We also provide opportunities for those in need to get the right help with housing and employment to aid their individual journey towards recovery which will benefit individuals, families and communities.
- A new Sexual Health service in Cheshire East which will offer residents more opportunities to access contraceptive advice and support locally together with the security of specialist sexual health services to identify and treat sexually transmitted infections. We will continue to invest in ways to help residents access support and advice on sexual health issues and continue to reduce numbers of sexually transmitted infections in Cheshire East.
- A new integrated Health Visiting and School Nursing service offering support for new parents, children, young people and families from birth right through to leaving school. We will support families through dedicated teams of health visitors and school nurses providing advice and at times intensive support combined with the Council’s existing dedicated children’s workforce.

Early next year we will also:

- Launch a new integrated health and wellbeing service, offering lifestyle advice and support to residents in an integrated way for the first time. This will include new services to create more support for residents who want to be more active and for those who want help to lose weight together with existing services offering support for people who want to stop smoking or need to access sexual health services urgently. We will bring all of these services together with a re-invigorated NHS health checks programme to ensure we can support residents to stay healthy for longer.
- Launch a programme to focus on improving mental health and wellbeing including investing in young people in a way that has not been realised before. This will include support and assistance to identify the priority needs of school age children and help them with support to deal with the challenges of growing up in a changing world.
- Deliver a new programme to empower residents to both take responsibility for their own health and well-being, and ensure a positive experience in all interactions with the health and care system. This joint programme with the Health service has the potential to improve quality and length of life and also to reduce demand for health and social care services.

Ultimately, Public Health priorities will focus on helping people to stay healthy. This includes helping people to reduce their risk of illness, decreasing the effects that illness can have on residents and controlling the spread of disease. Services and activities are being refreshed to provide a greater focus on prevention and early intervention and supporting people in taking ownership of their health lifestyle choices. All services will continue to develop collaborative relationships across the Council and with local partners to achieve health and wellbeing improvements for all residents.

Adult Social Care and Independent Living is the single biggest spending directorate, accounting for one in every three pounds spent by the Council. Adult Social Care is facing unprecedented challenges in the numbers of people needing social care support. As the demographic picture changes and many residents are living longer, there are the associated problems of aging and ill health with many people having multiple health conditions and frailty, resulting in the need for additional care and support. As a result, many more people find themselves as carers of their loved ones and they themselves need to be supported in their caring role. In addition, the Council has to respond to the implementation of the Care Act 2014 and the new duties placed on the Council have had to be incorporated into the work we do. Financial pressures have been further impacted with the introduction of the national living wage which has had to be factored into the care services contracts as we move forward.

As this is taking place at a time of financial challenge the service area has had to review its priorities to ensure that we meet the needs of residents, but in doing so we have had to review how we can best do this within the available resources. In order to do this Adult Social Care has adopted a priority based budgeting approach for 2016/17 to ensure that every pound spent helps people live well and for longer.

The approach requires us to identify the priority outcomes we need to achieve and allocate our resources accordingly to ensure that the care and support is targeted so we can meet need and improve outcomes for our residents. In completing this approach we have had to make difficult decisions as to how best we can deliver quality services to those who need them, meet the growing demand and achieve value for money in what we do.

We have, together with our health partners, had the opportunity to engage with service users, carers and the public in the last two years focusing on a number of topics. This has given us rich information and allowed us to hear the views of people relating to the services available to them and what they would like to see going forward. This has informed and influenced our review of the priority areas and what types of services we need to make available.

The implementation of the new Care Act 2014 has led to new entitlements for service users and their carers. We know that we need to focus on wellbeing, on the provision of information and advice in a variety of formats that means our residents can be part of vibrant, connected and supportive communities, where social isolation is actively reduced and support isn't something done to you, it's something we all do together. The focus is on how we can support people to support themselves wherever possible and take responsibility for their own health and well being. We are embarking on an assets based approach where our communities are recognised as one of most important assets.

We are embarking on a new phase of integration with health partners where frontline assessment services will be part of integrated health and social care community services. The residents of Cheshire East will be able to have a single point of access to have the health and care needs assessed and a plan of support arranged for them without the need to be assessed by multiple professionals in different teams and locations.

We are being transparent with where we currently spend our money and it is the intention that this approach prompts reflection both within Cheshire East Council and with our health and wellbeing partners. That will let us identify where we may be duplicating resources, both in effort and spend. In 2016 we will achieve the required savings target by putting in place more efficient and lean methods of carrying out professional practice, and associated processes have been identified to deliver savings without adversely impacting on meeting residents' needs. At the same time we will implement the findings of service reviews in line with our priority outcomes and legislative requirements.

In all of this we will continue to protect our residents. This includes ensuring everyone enjoys physical safety and feels secure. Through our safeguarding activities we will work to protect our residents from physical and emotional abuse, harassment, neglect and self-injury.

## Measures of successful performance:

Cheshire East Council performs well in many areas relating to Outcome 5. Our ambition would be to maintain or improve our position in the top quartile of local authorities nationally. We will regularly review (as new benchmarked data becomes available) the long list of indicators that contribute to people living well and for longer. We will focus on actions that deliver a reduction in health inequality, service change and reconfiguration to improve outcomes in the priority areas.

We anticipate the focus for 2016/17 will be to continue to improve in the following areas:

- Reducing social isolation (particularly for carers).
- Access to community based support in a crisis.
- Access to integrated health and social care assessments and support planning.
- Access to advice and information to promote self help and self management.
- People in contact with mental health services in stable and appropriate accommodation.
- Self reported wellbeing.
- Healthier lifestyles (smoking, excess weight, inactivity, alcohol consumption).
- Take up of NHS Health Checks.
- Reducing self harm.
- Identification and successful interventions for those with substance misuse problems.
- The number of people in permanent residential care will decrease overall with an expected reduction in the number of people being admitted into residential care.

- The timeliness and quality of social care assessments, including reviewing needs and support plans.
- The levels of debt held by adult social care.

## **Outcome 5 - Budget proposals are focused on these significant areas:**

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After allocating inflationary and demand led budget pressures, the following budget changes are being targeted -

### **Commissioning Efficiencies in Adults Social Care**

#### **Housing related support (-£1m)**

This is non statutory support for certain client groups who need help to access, retain and maintain their tenancy. It is planned to reduce the spend on housing related support services by renegotiating contract values and looking for greater efficiencies by new ways of working and eligibility criteria. Other support services can deliver this type of support as part of a comprehensive set of interventions. More efficient use of the full range of support services to deliver multiple types of intervention will reduce the need for specialist housing related support for some client groups.

#### **Care Fund Calculator (-£0.4m)**

For people who live in externally provided supported tenancy schemes, it is intended to continue the review of their care and support packages by using the Care Fund Calculator tool. This tool is designed to focus on the needs of individuals to complete a personalised assessment which will allow for the needs to be considered in terms of new ways of meeting needs and to identify how the allocated budget can be spent differently. The focus of assessments is to move to using the community assets available to a person, assistive technology solutions and move away from a care dependency model.

