

## Council Agenda

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**Date:** Thursday, 20th October, 2016  
**Time:** 11.00 am  
**Venue:** The Ballroom, Sandbach Town Hall, High Street, Sandbach,  
CW11 1AX

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The agenda is divided into two 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. **Prayers**
2. **Apologies for Absence**
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. **Minutes of Previous meeting** (Pages 5 - 20)

To approve the minutes of the meeting held on 28 July 2016 as a correct record.

5. **Mayor's Announcements**

To receive such announcements as may be made by the Mayor.

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

In accordance with Council Procedure Rule 35 and Appendix 7 to the rules, a total period of 15 minutes is allocated for members of the public to speak at Council meetings.

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.

Members of the public wishing to ask a question at the meeting should provide at least three clear working days' notice in writing and should include the question with that notice. This will enable an informed answer to be given. It is not a requirement to give notice of the intention to make use of public speaking provision. However, as a matter of courtesy, a period of 24 hours notice is encouraged.

7. **Recommendation from Cabinet - 2016/17 First Quarter Review of Performance**  
(Pages 21 - 100)

To consider the recommendation from Cabinet.

8. **Leader's Announcements**

To receive such announcements as may be made by the Leader.

9. **Recommendation from the Constitution Committee - Substitute Members at Planning Committee Meetings** (Pages 101 - 106)

To consider the recommendation from the Constitution Committee.

10. **Recommendation from the Constitution Committee - Audio Recording of Meetings** (Pages 107 - 114)

To consider the recommendation from the Constitution Committee.

11. **Recommendation from the Constitution Committee - Urgent Decision Procedures** (Pages 115 - 124)

To consider the recommendation from the Constitution Committee.

12. **Audit and Governance Committee Annual Report 2015/16** (Pages 125 - 146)

To receive the Annual Report of the Audit and Governance Committee 2015/16 .

13. **Approval of absence from Council meetings** (Pages 147 - 148)

To seek the approval of Council in respect of a Councillor's absence from Council meetings for a period over six months, due to reasons of ill-health.

14. **Changes to Committee Places** (Pages 149 - 150)

To approve changes to group nominations to the membership of Committees.

15. **Notices of Motion** (Pages 151 - 152)

To consider any Notices of Motion that have been received in accordance with Procedure Rule 12

16. **Questions From Members**

In accordance with Procedure Rule 11, opportunity is provided for Members of the Council to ask the Mayor, the appropriate Cabinet Member or the Chairman of a Committee any question about a matter which the Council, the Cabinet or the Committee has powers, duties or responsibilities.

At Council meetings, there will be a maximum question time period of 30 minutes. Questions will be selected by the Mayor, using the criteria agreed by Council. Any questions which are accepted, but which cannot be dealt with during the allotted period will be answered in writing. Questions must be brief, clear and focussed.

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**CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Council**  
held on Thursday, 28th July, 2016 at The Ballroom, Sandbach Town Hall,  
High Street, Sandbach, CW11 1AX

**PRESENT**

Councillor O Hunter (Mayor/Chairman)

Councillor A Moran (Deputy Mayor/Vice-Chairman)

Councillors C Andrew, A Arnold, D Bailey, Rachel Bailey, Rhoda Bailey, Baggott, G Barton, P Bates, G Baxendale, M Beanland, D Bebbington, S Brookfield, E Brooks, D Brown, C Browne, B Burkhill, P Butterill, C Chapman, J Clowes, S Corcoran, H Davenport, M Deakin, B Dooley, L Durham, S Edgar, I Faseyi, P Findlow, T Fox, D Flude, S Gardiner, S Gardner, L Gilbert, M Grant, P Groves, J Hammond, M Hardy, A Harewood, S Hogben, D Hough, J Jackson, L Jeuda, M Jones, A Kolker, D Mahon, N Mannion, A Martin, S McGrory, R Menlove, G Merry, B Moran, H Murray, M Parsons, S Pochin, J Rhodes, B Roberts, J Saunders, M Simon, L Smetham, A Stott, B Walmsley, G M Walton, M Warren, M J Weatherill, H Wells-Bradshaw, J Weston, G Williams and J Wray

**27 PRAYERS**

The Mayor's Chaplain said prayers, at the request of the Mayor.

**28 APOLOGIES FOR ABSENCE**

Councillors S Carter, T Dean, R Fletcher, H Gaddum, G Hayes, J Macrae, D Marren, D Newton, M Sewart, D Stockton, G Wait and L Wardlaw

**29 DECLARATIONS OF INTEREST**

With reference to item 10 - Recommendation from the Constitution Committee - Scheme of Members Allowances: Report of the Members Allowances Independent Remuneration Panel, the Head of Legal Services and Monitoring Officer stated that, in 2012, the Audit and Governance Committee had granted all Members a dispensation to enable them to take part in the debate and vote on items relating to Members Allowances. However, it was for each individual Member to determine if they wished to declare an interest.

There were no declarations of interest under this item. However, Cllr S Hogben had declared an interest immediately before the above item was considered, as recorded at minute 36.

**30 MINUTES OF PREVIOUS MEETINGS**

**RESOLVED**

That minutes of the Annual Meeting of Council and the Special Meeting of Council held on 11 May 2016 be approved as a correct record, subject to an amendment to minute 17 of the Annual meeting to state that Cllr C Browne had been nominated as Vice-chairman of the Northern Planning Committee and not Chairman and to note that Cllr S McGrory was present for the afternoon session of the meeting.

**31 MAYOR'S ANNOUNCEMENTS**

The Mayor:-

1. Announced that her first duty at the meeting was a very pleasurable one, and that was to present two of the Borough's local Councils; Holmes Chapel and Knutsford, with National Association of Local Councils Gold Awards. There were only a handful of Town and Parish Councils across the country that had reached this standard. To gain a Gold Award, a local Council must demonstrate that they were at the forefront of best practice and that that they had achieved excellence in governance, community leadership and community development. She invited Cllr Stephen Granger, of Holmes Chapel Parish Council and Cllr Jan Nicholson, Mayor of Knutsford to step forward to receive the award on behalf of their respective Councils. They were accompanied by Mr Philip Jackson from the Cheshire Association of Local Councils.
2. Announced that, since Mayor Making the Deputy Mayor and herself had attended over 90 events, representing the Council and where appropriate "flying the flag" for Cheshire East. As was the custom, a list of these events had been circulated around the Chamber.
3. Referred to the recent event that Cheshire East organised to commemorate the centenary of the first day of the Battle of the Somme. It had been her privilege to welcome the Lord Lieutenant to Nantwich to the event, that had been extremely well attended and included the participation of over 200 children from local schools. She considered it right and proper that events of a hundred years ago should be remembered and she was pleased that the Cheshire East Reflects programme, launched in 2014, was helping to do this so effectively.
4. Stated that, during her year as Mayor, she was keen to meet as many residents and businesses as possible. She had recently written to all Members, asking that they nominate a small number of volunteers from their wards for her to invite to afternoon tea in, either the Mayor's parlour in Crewe or Macclesfield. She thanked those Members who had sent nominations so far and encouraged those who had not responded to do so.

5. Announced that she had hosted her first two afternoon teas, which had reaffirmed her conviction that Cheshire East was blessed with a vibrant voluntary sector. She would be hosting these teas on a regular basis over the coming months.
6. Announced that, on the 1<sup>st</sup> of July, a delegation from Sixian County, in China, had visited South Cheshire College in Crewe. Cllr Margaret Simon, on behalf of Cheshire East Council and as a Governor of the College, had signed a friendship agreement with the leaders of the delegation. Whilst very different to the more traditional twinning agreements, and having no financial implications, the agreement aimed to enhance mutual understanding and friendship between the Chinese and British people. She invited Members to view two wonderful ceremonial scrolls, presented by the Chinese delegation who had visited Cheshire East, which were on display by the entrance to the Chamber. Having consulted with Cllr Simon, it was her intention to place these scrolls, along with copies of the Friendship Agreement in English and Chinese, on permanent display in the Mayor's Reception Room in Crewe.
7. Reported that, as some Members would be aware, Councillor David Newton had been ill. She asked Members to join her in wishing him a speedy recovery.
8. Stated that she had recently written to Members, informing them about the details of her Mayor's Charity Ball. She thanked those Members who had booked tickets and urged those who had not to do so.
9. Urged Members to sponsor her in her weight loss programme in order to raise money for her charities.