#### **Alternate funding of Community Alarm Provision (-£1m)**

For people living in sheltered and extra care accommodation the community alarm service is often included as part of the tenancy arrangement. The options for funding this type of service will be reviewed to ensure maximum use of alternate funding sources and choice for the tenant is maximised. The Adult Social Care service heavily subsidises this provision irrespective of the financial status of the tenants. The subsidy, if required, can be covered by housing benefits or private funding dependent on the financial status of our residents.

#### **Efficiencies through contract reviews (-£0.3m)**

Efficiencies will be achieved through improvements in the effectiveness of commissioning, resulting in a reduction in the value and ceasing some contracts.

### Digital advice and support (-£0.25m)

The intention is to review existing contracts to reduce the overall cost of information and advice, allowing residents, their families and carers to self-serve via the marketplace and service directory. Work with Public Health, GPs and other partners is underway to promote a wellbeing culture and network of resources. The focus will be to review commissioned traditional information and advice services by implementing online and digital solutions to complement telephone and face to face contact.

### Early Help (-£0.2m)

Review the performance and value for money of commissioned early help services reducing spend by £0.2m. Some services within this category have been identified as not delivering on intended outcomes or of being under-utilised. Contracts will be reviewed and either renegotiated or terminated.

### Care Act compliance and care provision (-£1.5m)

A review of in-house service provision to comply with the requirements of the Care Act 2014. Services need to be accessible to those who need them in terms of being able to exercise choice of provision and control over what services they access and how they are delivered. The responsibility of the Local Authority in complying with the legislation requires a review of how in-house services can be delivered to enable those who need and wish to access them can purchase them. Alternate models of care and how they are delivered will be co-designed and co-produced with service users, carers and care providers.

## Professional practice and process

### Using intense occupational therapy within reablement services (-£0.3m)

Utilise occupational therapists to work as part of the reablement service, to support the reablement offer and to maximise the benefits to the individual by short term intensive interventions to reduce need for duration and intensity of further domiciliary care support.

### Maximising independence (-£0.2m)

Some people have been assessed to require two carers to support them in mobilising safely. At times this has been at the point of discharge from hospital or when their mobility was at a particularly problematic stage. Mobility can fluctuate and at times two carers to assist can reduce the opportunity for the individual to maximise their independence. Intensive reviews by an occupational therapist will assist in ensuring the most appropriate support is provided to ensure safety and maximise independence.

### **Mental health domiciliary support (-£0.5m)**

Mental health services operate within a recovery model of care and utilise the principle of social inclusion to enable people to maintain or regain access to engaging with their local communities, access employment opportunities, access daytime occupation and leisure activities and secure stable appropriate accommodation. The recovery model focuses on the person taking control of their own lives with short term support to facilitate recovery and independence. A review of spend in this area has revealed a longer term dependency on support services has developed for some people. Reviews of this type of service provision with targeted support is planned to enable people to achieve their aspirations.

### **Review care packages (-£0.44m)**

Review the top 100 high cost care packages to assure ourselves that the needs, expectations and wellbeing of those residents are being served and that care is appropriate and promote independence. Our responsibility to meeting eligible needs that cannot be met by other support systems will not be affected by these reviews.

### **Low level interventions (-£0.1m)**

Review the effectiveness of low level commissioned interventions for individuals and identify alternate solutions to provide the support required by using where appropriate community assets and a greater enabling and socially inclusive approach. The focus of the reviews of care being provided will focus on a strengths based assessment.

### **Introduction of a self directed support approach – underpinned by a transparent Resource Allocation System (-£1.5m)**

There is a strong evidence base to demonstrate that appropriate practice and excellent social care both improve outcomes for residents and improve value for money. The introduction of a revised Resource Allocation system will support the process to deliver a fair and equitable system to ensure allocation of Council resources reflect the levels of need and risk experienced by the service user. This moves the allocation of the personal budget away from a subjective view on an individual professional. The new system will reduce overall care and support costs by using a system underpinning strengths-based assessments, which lead to person-centred support plans. These support plans will utilise community and social assets with Council funded services filling the gap.

### **Business Support and Finance staff reduction (-£0.1m)**

With the implementation of the new case management and finance system for Adult Social Care, the additional admin resource currently required for loading care package information will no longer be required. Moving to a more efficient system design will reduce the staffing budget by £0.1m.



### **Increase Income (-£1m)**

Annual uplift in fees, charges and benefit rates together with revision of the Charging Policy will increase income levels in 2016/17. The Charging Policy proposals have been formally consulted on and recommendations approved by Cabinet. The impact of this change reduces the requirement to support service costs from other general funding.

### **Supporting investment in Public Health (+£1.2m)**

Public Health focuses on helping people to stay healthy. This includes helping people to reduce their risk of illness, decreasing the effects that illness can have on an individual and controlling the spread of disease. Services and activities are being refreshed to provide a greater focus on prevention and early intervention and supporting people in taking ownership of their health lifestyle choices. These services are continuing to develop collaborative relationships across the Council and with local partners to develop health and wellbeing services and the wider determinants that affect the health and wellbeing of the local population. Significant levels of efficiency savings are increasing the amount available for direct service provision.

### **ASDV Management Fee (-£0.06m)**

Work will be done with the Council's Leisure Services provider, ESAR, to achieve savings within the management fee of £62,000. This is expected to be achieved through efficiencies and increased productivity and is in-line with the existing contractual arrangements between the two organisations.

## **Outcome 5 – Capital Investment is focused on:**

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- Ensuring that our care and support professionals have the tools and technologies that they need to do their jobs, wherever they are. We are continuing to invest in developing integrated care and support information systems anchored by a shared care record.
- Making sure that our residents have access to excellent self-help tools, information and advice to manage care and support for themselves and their families.
- Supporting communities by providing a marketplace for people to access local groups, community and social enterprises, case and support providers both large and small.
- Using the Disabled Facilities Grant (DFG) to ensure that people can live in their own homes for longer. This will be complemented by assistive technologies and digital care solutions.



## Challenge for 2016/17:

- Managing the market to ensure that there is a range of services, care and support available in the right place at the right time whilst the care sector is undergoing unprecedented legislative change such as the national living wage.
- Managing policy reviews, including those by external bodies such as Public Health England.
- Securing desired transformation in public health outcomes at pace that helps people live well and for longer.
- Promoting the care workforce and ensuring it is given prominence and value in order to ensure improved recruitment and attract young people into vocational and educational routes which promote the careers in health and social care.
- Successfully responding to the requirements of the Care Act.
- Launching the Empowerment programme.
- Successful implementation of the Integrated Lifestyle and Wellness system.
- Investing in early intervention and prevention at scale.
- Reducing health inequalities between Wards and reducing the life expectancy gap between the most deprived and least deprived communities.
- Connecting health, social care and communities' agendas to ensure a co-ordinated approach to the key priority outcomes for our residents.
- Ensuring the residents voice is heard and the principles of co-design and co-production of services is made a reality.



## Outcome 6 - A Responsible, Effective and Efficient Organisation

<b>What this means:</b>	<b>The Council serves the people of Cheshire East through: Ensuring quality and best value for local people, striving to get it right first time, and acting with integrity, being open, honest and accountable and delivering on our promises</b>				
<b>What the Council will focus on:</b>	<b>1. Best Use of Assets</b>	<b>2. Effective Processes</b>	<b>3. Engaging Our Staff</b>	<b>4. Enhance Leadership and Governance</b>	<b>5. Strong Financial Management</b>
<b>What this will look like:</b>	Property, Plant, Equipment and Information assets will be appropriate and add value to service delivery.	Strong Governance and appropriate internal controls will be in place.	Staff will be engaged and their welfare and development will be managed well.	External & internal assessment will show how the Council is performing.	Financial control will be effective. Budgets will be well prepared. Financial information will be accurate and appropriate.

## Some facts about Outcome 6 and Financial Stability

The Council demonstrates strong financial performance, with a small 0.3% underspend of the budget in 2014/15 being an improvement on 2013/14, and, once again, the Council has slightly increased overall reserves.

The Service manages the Council's property portfolio of approximately 600 major property assets, with an asset value of £440m, which will assist in the delivery of a wide range of services to over 370,000 people in Cheshire East.

Over 10,000 births, deaths or marriages are registered by the Council each year.

Over 290,000 people are registered to vote in the Borough, the third largest electoral role in the Northwest.

The 2014/15 Statement of Accounts received a true and fair opinion from the Council's external auditors. In the first year of producing Group Accounts the Council received just two audit recommendations for changes – an unprecedented low number.

The service maintains and supports front-line services with nearly 4,000 computers and laptops and nearly 350 different applications.

Capital spending by Cheshire East Council exceeded £100m in 2014/15, but, by applying for grants and using developer contributions and receipts, external borrowing was actually reduced.

Council Tax and Business Rates – the Council is among the top third of Unitary Councils in terms of collection. Over 99% of Council Tax and Business Rates are collected within three years.

## 2016/17

**2015/16** **£54.4m**

**Budget** (incl.  
Capital Financing)

**Change** **-£4.0m**

**Proposed  
2016/17  
Budget** **-£50.4m**

**2015/16** **£264.5m**  
**Corporate  
Budget**

**Less Savings** **-£6.4m**



Chief Operating Officer Services focus on providing high quality professional advice in areas, such as legal and accountancy, supporting all Council services. They are also responsible for providing appropriate buildings, facilities and technology that enable front-line services to operate effectively. These Services have a vital role in ensuring compliance, providing legal and procurement advice and project management skills, supporting elected Members and managing the governance and stewardship arrangements that promote transparency and accountability.

The services are focused on driving efficiencies and improved productivity through the better use of systems, automated processes and challenging the value for money of all initiatives to ensure activities add value, achieve priorities and contribute to the Council's stated outcomes. It is crucial that these services are lean and 'fit for purpose' to support and enable front line services delivery that meet residents' needs.

For 2016/17 the Chief Operating Officer has developed a range of savings options or proposed corporate financial changes that provide almost 50% of the overall level of savings required.

Achievements within Chief Operating Officer Services will be measured by such things as promoting local democracy; unqualified 'true and fair' opinions from the external auditors; the acknowledgement of added value from professional staff; the level of income collection; how the costs of support compare with national comparisons; and achieving the best rate of returns on investment and the effective running of the Council's estate.

It is a difficult challenge to balance financial stability with sustainable services that meet residents' needs. The proposals contained within this document are achievable, but in some cases will depend on changing behaviours of residents and staff and moving arrangements to more modern self-service options. Proposals under Outcome 6 are split between savings that will be achieved directly from a reduction in the cost of services and corporate financial issues such as the reviewing the domestic and commercial tax bases and the costs of financing the capital programme. The latter category of savings, from corporate budgets, is referred to as maintaining financial stability.

## Outcome 6 - Savings from Chief Operating Officer Services

After allocating inflationary and demand led budget pressures, the following changes are being targeted -

Reductions in employee or employee related costs in **Chief Operating Officer (-£1.62m)**

This will be achieved across the range of Chief Operating Officer Services through a mix of:

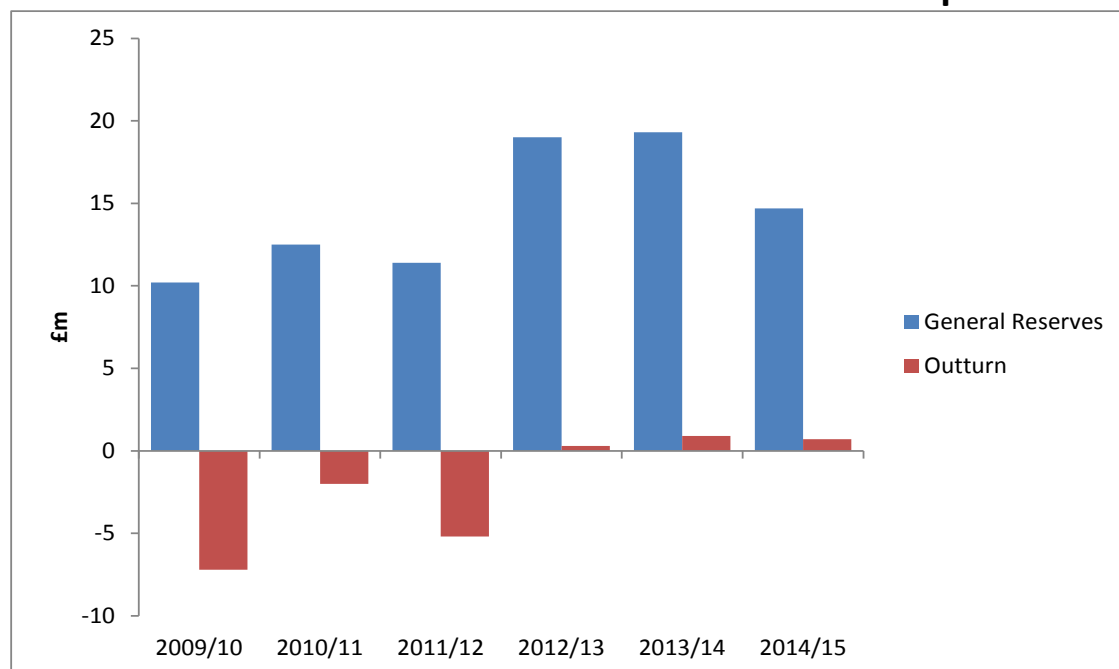
- **Freezing recruitment and deletion of a number of vacant posts that have been created by reshaping services.**
- **Reviewing and reducing staffing levels to focus on priorities and a smaller Council. This will include savings in:**
  - Commissioning;
  - Communications;
  - Changing support to Members and senior officers in line with comparator authorities.
- **Reductions in training and organisational development in line with comparator authorities.**