**32 PUBLIC SPEAKING TIME/OPEN SESSION**

Alderley Edge Parish Councillor, Mike Taylorson used public speaking time to present and speak to a petition on behalf of the residents of Windermere Drive, Redesmere Drive, Grasmere Road, Thirlmere Close, Eaton Drive, Meadows Brow, Meadscroft Drive, Sutton Drive, Haddon Close, Wilton Crescent and Aldford Place, Alderley Edge. The petition requested the introduction of a three-hour waiting limit for vehicles parked on these roads, enforceable between 8am - 6pm, Monday to Friday. It has been signed by 88% of the 30,000 households on these residential streets.

The Mayor received and thanked Parish Councillor Taylorson for the petition.

Mrs Sue Helliwell used public speaking time to thank all the officers involved in the recent appeal on land off Hassall Road Alsager, which had been dismissed.

The Leader of the Council thanked Mrs Helliwell for her comments and stated that she recognised that there was still a lot of important work to do in order to defend the Green Belt.

Mr Ted Wall used public speaking time to speak in respect of agenda item 11 on the agenda, relating to the Report of the Members Allowances Independent Remuneration Panel on Members Allowances.

### **33 RECOMMENDATION FROM CABINET - CONGLETON LINK ROAD FUNDING STRATEGY**

Consideration was given to the recommendation from Cabinet concerning the funding strategy for Congleton Link Road. The Cabinet report outlined the anticipated cost of the scheme, identified the provisional allocation of central government funding and predicted a level of contribution from the owners of land unlocked by the link road. It also asked Cabinet to approve, in principle, the underwriting of any remaining funding gap.

Council was required to approve the necessary adjustment to the scheme budget profile and Cabinet had recommended to Council that the scheme budget profile be adjusted accordingly in the Council's capital programme.

#### **RESOLVED**

That the scheme budget profile be adjusted accordingly in the Council's capital programme.

### **34 RECOMMENDATION FROM CABINET - FINAL OUTTURN REVIEW OF PERFORMANCE 2015/16**

Consideration was given to the recommendation from Cabinet in respect of the 2015/16 Final Outturn Review of Performance.

Cabinet had recommend that Council approve fully funded supplementary capital estimates and virements above £1,000,000 in accordance with Finance Procedure Rules (Appendix 7 of the Cabinet report); and the establishment of earmarked reserves for Transforming Services and the Royal Arcade (Appendix 12 of the Cabinet report).

#### **RESOLVED**

1. That the fully funded supplementary capital estimates and virements above £1,000,000, as set out in Appendix 7 of the Cabinet report, be approved, in accordance with the Council's Finance Procedure Rules.
2. That the establishment of earmarked reserves for Transforming Services and the Royal Arcade, set out in Appendix 12 of the cabinet report, be approved.

### **35 LEADER'S ANNOUNCEMENTS**



The Leader of the Council:-

1. Referred to the European Referendum result and stated that she welcomed the new Prime Minister and her Cabinet. She also welcomed the fact that George Osborne MP would now have the opportunity to spend more time in his Tatton constituency.
2. Reported that the Local Plan had again been consulted upon and that the examination was due to commence on 13 September 2016.
3. Reported that the Council had recently been 'given leave' to go the Supreme Court to present the case for an appeal at Moorfields, Willaston.
4. Referred to an application on a brownfield site in Mobberley, where an appeal for residential development and employment had recently been dismissed due to the proximity of the flightpath at Manchester Airport and that external noise levels would be harmful for future residents. She felt this had been achieved through the joint working of the local authority and the community.
5. Reported that, at the July meeting of Cabinet, approval had been given for options for the Crewe Green Roundabout preliminary designs.
6. Reported that the decision in respect of preferred location for the HS2 hub was awaited.
7. Reported that the Planning application for the Poynton relief road was due to be submitted shortly.
8. Reported that the Housing Options Team had undertaken a peer review of the Housing Advice and Homelessness Services and had scored 68% on the review, which was one of the highest scores nationally. This meant that they could now progress to working towards achieving the National Gold Standard in Housing advice and Homelessness Services.
9. Reported that the Cheshire East Catering Service had received gold status, meeting the highest possible standards of the 'food for life' catering mark awarded by the Soil Association.
10. Referred to the recently held Safeguarding Conference and stated that Borough's schools had embraced the opportunity to attend. The conference had talked about the fact that young people had been able to share ideas that and this should be celebrated.

11. Welcomed the news that AO.com had extended from their existing site at Weston Road, Crewe, creating 80 additional jobs and reported that she had attended the grand opening ceremony on 4 July.
12. Reported that Informal Cabinet and recently considered a report concerning the setting up of a Skills and Growth Company, whereby a sample of local businesses had been selected to look at the potential impact of Brexit on Cheshire East.
13. Referred to the weekend of commemorative activities which had taken place to mark the first anniversary of the devastating accident in Bosley. She had attended a Sunday service, which had provided an opportunity for reflection on the devastating impact of the explosion on lives; to remember loved ones and friends who lost their lives and to give thanks for all those who had shared the journey. Representatives from various agencies involved in dealing with the disaster had taken part in the various activities, including Cheshire East Council officers, who had taken part in a tug of war.
14. Referred to the forthcoming Cheshire leg of Tour of Britain and stated that she hoped that those present at the Council meeting would take part. Cllr David Brown referred to Stage 3 of the tour, which was to be held on Tuesday September 6, following a course from Congleton to Tatton Park in Knutsford over a distance of 111 miles. Bosley Parish Council would be joining with Bosley and Congleton schools to make Bosley crossroads very special and there would be the opportunity for local organisations to get publicity for anything taking place in the parishes. Local schools had also designed a trophy and it was hoped to involve as many people in the community as possible in the event.
15. Welcomed the news that US President, Barack Obama, had given his support to the CARB-X consortium, confirming that the US Government would invest \$350m in the partnership over five years, to fund research into combatting antibiotic resistance. The borough was to play a vital role in a new international effort to tackle antibiotic resistance. The AMR Centre, based at Alderley Park, was set to join the world's biggest public-private partnership dedicated to tackling the major health issue, CARB-X. This would put Cheshire East on the world stage in the fight against superbugs and would deliver a boost for the local economy, jobs, skills and the borough's cutting edge science businesses.

**36 RECOMMENDATION FROM THE CONSTITUTION COMMITTEE-  
SCHEME OF MEMBERS ALLOWANCES: REPORT OF THE MEMBERS  
ALLOWANCES INDEPENDENT REMUNERATION PANEL**

The Constitution Committee, at its meeting on 15 July 2016, had considered the report of the Independent Remuneration Panel on the Scheme of Members' Allowances.

The Independent Remuneration Panel had conducted a review of the current Scheme of Members' Allowances. To inform its review, the Panel had considered comparative data on allowances paid in the CIPFA family of authorities of which Cheshire East was part. The Panel had also met members from the different political groups and received briefings from officers of the Council. A copy of the Panel's Report was attached as Appendix A to the Constitution Committee report.

The Constitution Committee had proposed a number of recommendations to Council. In proposing the recommendations of the Constitution Committee, the Chairman of the Committee thanked Professor Steve Leach, Chairman of the Independent Remuneration Panel and all those Members involved for their work in respect of this matter.