- **Targeted reductions in professional services such as Legal, HR, Finance and ICT in line with comparator authorities;**
  - These savings will be challenging to deliver but services have been re-designed and core priorities will be maintained.
- **Digital Customer Services project (-£1m)**
  - Better services will be provided through the internet where it works best for residents and keeps costs down. This is part of a multi year programme to increase uptake of digital service options given that 36% of residents prefer digital channels, with potential for up to 70% to shift to digital. A Customer Portal will provide a single route into digital services, with information tailored around the individual's specific needs. Reductions in overall staffing levels will result from shifting to digital services.
- **Facilities Management running costs (-£1.25m)**
  - Efficiencies in the running of the Council's property portfolio are proposed to increase even further in 2016/17 through efficient use of office space and reducing expenditure on things such as maintenance, utilities and business rates.
- **Reducing expenses and reducing costs of supplies and services (-£0.48m)**
  - Technology and changing behaviour can contribute to significant savings. Costs, such as mileage, will be avoided through more efficient use of technology. Costs will also be saved from reducing printing costs and through better procurement arrangements around postage, consumables and printing supplies.

## Outcome 6 - Maintaining Financial Stability

The financial stability of Cheshire East Council is strong, and has improved in recent years. **Chart 1** shows how general reserves have changed over time, creating longer term stability. Importantly it also shows how the outturn of spending has been within budget for the last three years, highlighting good financial control and accurate planning. In addition, the latest forecasts for spending in 2015/16 highlight further improvements in this trend.

**Chart 1: Reserves have increased and outturn has improved**



Source: Cheshire East Finance

In providing a balanced budget the Council must manage the fact that services are funded from a range of income sources. Local residents and businesses contribute to sustainable services through local taxation; contributions and charges; and central government provides grants funded mainly from national taxation. The Chief Operating Officer reviews all changes to these income sources, makes an assessment of risk and then estimates the overall annual impact to the Council's ongoing funding of services.

Changes to the budget as a result of the Chief Operating Officer's reviews are detailed below:

## General Government Grants

- A lack of current information makes financial planning for individual grants and associated expenditure levels particularly challenging, however, the Council is making a prudent assumption that core grant could reduce by c.25% in 2016/17. This could be as much as a £13m reduction in income.
- Increasing development in Cheshire East means New Homes Bonus is expected to exceed recent expectations and may increase grant income to the Council by as much as £0.6m. But other specific grants, such as health, care and education, have been maintained at previous medium term forecasts. These are based on best estimates or just a general reduction of 15%.
- No announcements have been made in relation to Council Tax Freeze Grant for 2016/17. To date the Council has accepted the freeze grant when it has been offered. If this grant is available, and members accepted this policy again then Government Grant would increase by c.£1.7m.
- Expenditure directly related to grants is reviewed when the full list of grants is provided by the government. This is expected to follow the Autumn Statement due on 25<sup>th</sup> November 2015.

## Local Taxation

Locally collected taxes, that are directly retained by the Council provide c.80% of the Council's net funding. The Council therefore takes a very careful approach to managing the tax base in a way that reflects local growth ambitions and supports sustainable services in the medium term.

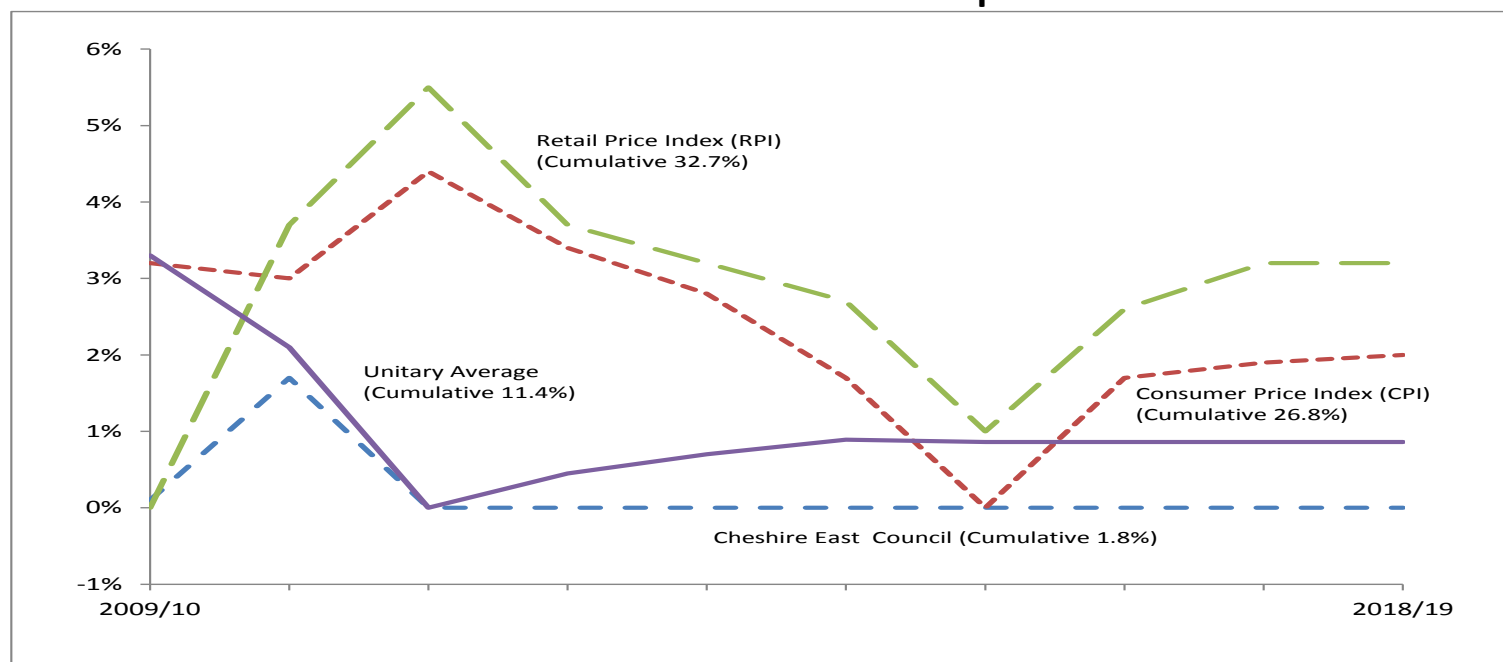
- **Growing the domestic tax base** - each new home brings additional Council Tax revenue, New Homes Bonus and, in the medium term, a Community Infrastructure Levy. But homes also bring additional costs, such as education, waste collection and highways. The Council ensures that any subsidy from its general funding sources is carefully examined to achieve maximum value. Through such actions the Council can protect families from Council Tax increases, make full use of any Government freeze grants but still increase income from Council Tax overall.
- **Increasing employment opportunities** - through economic growth, resulting in fewer people relying on welfare benefits from the Council and releasing funding for further improvements.
- **Maintaining strong collection rates and challenge of tax bases** - to ensure fairness to all involved and ensure the Council maximises local income for local use.