The Mayor reported that she proposed to deal with each individual recommendation sequentially and each individual recommendation was, therefore, voted on separately, and:-

## **RESOLVED**

1. That the Independent Remuneration Panel's (IRP) report be noted, and that the IRP members be thanked for their work on the Scheme of Members' Allowances (the Scheme).
2. That it be agreed that:
  - a. All allowances under the Scheme be index-linked, for a four year period commencing on 28th July 2016, to any NJC officers' pay awards; the first of such indexation increases (if any) to apply to the NJC pay award for 2017/18.
  - b. The Council's new Allowances Scheme be implemented with effect from 28th July 2016.

*(the following recommendations show the paragraph numbering in the financial analysis at Appendix C to the report)*

- c. (1) That the Panel's views about the level of any overall increase in the budget be noted.
- d. (2) That the Panel's recommendations to discontinue Special Responsibility Allowances (SRAs), as set out in paragraph 2 of Appendix C, be agreed.
- e. (3) That the Panel's recommendations, that the SRAs of the Leader, Deputy Leader, Cabinet members and Group Leaders should remain at their current level (subject to any future indexation as per paragraph 2[a] above), be agreed.

- f. (4) That Consideration of the question of any changes to the SRA allocated to the Chairman of the Public Rights of Way Committee be deferred pending a report to the Constitution Committee upon potential options to amalgamate the work of that Committee with that of another decision-making body.
- g. (5) That, whilst the principle of the recommended change to the SRA allocated to the Chairman of the Licensing Committee is accepted, the current SRA be retained, pending a report to the Constitution Committee upon potential options for the re-distribution of the SRA in line with the Panel's recommendations.
- h. (6a) That the Basic Allowance be increased to £11,754 per Member, as recommended by the Panel as its first option.
- i. (6b) That the second option recommended by the Panel, for a further increase to the Basic Allowance of an additional £187 per annum per Member be not accepted.
- j. (7) [as per Recommendation 2(a)].
- k. (8) That the Panel's recommendation that Members should be allowed to claim more than one SRA be not accepted.
- l. (9) That the Panel's recommendation, that fees paid to Members who act as directors of wholly owned companies/ASDVs etc should not be taken into account in relation to payment of SRAs be accepted, provided that SRAs will not be paid to such Members in circumstances in which the Director of Legal Services, in consultation with Group Leaders, determines that the payment of an SRA, or part, relates to a comparable duty performed by such Members in both roles.
- m. (10) that no changes be made to the existing mileage rates available to Members, nor to the existing recommendation that they claim the HMRC rate of 45p per mile.

With reference to recommendation 2.d an amendment to add the words "and to also remove the SRA that is paid to Deputy Cabinet Members" at the end of the recommendation was declared not carried.

With reference to recommendation 2.e an amendment to remove the words "subject to any future indexation as per paragraph 2[a] above" was declared not carried.

With reference to recommendation 2.h, following the proposal and seconding of this recommendation, a requisition for named vote was submitted and duly supported, with the following results.

**For**

Cllr C Andrew, Cllr A Arnold, Cllr Rachel Bailey, Cllr Rhoda Bailey, Cllr G Barton, Cllr P Bates, Cllr G Baxendale, Cllr M Beanland, Cllr D Brown, C Brown, Cllr B Burkhill, Cllr P Butterill Cllr J Clowes, Cllr H Davenport, Cllr L Durham, Cllr S Edgar, Cllr JP Findlow, Cllr S Gardiner, Cllr S Gardner, Cllr L Gilbert, Cllr P Groves, Cllr A Kolker, Cllr A Martin, Cllr B Moran, Cllr H Murray, Cllr S Pochin, Cllr J Saunders, Cllr M Simon, Cllr L Smetham, Cllr G Walton, Cllr J Weatherill, Cllr H Wells-Bradshaw, Cllr G Williams, Cllr J Wray

**Against**

Cllr D Bailey, Cllr S Brookfield, Cllr C Chapman, Cllr B Dooley Cllr I Faseyi, Cllr D Flude, Cllr T Fox, Cllr M Grant, Cllr M Hardy, Cllr A Harewood, Cllr S Hogben, Cllr D Hough, Cllr J Jackson, Cllr L Jeuda, Cllr M Jones, Cllr N Mannion, R Menlove, Cllr M Parsons, Cllr J Rhodes, Cllr B Roberts, Cllr A Stott, Cllr B Walmsley, Cllr M Warren.

**Not Voting**

Cllr G Baggott, Cllr D Bebbington, Cllr E Brooks, Cllr M Deakin, Cllr J Hammond, Cllr O Hunter, Cllr D Mahon, S Mcgrory, Cllr G Merry, Cllr A Moran, J Weston

The motion was declared **carried**, with 34 votes for, 23 against and 11 not voting.

(With reference to recommendation 2.I, Cllr S Hogben declared an interest, by virtue of being a Director of Ansa and stated that he would not vote or take part in the debate on this matter).

With regard to recommendation 2.I, the proposer and seconder of the motion agreed to the inclusion of the words “in consultation with Group Leaders” after the words “Director of Legal Services” .

**37 RECOMMENDATION FROM THE CONSTITUTION COMMITTEE - VACANCIES IN THE OFFICE OF PARISH COUNCILLOR - TWEMLOW PARISH COUNCIL**

The Constitution Committee, at its meeting on 15 July 201, had considered a report on vacancies in the Office of Parish Councillor at Twemlow Parish Council.

It had been reported at the meeting of the Constitution Committee, that since the report had been published, a Parish Councillor had withdrawn their resignation and that Twemlow Parish Council was now quorate and could make decisions. As a result, recommendations 1(a) and (b), as set out in the report to the Constitution Committee, were no longer required.

However, given that the Council in future may be required to make temporary appointments to parish councils to enable them to be quorate

and take decisions, it was recommended that Council delegate this function to the Constitution Committee and the Committee's terms of reference be amended accordingly.

**RESOLVED**

That the Council's powers under section 91 of the Local Government Act 1972 in relation to the appointment of persons to fill vacancies on parish councils, where such councils are otherwise unable to act, be delegated to the Constitution Committee, and the terms of the reference of the Constitution Committee, and hence the Constitution, be amended accordingly.

**38 OVERVIEW AND SCRUTINY ANNUAL REPORT**

Consideration was given The 2015/2016 Overview and Scrutiny Annual report, which summarised the activities of the Council's six Overview and Scrutiny Committees during the period of the 2015/16 Municipal Year. The report explained how Scrutiny played its part in the governance of Cheshire East, summarised the main activity carried out by the Council's Overview and Scrutiny Committees during the 2015/16 municipal year, and addressed future challenges for Overview and Scrutiny.

Councillor Margaret Simon, Chairman of the Corporate Overview and Scrutiny Committee, presented the report to Council and, in doing so, thanked Members and officers for their contribution to the overview and scrutiny work over the past year.

**RESOLVED**

That the Overview and Scrutiny Annual report be received and posted on the Council's website.

**39 APPOINTMENT OF MEMBERS TO COMMITTEES**

Consideration was given to a report requesting that Council approve a number of changes to the membership of Committees. The proposed changes were circulated at the meeting and were as follows:-

**Constitution Committee**

Delete Cllr S Pochin

Add Cllr H Gaddum

**Northern Planning Committee**

Delete Cllrs M Hardy and J Macrae

Add Cllrs H Gaddum and L Durham

**Strategic Planning Board**

Delete Cllrs H Gaddum and(L Durham

Add Cllrs M Sewart and J Macrae

**RESOLVED**

That the proposed changes to Committee places be approved.

40 **APPOINTMENT OF INDEPENDENT PERSONS FOR STANDARDS MATTERS**

Consideration was given to a report inviting Council to appoint up to three Independent Persons to work with the Monitoring Officer and the Audit and Governance Committee on standards matters, in accordance with the Localism Act 2011 ('the Act') and the Council's code of conduct complaints procedure.

Following public advertisement, shortlisted applicants had been interviewed by a panel on 18 July 2016. The names of the persons recommended by the panel for appointment by Council were circulated at the meeting.

**RESOLVED**

That Peter Bryant, Robert Fousert, and Patricia Rathbone be appointed for a period of four years (to 27 July 2020) to serve as Independent Persons pursuant to section 28 of the Localism Act 2011.