## Council Tax

- The Council has not increased Council Tax for five consecutive years. For the last four years government grant has been provided (Freeze Grant), but there is no certainty of this being available in 2016/17. This position will be reviewed as part of the analysis of the Chancellor's Autumn Statement and Comprehensive Spending Review. A 1% Freeze Grant, currently assumed within the Pre-Budget Report, or a 1% Council Tax

increase provides an additional £1.7m to fund services in Cheshire East. Chart 2 illustrates the significant impact freezing Council Tax has had on local bills compared to inflation and other areas.

**Chart 2: Council Tax bills in Cheshire East have been kept low since 2009.**



Source: Cheshire East Finance

- The overall tax base is forecast to increase due to new homes being built in the area, in accordance with the Local Plan estimate less changes to discounts. Overall this is expected to increase Council Tax receipts by c.£1.4m.
- Collection rates for Council Tax in Cheshire East exceed 99% over time. All payments are managed through the Council Tax Collection Fund and this is also being reviewed to ascertain if any surplus can be declared and used for the benefit of the 2016/17 budget. This review reflects on current debt levels and will be completed in January 2016.
- The Council Tax Support Scheme, that helps residents on low incomes to manage Council Tax payments, is also subject to review. Consultation has been undertaken throughout 2015, and a proposal will be made to Council in December. The scheme has remained the same since 2013/14 when it was introduced, but changes could increase overall payments. In addition, economic growth in Cheshire East helps to reduce overall dependency on welfare which acts to increase Council Tax receipts too. Current forecasts are that between £1m and £2m of additional Council Tax payments will be made in 2016/17 through reductions in Council Tax Support costs.



## Business Rates

- **Promoting Economic Growth** - business growth can result in additional income being retained for local investment, subject to certain thresholds. This supports the Council's approach to invest in economic growth through unlocking development land and supporting inward investment.
- The Council is maximising the benefit of the business rates retention scheme by pooling with Greater Manchester councils and taking part in a growth pilot, one of only two in the country. Both of these initiatives aim to retain as much local Business Rates as possible. Current forecasts are that an additional £0.8m of business rates receipts will be retained by the Council in 2016/17 on the back of these arrangements. The Chancellor's announcements on 5<sup>th</sup> October 2015, about local authorities being able to retain 100% of business rates, seem to build on the pilot and further details are awaited.
- Due to continuing volatility in the business rates base, an inherited position since the introduction of the business rates retention system, no growth above inflation (as applied to the multiplier) is currently forecast for Cheshire East Council.

## Capital Investment 2016/17

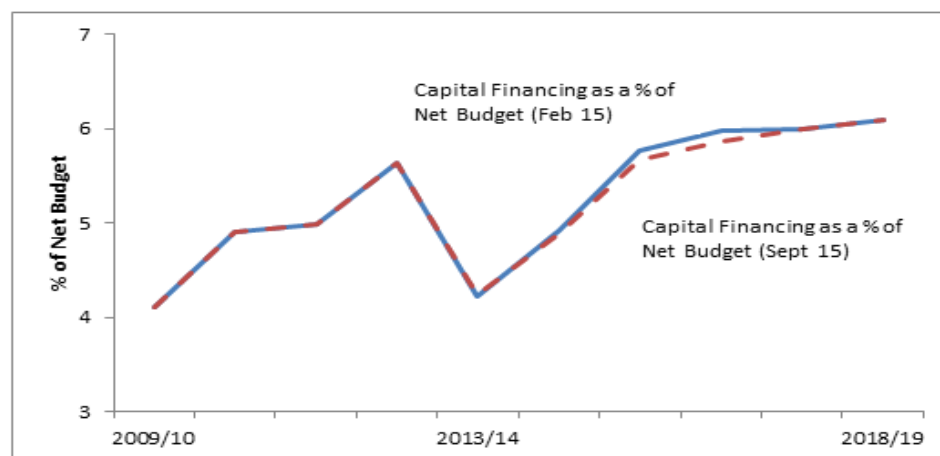
- The Council's strategic Capital Programme of £455.5m for the period 2015/16, 2016/17 and Future Years was approved by Council on 26<sup>th</sup> February 2015. It has an emphasis on infrastructure which will generate local economic growth; investment in new service delivery models and improvements in the Council's asset base.
- The Capital Programme is intentionally aspirational, reflecting the Council's ambition, to pursue additional external funding, private sector investment and capital receipts. It is designed to allow flexibility, so that schemes can be phased, reviewed and if necessary put on hold until the resources required are identified and secured, or alternatively, started to take advantage of funding and market opportunities as and when they arise.
- All proposals will be subject to scrutiny through the gateway process which ensures a robust quality assurance framework is followed for each project. The governance arrangements will safeguard against projects proceeding where costs may escalate beyond budgets. Variances from approved budgets will be subject to supplementary approval in accordance with financial regulations.
- Longer term proposals are included in the programme for planning purposes. Where costings are not yet available indicative estimates are included and these will be updated as projects progress through the gateway process and variations will be reported to Members via quarterly reports.
- The programme is expected to be funded by c.£80m of capital receipts, depending on the timing of these receipts the start times of some projects may be brought forward or delayed. The current status of the land and property market will be kept under review by the Asset Management Service and East Cheshire Engine of the North Ltd. The programme will be reviewed if the resource position changes.

- Projects that are not included in the current programme may still be considered if there are alternative funding options and there is opportunity to meet the capacity requirements of the project.
- At this point in time, any additional Capital resources to deliver the 2016/17 budget are being identified.
- During 2015 the Project Management Framework has been refined and the Business Planning Process now acts as a first approval stage for all schemes.

## Capital Financing

- Capital expenditure includes spend on major items such as new highways and schools. These costs are met through the Council's capital financing budget which takes into account all available income sources.
- The Treasury Management Strategy aims to hold down capital financing requirements at c.£14m per year in the medium term. The net revenue budget will decrease over time so the percentage required to fund capital is therefore likely to increase, which is as expected as the Council targets investment in infrastructure that can support the local economy.
- Properly managing resources ensures that cash balances remain stable and the forecast capital financing budget will reduce compared to the Medium Term Financial Strategy.
- No additional external borrowing is planned in 2016/17.

**Chart 3: The impact of capital financing on the revenue budget**



Source: Cheshire East Finance

# Pay and Pensions

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- Staff pay increase of 1% is anticipated for 2016/17 in line with Government announcements, although this is not expected to apply to senior officers and is subject to negotiation.
- Pension contributions by the Council are also expected to increase in line with the Medium Term Financial Strategy forecasts.
- The Council is budgeting for the additional cost of implementing the Living Wage and removal of the second state pension in terms of National Insurance impact. Further details are provided in the workforce section.

## Treasury management

- Three year capital programme is funded (subject to confirmation of grants and developer contributions).
- No new external borrowing planned.
- More effective cash flow management and reducing debt.
- Ongoing review will keep within the cap of £14m and expected to deliver a saving.

## Reserves to remain adequate

- Maintain £12.5m in risk based general reserves.
- Continue to manage the use of non-statutory earmarked reserves to support investment in local communities and the local economy.
- The Council will also continue to review its Balance Sheet in 2015 focussing on earmarked reserves to ensure these continue to be held according to an agreed plan or returned to general funds for more appropriate allocation.

# Outcome 6 – Capital Investment is focused on:

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## New Schemes

- Enterprise Resource Planning
- Facilities Management

## Committed Schemes

- Asset management and maintenance
- Digital Customer Services
- ICT infrastructure
- Data management
- Connecting Cheshire – Phase 2

## Measures of successful performance:

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- Investing more taxpayer funding in front line services by reducing the percentage of funding spent on professional functions
- Reducing the £ per m<sup>2</sup> costs of Council properties
- Increasing the percentage of non-pay spending managed by procurement professionals
- Enhancing spending and benefits realisation through management of projects
- Improve engagement and satisfaction with local people through greater use of business intelligence
- Spending in accordance with the estimated budget

## Challenge for 2016/17:

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- Developing support services to reflect the increasing and different demand from other services within the Council

# Protecting Against Risk and Supporting Investment

- Cheshire East's strong taxbase and greater independence provides financial stability and offers some 'local protection' from the impact of national economic fluctuations. Compared to most other English councils, Cheshire East is less reliant on government revenue grant as local businesses and residents provide a higher proportion of the Council's overall funding. In this context, it is also important to note that compared to neighbouring local authorities, total spending per head of population is below average. Given this national and local context its overall financial risk profile is lower than previous years. The Council's consideration and response to threats, and its ability and capacity to recognise and seize new opportunities, underpin its successful performance.
- The Council continues to strengthen its risk management framework and uses this to help it respond to changes. The Council's risk management framework strengthens the effectiveness of its overall governance, and provides a mechanism to ensure effective decision making. The internal control system allows the Council to respond appropriately to risks. This increases the likelihood of the Council achieving its strategic priorities and outcomes.
- Supporting the Council's budget with adequate reserves is a key element to creating financial resilience, and the publication: [Guidance and Data on the Financial Resilience of the Council](#) provides clear evidence of an improving trend of robust forecasting of performance and improvements in the level of general reserves.
- The decision, by the Chancellor in his Autumn Statement (December 2014), to include Council Tax freeze funding as part of the Council's basic grant allocation reduces the threat of that income source being completely removed at some later date. The 2016/17 budgets will therefore rely on much less one-off funding than was estimated in February 2015. As a consequence of this the Council will be much more flexible in its approach to holding or transferring money from general and earmarked reserves.
- Since Local Government Reorganisation in Cheshire in 2009 the Council has invested one-off income sources such as Council Tax freeze grants to pay for items such as redundancy costs or alternatively short term staffing needs that support transformation in service delivery. The Council also establishes a level of reserves that are adequate to protect the Council against financial risks, such as emergencies, which are not specifically budgeted for in individual years.
- The Council will continue to be flexible about investing revenue funding in maintaining sustainable services and reflecting changes to the risks facing the Council. The full Budget Report will include a revised Reserves Strategy for 2016/17 to provide further detail on estimated balances and the application of reserves in the medium term.

# The Medium Term

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- If the Council had taken no action to mitigate the impact of inflation then a real deficit could have emerged of approximately £60m over the medium term. Cost pressures can materialise in Council services from increasing demand or from inflation in prices.
- The Council is inevitably subject to inflation in demand, for example, an ageing population may require additional social care support and an increasing number of households will require more bins being emptied. Price inflation can also come from rising fuel bills and utility charges.
- Cheshire East Council will maintain an innovative approach to minimise cost and invest in prevention activity which seeks to reduce demand for direct Council services.
- The deficit, forecast for 2017/18, was £10.2m (4%) when the budget was reviewed in February 2015 (see **Annex 4**) and the Council is working towards mitigating that potential issue through significant savings being proposed for 2016/17, strong in-year budget management, analysing and mitigating risk and working with local businesses and communities to get the most value from local services. The development of the commissioning approach to local service delivery is significant, as this focuses resources on achieving outcomes with the agreement of local people.
- Matching the approach taken previously, during 2016/17 the Council will use project management approaches, and consider returns on investment, to support the issues arising from transition, such as achieving staffing reductions or implementing new processes or ICT.
- Maintaining budget control in 2015/16, following the recent trend of spending within budget, assists the Council in understanding the genuine cost base for services.

# 2. Workforce Planning

## Workforce priorities

Building a workforce which is ready, willing and able to meet future challenges remains at the heart of our Councils success. In many cases, this involves continuing to develop and consolidate on what we are already doing but in others it may involve the development of new skills and different ways of working.

### Key workforce priorities are:

- **Resident led & customer focussed** - our workforce will need to continue to be resident led and focussed on providing the very best customer service.
- **Outcome focused & high performing** - we will need to be focussed on outcomes and less on processes but continuously reviewing and improving our performance to be the best that we can be.
- **Well lead and managed** - those with responsibility for directing and supporting the work of others will need to deploy a wider range of skills underpinned by fairness, equality and diversity to ensure that the workforce can address the challenges that the Council faces.
- **Engaged, motivated & resilient** - we will need to ensure that our workforce are fully engaged and motivated to contribute their ideas and views about the best way to deliver the Councils' objectives. We will need them to be more resilient to deal with lots of change and fewer resources but remain focussed on delivery.

- **Professionally skilled & competent but working across boundaries** - we will continue to need highly skilled and competent professionals who operate safe practice and risk awareness but we will need them to work more effectively across internal and external boundaries as the structure and form of public service changes.
- **Flexible, adaptable & innovative** - our workforce will need to be flexible and adaptable to deal with a rapidly changing environment as well as finding innovative ways to organise and deliver services for our residents.
- **Working in a safe, healthy and supportive environment** - which enables the workforce to contribute effectively, reach their potential and maximise attendance.

### National Pay claim and Living Wage

The pay deal agreed nationally last year covered a two year period ending on 31 March 2016 and all NJC employees received a pay increase. The current pay claim made by the unions for 2016/2017 is:

- Deletion of NJC and all local pay points which fall below the level of the UK Living Wage.
- A flat rate increase of £1 per hour on all other pay points.
- Retention and protection of green Book Part 2 terms and conditions.

- Fair treatment for school support staff through a joint review of term time working.

As the Council is implementing the Living Wage with effect from 1<sup>st</sup> November 2015, the first point in the claim above will not cause additional pressure. The further points are being considered in the framework of regional employer consultations led by North West Employers and feeding into the national negotiations.