41 **NOTICES OF MOTION**

Consideration was given to the following Notices of Motions, submitted to Council in Accordance with Procedure Rule 12

**1.Elections**

**Proposed by Councillor Rachel Bailey and Seconded by Councillor Janet Jackson**

Council acknowledges the hard work and commitment of the Elections Team in delivering an important democratic service over the last year or so of electoral activity, including:

- The greatest scale of elections ever seen in May 2015, with all out Borough and Parish Council elections, plus a Parliamentary General Election, the combination of such activity which will not be experienced again until 2035.
- Excellently run Police and Crime Commissioner Elections in May 2016.
- Excellently run EU Referendum in June 2016, in respect of which we experienced a historically high turnout, exceeding many other areas nationally.
- The hugely successful introduction of Individual Electoral Registration which has resulted in a more accurate Register than ever before, with more electors being registered to vote than at any time in the past.

- The honour of hosting an international delegation of elections experts, at the request of the Electoral Commission, enabling Cheshire East's practice and processes to be passed back to countries such as Canada, Finland, Malta, Romania and Bangladesh.

**RESOLVED**

That the motion be accepted.

**2. Emergency Response**

**Proposed by Councillor Rachel Bailey and Seconded by Councillor Damian Bailey**

Council applauds the work of so many of its officers across different teams who, along with the Council's emergency planning team, have worked tirelessly over the last 12 months in dealing with the challenges which have faced our communities and the services we provide:

- The devastating circumstances surrounding the Bosley Mill explosion.
- The terrible flash flooding in and around Poynton.
- The recent evacuation of residents who live near to the Bossons Mill in Congleton.

Council sincerely thanks its officers, from so many parts of the organisation, for their true dedication as devoted public servants, working 'round the clock to ensure the safety of our residents.

**RESOLVED**

That the motion be accepted.

**3. Hate Crime**

**Proposed by Councillor Brian Roberts and Seconded by Councillor Nick Mannion**

Since the Referendum on 23<sup>rd</sup> June, the National Police Chiefs' Council report that hate crimes have increased by 42%.

Around 3,076 alleged offences were reported between June 16 and 30 - 915 more than in the same period last year. Police recorded 289 alleged offences on the day following the result of the poll being revealed - an average of 12 an hour.

The LGA has also reported a significant increase and Members of this Council have also been approached by residents that have been subjected to threats and harassment because of their nationality or race.



Therefore, we urge Council to discuss and adopt the following resolution as a matter of urgency at its meeting today:

“We are proud to live in a diverse and tolerant society. Racism, xenophobia and hate crimes have no place in our country. We Cheshire East Borough Council condemn racism, xenophobia and hate crimes unequivocally. We will not allow hate to become acceptable.

Cheshire East Borough Council will work with our partners to ensure that there will always be support and resources needed to fight and prevent racism and xenophobia, identify the perpetrators, and subject them to the full force of the law.

We reassure all people living, working and visiting Cheshire East that they are valued members of our community.”

#### **RESOLVED**

That the motion be accepted.

#### **4. Tax Compliance and Procurement Procedures**

**Proposed by Councillor Steve Hogben and Seconded by Councillor Sam Corcoran**

**This Council notes that:**

- corporate tax evasion and avoidance are having a damaging impact on the world's poorest countries, to such a level that it is costing them far more than they receive in aid
- this is costing the UK as much as £30bn a year
- this practice also has a negative effect on small and medium-sized companies who pay more tax proportionately.

**This Council further notes that** the UK Government has taken steps to tackle the issue of tax avoidance and evasion by issuing Procurement Policy Note 03/14 (PPN 03/14). This applies to all central government contracts worth more than £5m.

**This Council also notes** the existence of voluntary schemes promoting tax compliance such as the Fair Tax Mark, which can serve as an independent means of verification. This council notes the 2015 Public Contract Regulations which state (in section 4) that local government can choose to adopt Procurement Policy Note 03/14.

**This Council believes** that bidders for council contracts should be asked to account for their past tax record, using the higher standards in PPN 03/14.

**This Council therefore calls for** procurement procedures to be amended to require all companies bidding for service and works contracts worth more than figures to be agreed with the Chief Operating Officer to self-certify that they are fully tax-compliant in line with central government practice using the standards in PPN 03/14, applying to contracts of the size specified above.

**This Council asks** the Cabinet to publicise this policy and to report on its implementation annually.

### **RESOLVED**

That the motion stand referred to Cabinet.

### **42 QUESTIONS**

The following questions were submitted:-

Cllr A Stott, in respect of school transport – Cllr Rachel Bailey, Leader of the Council, responded.

Cllr M Warren, in respect of Green Belt Policy – Cllr Rachel Bailey, Leader of the Council, undertook to provide a written response.

Cllr Flude, in respect of houses in multi occupancy - Cllr A Arnold, Planning and Housing Portfolio Holder undertook to provide a written response.

Cllr L Jeuda in respect of the Caring Together programme – Cllr J Clowes, Adult Care and Integration Portfolio Holder responded.

Cllr N Mannion, in respect of hydrolic fracking - Cllr Rachel Bailey, Leader of the Council, responded.

Cllr S Gardiner, in respect of the future of local government in the North West and devolution - Cllr Rachel Bailey, Leader of the Council, responded.

Cllr H Murray, in respect of the state of the roads and blocked gullies in Poynton following the recent floods and relating to the potential of compensation and council tax breaks for those affected - Cllr Rachel Bailey, Leader of the Council and Cllr D Brown, Highways and Infrastructure Portfolio Holder responded.

Cllr M Parsons, in respect of control of incoming e-mails – Cllr P Groves, Finance and Assets Portfolio Holder responded.

The meeting commenced at 2.00 pm and concluded at 5.55 pm

Councillor O Hunter (Chairman)  
CHAIRMAN

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**COUNCIL MEETING – 20<sup>th</sup> October 2016****Extract from the Minutes of the Cabinet meeting on 13<sup>th</sup> September 2016****34 2016/17 FIRST QUARTER REVIEW OF PERFORMANCE**

Cabinet considered a report on the First Quarter Review of Performance for 2016/17, outlining how the Council was managing its resources to provide value for money for residents.

Annex 1 to the report set out details of how the Council was performing in 2016/17 and was structured into three sections:

Section 1 Summary of Council Performance

Section 2 Financial Stability

Section 3 Workforce Development

The Corporate Overview and Scrutiny Committee had considered the report at its meeting on 8<sup>th</sup> September 2016. In the absence of the Chairman of the Committee, who was unable to attend the Cabinet meeting, the Deputy Cabinet Member for Finance and Assets reported the Committee's comments and recommendations. (Note: the minute of the Corporate Overview and Scrutiny Committee is appended to the Cabinet minutes for reference purposes.)

**RESOLVED**

That

1. Cabinet notes the first quarter review of 2016/17 performance, in relation to the following issues:
  - the summary of performance against the Council's 6 Residents First Outcomes (Section 1 of the report);
  - the projected service revenue and capital outturn positions, overall financial stability of the Council, and the impact on the Council's reserves position (Section 2);
  - the delivery of the overall capital programme (Section 2, paragraphs 204 to 217 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); and
- update on workforce development and staffing (Section 3).

2. Cabinet approves:

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

*(the following recommendation from Cabinet is for Council to determine)*

3. Cabinet recommends that Council approve:

- **fully funded supplementary capital estimates and virements above £1,000,000 in accordance with Finance Procedure Rules (Appendix 7)**

# Cabinet Paper

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|                          |   |
|--------------------------|---|
| <b>Date of Meeting:</b>  | 13 September 2016                             |
| <b>Report of:</b>        | Chief Operating Officer (Section 151 Officer) |
| <b>Subject/Title:</b>    | 2016/17 First Quarter Review of Performance   |
| <b>Portfolio Holder:</b> | Cllr Peter Groves, Cllr Paul Findlow          |

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## 1. Report Summary

- 1.1. This report outlines how the Council is managing resources to provide value for money for its residents during 2016/17. The report highlights financial and non-financial pressures and performance that clearly shows how the Council is working well with the community and partners to achieve the outcomes of the Corporate Plan 2016 to 2020.
- 1.2. Local authorities within England are facing significant financial challenges as expected issues such as inflation and increasing demand, are, at the same time being compounded by reductions in government funding. Care services in particular are experiencing rising caseloads and increasing complexity of care needs as well as rising costs from minimum wage requirements for care providers. This is particularly relevant in Cheshire East as the Council's budget includes net expenditure of over £140m for services provided by the People directorate.
- 1.3. Against a backdrop of challenging circumstances Cheshire East Council continues to put residents first and has actually seen increased satisfaction levels for key services and improved value for money overall. The First Quarter Review of Performance provides evidence of how the Council engages with residents and businesses to achieve positive outcomes.
- 1.4. The Council is building on the achievements of the last three years. This report demonstrates that the overall financial health, performance, resilience and value for money at the Council is strong, and that the reserves strategy remains effective. A potential overspend of £1.5m (0.6%) is currently being forecast. In line with national trends this forecast is being strongly influenced by an increase in caseload and costs associated with Children in Care. Every effort will be made to reduce this forecast overspend throughout 2016/17. The Council has demonstrated excellent financial management over the last three years and this experience will be used to try to achieve a balanced budget by the end of the financial year.
- 1.5. In quarter one, examples of good performance were:
  - Outperforming the national average take-up of the childcare offer for disadvantaged 2-year-old children at 75%
  - Achieving 8 'Green Flag' awards for best green spaces in the country

- Becoming the ‘most active’ local authority in the North West with participation in sport and recreation in Sport England’s “Active People Survey”
- Recent survey results show that Satisfaction with the Council has increased by 50% since 2011. The Citizen’s Panel, with over 3,000 volunteer members, were also asked if they agreed that the Council offers value for money. The responses show that there has been a 60% improvement since Local Government Reorganisation took place in 2009.

1.6. The attached report, **Annex 1**, sets out details of how the Council is performing in 2016/17. 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 6 Residents First Outcomes during the year.

**Section 2 Financial Stability** - provides an update on the Council’s overall financial position. It demonstrates how spending in 2016/17 has been funded, including the service budgets, grants, council tax & business rates, treasury management, centrally held budgets and reserves.

**Section 3 Workforce Development** - provides a summary of the key issues relating to the Council’s workforce development plan.

## 2. Recommendation

2.1 Cabinet is asked to consider and comment on the first quarter review of 2016/17 performance, in relation to the following issues:

- the summary of performance against the Council’s 6 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 204 to 217 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 Council monitors in-year expenditure through a quarterly reporting cycle. Quarterly reports reflect financial and operational performance and provide any requirements to note, approve or recommend changes in line with the Council's Financial Procedure Rules.
- 4.2. The overall process for managing the Council's budget focuses on value for money and good governance and stewardship. Changes that become necessary during the year must be properly authorised and this report sets out those areas where any further approvals are now required.

### 5. Background/Chronology

- 5.1. Monitoring performance is essential to the achievement of outcomes for local residents. This is especially important in an organisation the size of Cheshire East Council. The Council is the third largest in the Northwest of England, responsible for over 500 services, supporting over 370,000 local people. Gross annual spending is over £720m, with a balanced net budget for 2015/16 of £247.9m.
- 5.2. The management structure of the Council is organised in to three directorates, People, Place and Corporate. The Council's quarterly reporting structure provides forecasts of a potential year-end outturn within each directorate.
- 5.3. At the first quarter stage, the Council's reserves strategy remains effective with a potential overspend of £1.5m (0.6%) against a net revenue budget of £247.9m. Forecast capital expenditure in the year is £142.7m.

### 6. Wards Affected and Local Ward Members

- 6.1. All

## **7. Implications of Recommendations**

### **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 have been fed into the assumptions underpinning the 2017/20 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 a progress report at the first quarter stage in 2016/17. 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. 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 agreed by Council and 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.

### **7.4. Equality Implications**

- 7.4.1. This report is a backward look at Council activities in quarter one and predicts the year end position. Any equality implications that arise from activities funded by the budgets that this report deals with 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 one and predicts the year end position. Any HR implications that arise from activities funded by the budgets that this report deals with 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 one and predicts the year end position. Any public health implications that arise from activities funded by the budgets that this report deals with 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 are used to inform the overall financial control risk contained in 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 2016/17 budget - and the level of general reserves – have been factored into the 2016/17 financial scenario, budget and reserves strategy.

## 9. Access to Information/Bibliography

The following are links to key background documents:

[Budget Book 2016/17](#)  
[Medium Term Financial Strategy 2016/19](#)

## 10. Contact Information

Contact details for this report are as follows:-

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# **First Quarter Review of Performance 2016/17**

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**September 2016**

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

Financial & Non-Financial performance at 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 £720m. The Council continues to achieve improvements in the area, 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 means that 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 is 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 'Best Fit' approach, to commissioning services, develops better ways to achieve the Council's six stated outcomes by using a mix of delivery mechanisms. 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 quarter one, the Council's reserves strategy remains effective, with a modest reported overspend of £1.5m (0.6%) against a budget of £247.9m.

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 2016/17:

**Section 1** provides a summary of Council performance and brings together service achievement highlights against the 6 Residents First Outcomes in the Council's four year Corporate plan.

**Section 2** provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2016/17 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 Council's Residents First Outcomes.
- **Appendix 2** explains changes to the Original Budget.
- **Appendix 3** shows the latest position for Corporate Grants.
- **Appendix 4** shows the revised Capital Programme expenditure.
- **Appendix 5** lists approved Supplementary Capital Estimates and Virements up to £250,000.
- **Appendix 6** lists requests for Supplementary Capital Estimates and Virements over £250,000 for Cabinet approval.
- **Appendix 7** lists requests for Supplementary Capital Estimates and Virements over £1m 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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# 2016/17 Outturn Forecast at First Quarter Review - Financial Position

| 2016/17<br>First Quarter Review<br>(GROSS Revenue Budget £583.4m) | Revised<br>Budget<br>(NET)<br><br>£m  | Forecast<br>Actual<br>Outturn<br><br>£m | Forecast<br>Over /<br>(Underspend)<br><br>£m   | For further information please see the following sections |
|---|---------------------------------------|---|--|---|
| SERVICE DIRECTORATES  |                                       |   |  |   |
| People  | 142.3                                 | 144.8                                   | 2.5  | Section 1 - Paragraphs 17-19, 78-89, 132-141, 165         |
| Place   | 31.8                                  | 32.3                                    | 0.5  | Section 1 - Paragraphs 47, 50-55, 67-73, 95               |
| Corporate   | 76.4                                  | 76.1                                    | -0.3   | Section 1 - Paragraphs 106-108, 124, 171-173              |
| Total Services Net Budget   | 250.5                                 | 253.2                                   | 2.7  |   |
| CENTRAL BUDGETS   |                                       |   |  |   |
| Specific Grants   | -20.2                                 | -20.2                                   | 0.0  | Section 2 - Paragraphs 178-184                            |
| Capital Financing   | 14.0                                  | 12.8                                    | -1.2   | Section 2 - Paragraphs 217-221                            |
| Transfer to Earmarked Reserves                                    | 2.8                                   | 2.8                                     | 0.0  | Section 2 - Paragraphs 233, 236                           |
| Corporate Contributions / Central Budgets                         | 0.8                                   | 0.8                                     | 0.0  | Section 2 - Paragraph 227                                 |
| Total Central Budgets   | -2.6                                  | -3.8                                    | -1.2   |   |
| <b>TOTAL NET BUDGET</b>   | <b>247.9</b>                          | <b>249.4</b>                            | <b>1.5</b>                                     |   |
|   | Planned Contribution<br>2016/17<br>£m | Forecast<br>Variance<br>Quarter 1<br>£m | Impact on Reserves<br>Quarter 1 Forecast<br>£m |   |
| Impact on Reserves  | -1.0                                  | -1.5                                    | -2.5   |   |
| General Reserves Balance  | 2016/17 Budget<br>(estimated)<br>£m   |   | Quarter 1 Forecast                             |   |
| Opening Balance April 2016  | 12.8                                  | Actual                                  | 13.0   |   |
| 2016/17 Impact on Reserves (see above)                            | -1.0                                  | Forecast                                | -2.5   | Section 2 - Paragraphs 231-235                            |
| Closing Balance March 2017  | 11.8                                  | Forecast                                | 10.5   |   |