However, the impact of the new National Living Wage, which will rise to £9 per hour by 2020, will be monitored during the period 2016-20 as it will overtake the current Living Wage of £7.85 and lead to an increased cost on the Council's pay budget and also on commissioned services.

## Pension - end of contracting out

On 6<sup>th</sup> April 2016 the current basic state pension and state second pension (S2P) will be abolished and replaced by a single-tier state pension. The abolition of S2P will also mean the end of contracting out of pension schemes. Currently contracted out schemes must provide a certain level of Defined Benefits (DB) and in return both employer and employees pay lower National Insurance Contributions (NICs). The abolition of contracting out will therefore have cost implications for both employers and employees because of the loss of the NIC rebates. The Council has made provision for this impact. The Local Government Association has advised that they will provide guidance on this issue after the Autumn Statement in November and communications for staff are being prepared to issue in November to take the guidance into account.

## Headcount analysis and trend

Between April 2009 and September 2015 the Cheshire East Council employee headcount has reduced by 42%, (equivalent to a 41% reduction in full time equivalent employees). This is mainly, attributable to the restructuring of services and the TUPE transfer of staff to alternative service delivery vehicles.

## Measuring success

Measuring the effectiveness of the workforce priorities will be tracked through a small number of macro performance indicators such as:

- Employee engagement index
- Employee turnover
- Sickness absence
- Ratio of agency workers to employed staff
- Number of staff with performance development plans and performance ratings.

## Staff Reductions

Any proposal with a FTE impact will be shared and consulted on with the relevant staff at the appropriate time.

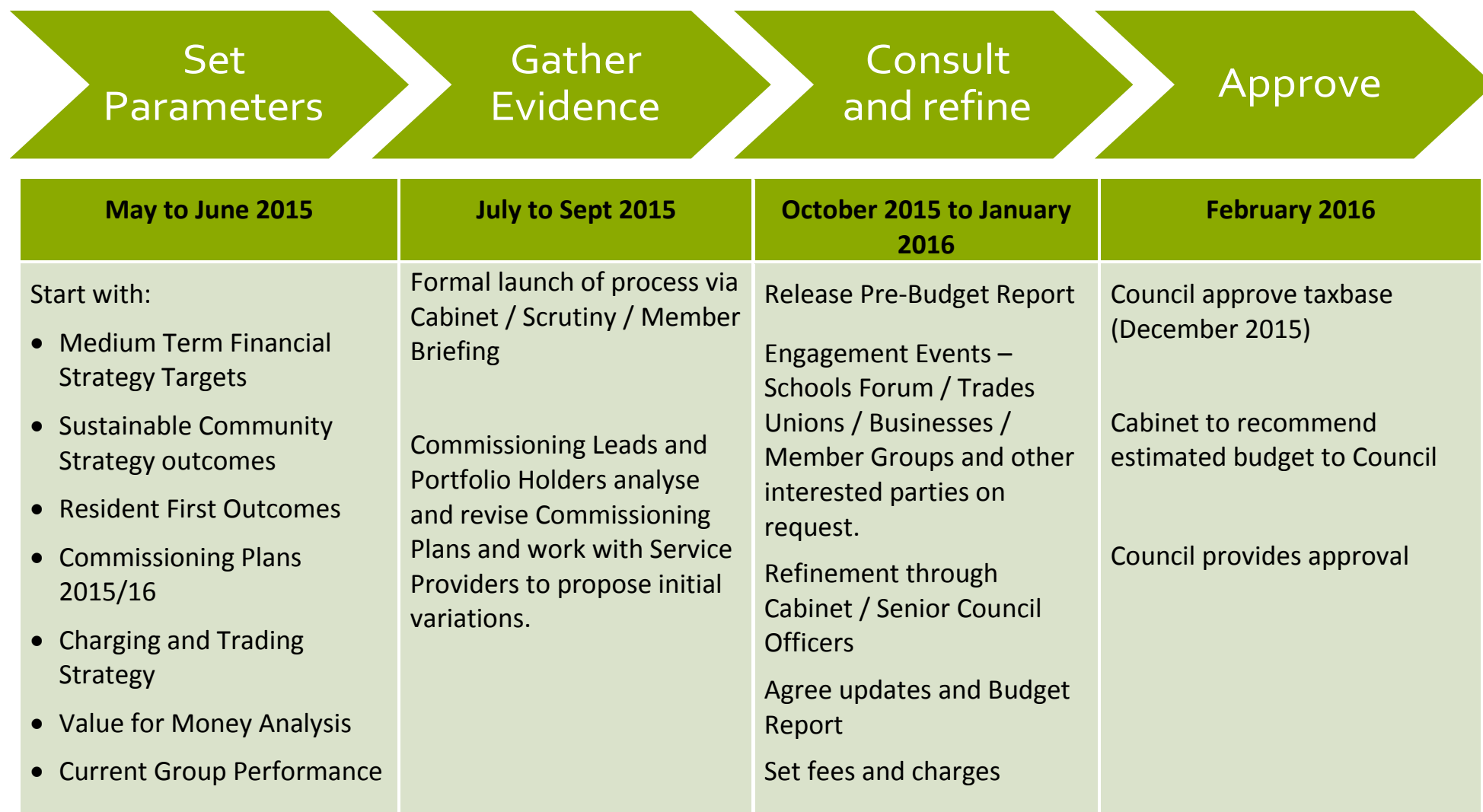


# Annexes to Pre-Budget Report 2016/17

October 2015

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# 1. Developing the Budget



## 2. Key Budget Events 2016/17

Event	Comments
1. Council 26 <sup>th</sup> February 2015	Identified potential net budget deficit of £13m
2. Management Group Board and Cabinet Members – May / June 2015	Confirm potential funding deficit and the process to manage it Develop high level proposals
3. HM Treasury – Summer Budget announced – 8 <sup>th</sup> July 2015	No specific details for local government but reductions expected.
4. Corporate Overview and Scrutiny Committee 9 <sup>th</sup> July 2015	Receive 2014/15 Final Outturn Receive update on Business Planning Process 2016/17
5. All Member Finance Induction Briefing 13 <sup>th</sup> July 2015	Receive details of key finance processes
6. Cabinet 21 <sup>st</sup> July 2015	Receive 2014/15 Final Outturn
7. Budget Challenge Group - August	Refine proposals
8. Management Group Board and Cabinet Members – September 2015	Refine proposals

# 3. Timetable to Approval

2015	Event	Comments
5 <sup>th</sup> November	Corporate Overview and Scrutiny Committee	Receive Mid -Year Performance Report and Budget Proposals
Nov to Feb	Engagement on Pre-Budget Report	With Trades Unions, Schools Forum, Businesses etc.
10 <sup>th</sup> November	Cabinet	Receive Mid -Year Performance Report
8 <sup>th</sup> December	Cabinet	Council Taxbase
17 <sup>th</sup> December	Full Council	Agree Council Taxbase
Mid December	Funding announcements	Expected from Government
Mid December	All Member Briefing	Budget proposals
2016		
January	Final proposals issued	Bringing together consultation outcomes, taxbase and funding settlement
Mid January	Final Budget Report released	
Late January	Final Settlement from Government	
4 <sup>th</sup> February	Corporate Overview and Scrutiny Committee	Receive Quarter 3 Performance Report
9 <sup>th</sup> February	CABINET MEETING	Receive Quarter 3 Performance Report and <b>recommend 2016/17 MTFS / Budget Report</b> to 25 <sup>th</sup> February Council
25 <sup>th</sup> February	COUNCIL MEETING	Agree 2016/17 MTFS / Budget Report and Capital Strategy

# 4. Forecasts

Forecasts presented to the Council in February 2015 highlighted potential budget deficits in the medium term.

Proposals in the Pre-Budget Report focus on eliminating the short term deficit, whilst building financial resilience for the future.

	2015/16	2016/17	2017/18	Two Year Change	Two Year Change
	£m	£m	£m	£m	%
Outcome 1 - Our Local Communities are strong and supportive	26.0	25.5	25.7		
Outcome 2 - Cheshire East has a strong and resilient economy	32.4	31.9	32.4		
Outcome 3 - People have the life skills and education they need in order to thrive	12.6	12.5	13.2		
Outcome 4 - Cheshire East is a green and sustainable place	31.2	30.9	30.0		
Outcome 5 - People live well and for longer	110.8	110.9	114.1		
Outcome 6 - Efficiency	37.3	39.7	40.9		
<b>Sub Total Outcomes</b>	<b>250.3</b>	<b>251.4</b>	<b>256.3</b>		
Corporate Contributions and Adjustments	1.0	1.0	1.0		
Capital Financing	14.0	14.0	14.0		
Contribution to Earmarked Reserve - 15/16 surplus	0.2	0.0	0.0		
<i>Additional Reductions to closing Funding Deficit Yr 2/3</i>			-13.0		
<b>TOTAL NET REVENUE BUDGET</b>	<b>265.5</b>	<b>266.4</b>	<b>258.3</b>	<b>-7.2</b>	<b>-2.7%</b>
<i>Funded by:</i>					
Business Rate Retention Scheme	-38.6	-38.6	-38.6	0.0	0.0%
Revenue Support Grant	-39.2	-29.4	-23.5	15.7	-40.1%
Specific Grants	-18.9	-14.7	-14.9	4.0	-21.2%
Council Tax	-168.8	-170.7	-171.1	-2.3	1.4%
<b>TOTAL FUNDING</b>	<b>-265.5</b>	<b>-253.4</b>	<b>-248.1</b>	<b>17.4</b>	<b>-6.6%</b>
<b>Potential Funding Deficit</b>	<b>0.0</b>	<b>13.0</b>	<b>10.2</b>		

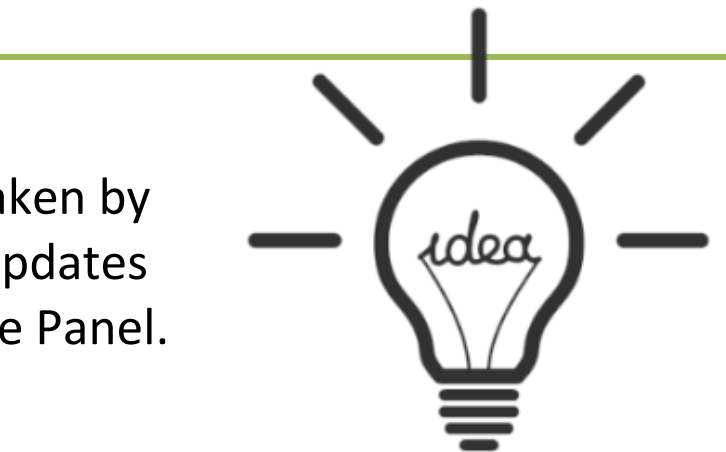
Source: Cheshire East Finance

## 5. Feedback

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### Be involved in decision making in Cheshire East...

If you would like to be involved in consultations undertaken by Cheshire East Council, you can do so by registering for updates on the Consultation pages or joining the Digital Influence Panel. Please use CTRL and Click on the light bulb to join.



If you would like to be view the results of previous consultations undertaken by Cheshire East Council, please use CTRL and Click on the Residents First logo.



## CHESHIRE EAST COUNCIL

### REPORT TO: CORPORATE SCRUTINY COMMITTEE

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**Date of Meeting:** 5 November 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 updated October 2015

## 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	5 November 2015 and continuing
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 updated October 2015

Digital Customer Services	To test whether the interface at Cheshire East is sophisticated/radical enough for a modern council	Chief Operating Officer, Highways Portfolio Holder	Chief Operating Officer		January 2016
Parking Outside Schools	To explore opportunities to improve highway safety around schools across the borough at drop off and pick up times	Communities Portfolio Holder	Communities Portfolio Holder and Head of Communities	Task and Finish Group to be appointed	TBA
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
Cosocious	Review the implications of the joint decision of Cheshire East and Cheshire West and Chester Council's to take information technology services back in-house	Highways Portfolio Holder, Chief Operating Officer	Chief Operating Officer		June 2016

### Monitoring Items

None

**Possible Future/ desirable items**

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

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## **FORWARD PLAN FOR THE PERIOD ENDING 31<sup>ST</sup> JANUARY 2016**

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

Key Decision and Private Non-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

<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 15/16-16 Approval of District Heating Joint Venture Partner	To note the outcome of the procurement process undertaken by officers; to approve the appointment of the identified joint venture partner for district heating; and to delegate authority to officers to take all necessary actions to establish the joint venture partnership with the identified partner.	Cabinet	10 Nov 2015			No
CE 15/16-17 Print and Post Hybrid Strategy	To seek authority to proceed with a hybrid print and post strategy.	Cabinet	8 Dec 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

<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	8 Dec 2015			No
CE 15/16-19 Peter Mason Leisure Centre (Congleton)	To consider the outcome of a condition survey on the integrity of the pool and whether or not the refurbishment of the pool is feasible and economically viable. In the event that the refurbishment of the pool is not feasible and economically viable, to consider a proposal to deliver a new pool and enhanced dry side leisure offer within the agreed budget.	Cabinet	8 Dec 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 15/16-18 Bentley Development Framework	To approve the development framework as a consultation draft document; and to agree to review the development framework following public consultation with a view to considering endorsing the final version of the document as a material consideration when determining future planning applications on the site.	Cabinet	12 Jan 2016		Caroline Simpson, Executive Director of Economic Growth and Prosperity	No
CE 15/16-7 Congleton Link Road - Approval to Proceed with the Compulsory Purchase of Land and Agreement to the Procurement Strategy	To authorise officers to proceed with the steps required to compulsorily purchase land for Congleton Link Road, and to seek approval of the procurement strategy.	Cabinet	9 Feb 2016		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	9 Feb 2016		Paul Griffiths	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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