# Overview of Performance ~ Putting Residents First

## ACHIEVING THE COUNCIL'S SIX OUTCOMES

**Cheshire East Council provides more than 500 services, supporting over 375,000 residents, and over 17,500 businesses.**

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

- Administrating the European Union Referendum and Police and Crime Commissioner Elections across Cheshire East
- Awarding grants to 140 applicants for street parties to celebrate the Queens 90th birthday
- Providing youth work and targeted support to 1,298 individuals
- Investing in additional resource to improve community cohesion in Crewe
- Developing a new 'Community Connectors' project

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

- Sustaining a low number of young people not in education, employment and training (NEET), at 2.8%
- Collaborating with the Skills & Growth Company in relation to engagement with key local employers and commercial partners
- Continuing to make strong progress on the Council's major transport schemes
- Resolving 8,079 (95%) of Highways enquiries received within the quarter

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

- Launching the 'Parenting Journey'; a universal integrated early help pathway and programme of support for children under 5 and their families
- Outperforming the national average take-up of the childcare offer for disadvantaged 2-year-old children, at 75%
- Providing additional opportunities for care leavers not in education employment or training (NEET)

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

- Completing consultation on proposed changes to the Local Plan, along with analysis and preparing responses
- Validating 98% of planning applications within 5 working days, and improving online information regarding the stage of applications
- Achieving 8 'Green Flag' awards
- Attracting 1,000 new customers to Fairerpower

### 5 ~ People live well and for longer

- Delivering 523 home adaptations for older and/or disabled residents to support independent living
- Delivering 145 affordable homes
- Opening the fully operational Crewe Lifestyle Centre on time
- Becoming the 'most active' local authority in the North West with participation in sport and recreation in Sport England's "Active People Survey"
- Working to deliver the children and young people's improvement plan to meet recommendations from Ofsted's inspection

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

- Residents' overall satisfaction with the Council has improved
- Increasing the percentage of residents who agree that the Council provides value for money
- Being shortlisted for five national awards for excellence in public service in the APSE Service Awards 2016

## FINANCIAL STABILITY

Cheshire East Council is achieving outcomes based on sound financial management. In 2016/17 the Council will operate on an annual budget of more than £720m.

- At quarter one a potential overspend of **£1.5m** is being reported compared with budget.
- The potential overspend represents only 0.6% of the Council's net revenue budget of £247.9m, and early forecasts have historically 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 £2.7m is reported.
- **Central Budgets** – are currently forecast to be underspent by £1.2m due to lower than budgeted costs of capital financing.
- 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** increased in 2016/17 for the first time in six years.
- **Investment income** is £63,000 higher than budget at quarter one. The average rate earned on investments (1.1%) 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 £1.5m is within the original forecast risks. Further mitigation of the forecast overspend is expected to be achieved.
- **Capital Programme** – the original **total capital budget** of £183.6m has been reduced to £142.7m to reflect revised forecasts and schemes continuing since reporting the 2015/16 outturn.
- For monitoring purposes, the in-year capital budget for schemes committed or in progress is £89.6m in line with revised forecasts. Again the Council has forecast that there will be no requirement for additional external borrowing this financial year.
- Outstanding **Debt** (excluding local taxation) is £11.9m. Debt over 6 months old is £3.0m (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 375,000 residents. The budget to deliver these services in the period April 2016 to March 2017 is £730m, 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 core spending power per head, Government figures highlight the impact of different levels and sources of funding on total Council spending:

| Core Spending Power per Head Comparisons 2016/17 |                       |   |                         |
|--|-----------------------|---|-------------------------|
|  | Cheshire<br>East<br>£ | Rural<br>East Riding<br>of Yorkshire<br>£ | Urban<br>Liverpool<br>£ |
| Grants   | 207                   | 266                                       | 593                     |
| Council Tax                                      | 469                   | 411                                       | 295                     |
| Total  | 676                   | 678                                       | 888                     |

2. The Council's Corporate Plan 2016-2020, which was agreed by Council on 25th February 2016, has six 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 six outcomes.

3. This report reflects activity that has taken place in the period April 2016 to June 2016. Commentary is also provided on the financial impacts (both revenue and capital) of this activity.

## 1 ~ Our local communities are strong and supportive

### Active, Resilient and Connected Communities where people want to live

4. During the first quarter, the Council worked to support and administrate both the Police and Crime Commissioner Election in May 2016, and the European Union Referendum in June 2016. Percentage turnout for the EU Referendum in Cheshire East stood at 77.4%, ahead of the national figure of 71.8%.
5. The Council has invested in an additional resource of £60,000 to carry out community cohesion activities in the Crewe area over a 12 month period, and a number of actions have been carried out. These include:
  - Secondment of a bilingual Community Development Officer from within the Communities Team to carry out dedicated community cohesion work in Crewe for 12 months.
  - Support to further development of the Crewe Multi-Cultural Forum, which is now a fully constituted group that is carrying out asset mapping, and has renewed contact with ethnic groups.
  - Weekly community football sessions for over-16s, established from June 2016 at the Cumberland Sports Track Crewe, attracting a wide range of nationalities. As trust and confidence is gained,

these will be used as a means of encouraging families to access informal health care support, and information and advice.

- Advice and support drop-in sessions established at the Global Café.
  - Additional informal ESOL (English Spoken as another Language) drop-in classes.
  - A range of community events are planned by schools and groups including a Community Day in July at Sir William Stanier School as part of the 'Big Run to Save a Dad', and an International Culture Day in July.
6. The Communities Team have been developing an exciting new 'Community Connectors' project, which brings local people together to share information and ideas, with a pool of trained volunteers from a wide range of backgrounds who together and individually can support their communities to access services, social groups and activities. Connectors will be people who know their communities and can enable people to address social challenges using resources from within their community.
  7. The first round of community grants for 2016/17 awarded £52,037 to 35 organisations, with projects ranging from community events to support for sports organisations and a number of refurbishment projects which will provide more community activity in community buildings across the borough.
  8. Grants for street parties to celebrate the Queens 90th birthday saw £13,632 awarded to a total number of 140 applicants. This enabled thousands of people across the Borough to come together to celebrate the monarch's birthday but also to socialise with their neighbours and get to know other people in their street, which strengthens communities. Many people who applied for the Queen's Jubilee funding have applied for this funding which shows an ongoing community spirit within these neighbourhoods and communities.
  9. Preparations took place during the first quarter as the one-year anniversary of the Bosley Disaster approached. The Council worked to manage the media presence to ensure the privacy which the community had requested was respected. Senior officers and members prepared to attend various events over the weekend including a Council team for the tug-of-war competition.
  10. The Environmental Health team continue to work with the owners of the Wood Treatment Ltd site in Bosley which was the subject of a devastating explosion in July 2015. Although on a significantly reduced scale, operations continue on site and the role of the team is to ensure compliance with environmental legislation. The team are also in close working arrangements with the Health and Safety Executive inspecting officers to help understand the two regulatory regimes.
  11. Three further community right to bid nominations were received in Q1. Two were assessed as unsuccessful as evidence provided means that it is unrealistic to think that premises will be able to further social, economic or environmental wellbeing in the next 5 years. One is pending and will be completed in Q2. Work is underway to prepare for this.
  12. Infrastructure Grants for 2016/17 have been approved and allocated to Cheshire East Community and Voluntary Services (CVS), Cheshire Community Action and Cheshire Association of Local Councils. All three organisations have been funded in order to carry out activities with their members and others that will support overall outcomes for Partnerships and Communities and the Council's corporate outcomes.

13. A joint workshop was held with Town and Community Partnerships and a generic grant agreement for 2016/17 has been prepared for all town partnerships based on outcome of discussions.
14. Cheshire EU LEADER Programme - 10 active applications have been received for Cheshire East since the programme launched in November 2015. Promotion and ongoing implementation of the programme was paused for a number of weeks due to purdah before and after the referendum. Due to uncertainty regarding implications of the referendum outcome the Cheshire LEADER programme is formulating an Exit Strategy to 2018 in order to proactively manage and control the process.
15. Commemorative events have been held for the centenary of the Battle of the Somme. A wreath laying ceremony in Nantwich was organised in partnership with the Royal British Legion and was attended by over 200 local school children, presided over by the Lord Lieutenant and the Mayor of Cheshire East.
16. Volunteer presentations have been held at Tatton for long-serving Volunteers within the Gardens, which in some cases were up to 15 years.
17. There is an overall underspend projected for Communities of £39,000. This is due to further consideration of the feasibility of joining sub-regional arrangements for gypsy and travellers and the development of a transit site. Additional pressures exist due to the enhanced focus on fly tipping and new legal fees associated with gypsy and traveller work, but these have been offset by staffing savings due to delays filling vacancies.
18. Regulatory Services and Health are forecast to be on budget. They are incurring additional costs due to the Trading Standards

prosecution case and increased dog kennelling fees but these have been offset by delays filling vacancies and higher income.

### **Communities where you are Safe, and feel Safe**

19. Following a licence review initiated by the Police the Licensing team organised a licence review hearing and associated administration. The review was in response to a number of complaints relating to underage sales, serving beyond licensing hours, the employment of underage staff, drug use and a serious assault. The licence was subsequently revoked and the appeal period has passed without representation.
20. The Licensing team undertook a weekend stop and check operation for licensed vehicles in conjunction with the police. A total of 23 vehicles were stopped over a four hour period with just over 25% licensed by Cheshire East. Of those licensed by other local authorities, none were carrying out unlicensed activities (i.e. they were all pre-booked and warnings related to low level breaches of condition). The operation was also used to help local special constables understand taxi licensing issues so that they can pick them up as part of routine work.
21. The Business and Regulation Team helped to secure a £20,000 refund for a consumer who had purchased a car that had been in an undeclared accident and had been determined as unroadworthy following a third party assessment.
22. The Licensing team successfully prosecuted a Newcastle under Lyme taxi driver for illegally plying for hire and having no vehicle insurance. He was fined, ordered to pay costs and his license was endorsed with six penalty points.

23. The Community Safety Delivery team are awaiting the adoption of a Pan Cheshire Prevent Strategy, and have developed our local prevent action plan and training strategy. The Action Plan identifies work priorities under the following headings: Embed Prevent into mainstream activities; Build resilience to extremist ideologies within our communities; and safeguarding those most vulnerable to messages of extremists. The training strategy sets out a tiered approach to training delivery.
24. The Cheshire East Channel Panel is meeting bi-monthly and focusing on its collective practice development, to ensure that together we deliver our responsibilities under this duty for our residents.
25. The Cheshire East Serious and Organised Crime (SOC) Board held its first meeting in June 2016 to consider ways in which partners could work closely together to build and share intelligence and impact on disrupting the activity of those individuals and their networks operating across the borough. Partners agreed a draft Action Plan based on the four themes around Pursue, Protect, Prepare and Prevent which causes the greatest community impact. The group has initially discussed opportunities to share best practice with other SOC groups in the subregion and consider joint funding applications to the Police and Crime Commissioner to address common priorities.
26. The Community Safety Delivery team have been working alongside the National Trading Standards Scams Team who have received from the Metropolitan Police Service a list identifying just over 600 CE residents who are potential victims of prize draw and postal scams. The level of collective detriment is estimated to be in the region of £60,000. The average amount of detriment per resident visited is £2,608, therefore there is a potential collective detriment to the Cheshire East residents on the mailing list of over £1.4m.
27. A gang of criminals from London who committed high value thefts in Cheshire, Staffordshire and West Mercia have been caught following vigilant observations by the CCTV operators. Operators monitoring all areas, as well as Crewe, spotted two of the gang and with the help of store security guards managed to pinpoint the vehicle they were in. CCTV instigated the stopping of the vehicle and the three males on board were arrested and subsequently charged with numerous offences in Cheshire and other forces. For all the offences they received ten weeks in prison each. During interview the three admitted to being part of a gang sent up from London to commit the thefts.
28. The CCTV camera network was instrumental in dealing with on average 1,300 incidents a month, giving Police the necessary information to be able to pursue the offenders, resulting in arrests and convictions.
29. Two of the three Dog Watch campaigns have been completed and good feedback was given by all attended. Over 30 surveys were completed per area and information will be gathered and collated at the end of the three campaigns. Five fixed penalty notices were issued as a result of the campaign (all of which were in South Park, Macclesfield). The third campaign was due to be completed by 17th July and a full report will be produced for the end of Q2.
30. Community Enforcement Officers issued 57 fixed penalty notices during the first quarter when tackling community issues such as fly tipping, littering and dog fouling.
31. Preventive work with young people at risk of offending continues to have a positive impact. Latest data shows that the number of first time entrants to the youth justice system has continued to reduce. Cheshire East has a lower rate of re-offenders and an

average number of offences per offender when compared nationally.

32. The Youth Support Service works with young people aged 13-19 or 13-25 (with additional needs) providing youth work and targeted support. The total number of individuals who accessed the service in quarter one was 1,298.

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

### Business Growth and Tourism

33. Support to Cheshire East high growth sectors continues with new public-private initiatives launched including an Innovation Strategy Board, and a Creative and Digital Taskforce 'The Weave'.
34. The Skills & Growth Company are supporting the masterplanning process at Radbroke Hall and Bentley, while at Jodrell Bank engagement for the Square Kilometre Array has started. A Memorandum of Understanding has been signed between Cheshire East and Astra Zeneca for improvements at Hurdsfield.
35. The first quarter saw visitor numbers at Crewe Lyceum Theatre of 18,945; a rise of 1,817 on the same period last year. Macclesfield Silk Heritage Trust saw visitor numbers of 8,278 in the first quarter; a rise of 1,884 on the same period last year.
36. The Lost Carnival took place in Crewe, which attracted audiences of 2,000. In addition, 1,148 volunteer hours were given and 445 complimentary tickets were distributed to local organisations for disadvantaged families in Crewe to attend.
37. Visitor numbers to Tatton Park during the year are expected to be buoyed by holding a unique celebration of the works, readings and

events of Roald Dahl. Early indications in quarter one were encouraging during April and early May 2016, although June suffered from poor and variable weather, which particularly impacted weekends. This reduced outturn expectations, with garden admissions and park entries down just over 10% on the previous year, with concert ticket sales slow and other events impacted. However the Roald Dahl activity helped maintain sales in other areas with purchases of the discounted Totally Tatton tickets, entries to the Mansion and sales through Tatton Gifts and the catering outlets up by as much as 6% in some areas.

38. The procurement process was commenced to select and appoint a development partner for the redevelopment of Royal Arcade in Crewe town centre. By the end of Q1 developers had been shortlisted based on their previous experience.
39. An enhanced Public Realm Scheme was completed around the new Lifestyle Centre in Crewe town centre, including an improved walkway connecting the new development to Market Street.
40. New governance proposals have been developed for Crewe regeneration/business engagement in partnership with South Cheshire Chamber, including formation of a new South Cheshire Business Council to replace the All Change for Crewe Partnership Board.

### Jobs and Skills

41. Cheshire East has a low number of young people not in education, employment and training (NEET); this was maintained at around the same level as the previous quarter with 328 young people (2.8%) at the end of quarter one. Work continues to reduce this figure and young people who are joining or leaving the NEET cohort each month are closely monitored.



42. Five young people (NEETS) have been on work placement with the Youth Theatre from Total People. During their time with the youth theatre they learnt about how to become a production team and they supported the youth theatre production Swallows and Amazons.
43. Since being on work placement two of the young people have successfully become employed and one is having further experience to become a casual theatre technician. To top all of this off, they also passed their Bronze Arts Award. This is a Level 1 award on the Regulated Qualifications Framework (RQF) and compares to a D-G GCSE grade. The young people completed their work placement as part of the NCFE Entry Level qualification with Total People. We also successfully had four other young people pass their Arts Award Silver, a Level 2 qualification on the RQF which compares to an A\*-C GCSE grade. This represents a 100% pass rate for all young people going through Arts Awards through Cheshire East Youth Training.
44. A 'Stepping into Business' workshop was delivered to three primary schools and one high school during the quarter, in partnership with Bentley Motors; while Carillion/Keir are in discussions to offer apprenticeship and work experience opportunities on the M6 J16-19 programme.
45. The Lifelong Learning team continues its delivery of adult learning programmes. 286 learners are currently participating in a wide range of courses aimed at enhancing the work prospects of those furthest from employability; 194 learners are gaining ICT skills ranging from basic keyboard and mouse skills to the European Computer Driving Licence; and 151 are advancing their Literacy and Numeracy skills (ranging from beginner readers up to GCSE Level through the Functional Skills and Stepping Stones courses). Further to this, Cheshire East has reached an additional 2,700 learners

through courses delivered by our partners in the community including Head Injury Recovery College Therapies, YMCA Academy, Safeguarding, Stronger Women, Bosley Work Club, Reiki and gardening.

46. The Skills and Growth commissioning service is currently forecasting a minor overspend of £68,000 against a net budget of £1.8m. This relates to a small number of Council expenditure items e.g. employee profit related pay.

### **Inward Investment**

47. The Regeneration team has continued to collaborate with Skills & Growth Company in relation to engagement with key local employers and commercial partners on key matters (e.g. BHS closure, development proposals for University Way and investment plans of new/expanding businesses).
48. The Skills & Growth Company has had strategic engagements with 18 of the Top 100 accounts in the Cheshire East area in quarter one. This has led to a significant pipeline of investment opportunities that could lead to the creation of around 210 quality jobs in the area. Other inward investment activity coordinated by the Skills & Growth Company included an Enterprise Zone (EZ) Launch Event at Alderley Park to support applications for EZ Rate Relief; a successful investment tour from Hong Kong of key employment sites; and arranging for Assurant to tour Radbroke Park to inform investment plans.
49. At First Quarter Review, Economic Development services are reporting a pressure of £0.3m against the 2016/17 budget.

50. Pay and pension pressures of £119,000 have been identified. There are additional staffing pressures of £75,000 – £55,000 is within Planning and Sustainable Development where increments have been awarded to staff in order to improve retention rates within this service. Housing staffing is reporting a £20,000 pressure due to a reduction applied to the 2016/17 Budget which remains unidentified at this time, although the service is working to mitigate this pressure in-year.
51. The Assets Budget for 2016/17 includes a reduction of £315,000 for Business rates savings due to disposal of assets. A significant proportion of this saving remains largely unidentified at this time, although a review of the Disposal programme is currently underway within the Assets service which should facilitate more clarity on this position for the Mid Year Review.
52. Other pressures include the retention of the Town Centre Manager at Macclesfield, which presents a pressure of £53,000 for 2016/17, since it was assumed that this position would not be funded within Cheshire East this year.
53. The Green and Rural service is experiencing low volumes of concert sales to date, this has significantly contributed to the pressure on income of £40,000 within this service, in addition to poor weather throughout June.
54. There are some smaller pressures due to unbudgeted recruitment and investment costs.

### **Infrastructure**

55. The Strategic Highways Infrastructure Team continues to make strong progress on the Council's major transport schemes by planning, developing and delivering major highway and transport

infrastructure improvements, in conjunction with partner organisations. Current Delivery Schemes include:

- Poynton Relief Road - Work is now progressing to submit a planning application at the end of July 2016. Public consultation took place in October 2015 and a number of exhibitions were also held. The level of positive feedback received was exceptional for a highways scheme.
- Congleton Link Road – The planning application was successfully made on the 30th September 2015 and an addendum to the planning application was submitted on 2nd March 2016. The planning application has now been approved by Strategic Planning Committee and work continues to be progressed on this scheme in order to successfully deliver the next phase of work.
- Sydney Road Bridge – Work is rapidly progressing with Network Rail and their contractor, Murphys, to develop and finalise design options in order to determine a final preferred option. Initial landowner consultations took place throughout May and June, and went well. Preparation is now underway to progress the scheme to the planning application phase.
- The A6 Manchester Airport Relief Road scheme is currently under construction, the technical approvals process and detailed design checks are nearing completion. The majority of roadworks elements are completed. A Stage 2 Road Safety Audit with all Local Authorities is under review and responses are ongoing, as are structures design checks. Most Technical approvals for major structures are completed with retaining walls and other smaller structures ongoing.
- A500 Junction 16 Pinch Point Scheme – This scheme has been implemented to alleviate congestion at junction 16 of the M6 through the addition of a lane to the eastbound approach to the junction. Works are now complete at junction 16 and work continues to close this project out and address final payments.

- 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 – Crewe Green 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 showed that the recent opening of Crewe Green Link Road (South) was predicted to 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. A number of options have now been worked up for the new roundabout design, and a further Cabinet report later in the year will consider a preferred option.
  - 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 Spine Road to be developed and built. Work is underway to assess the options around the proposed site. This is part of the North West Crewe Package. Next steps include engaging with key stakeholders, supporting the production of the Bentley Masterplan A and subsequent planning application, in addition to supporting the application for planning permission for Leighton West by Engine of the North.
  - Middlewich Bypass – The Feasibility Stage has run to programme and has been used to support a bid for DfT funding to develop the scheme further. The outcome of this is awaited. Design options adjustments are underway to respond to developer input and a public consultation is being prepared.
- Subsequent to this consultation, there will be a report to November cabinet to select a preferred route.
- Macclesfield Movement Strategy – A package of transport schemes which looks to support growth and regeneration within Macclesfield. A bid has been submitted to the Local Growth Fund for future funding, the outcome of this is awaited.
56. 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, improvements to the A51/500 corridor and the Dualling of the A500 from M6 Junction 16 to the A5020 roundabout.
  57. Due to the prolonged winter period resulting in unusually high winter service expenditure throughout April and the exceptional rainfall causing flooding in June the revenue spend in Q1 is currently ahead of the planned profile. However measures are being put in place to ensure that the costs will be managed within the annual budget.
  58. Cheshire East Highways (CEH) performance continues to be managed through a suite of contractual performance measures. At the end of Q1 of the 24 calculated measures to date, CEH are passing in all but one. The failing indicator relates to the timely processing of the monthly valuation and is a non-scoring indicator.
  59. In addition by the end of Q1 the service had received 8,506 enquiries. Of those 8,079 were resolved (95%) in quarter but the figure indicates the level of customer engagement there is with the Highway service.

60. The delivery of the annual reactive maintenance service is generally proceeding in line with the approved business plans. Winter ran into the early months of Q1 with gritters out salting some routes on the network.
61. Pothole repairs are running at high levels with the situation being monitored closely. Due to the wet and prolonged winter, the network is suffering from an increased number of potholes. By the end of the quarter 5,414 had been completed.
62. The capital maintenance and Highway Investment Programme (HIP), funded by the Department for Transport (DfT) Local Transport Plan (LTP) budget and Council prudential borrowing, is making good progress against the approved business plan programmes. All surface dressing has been completed, the Micro Asphalt / Grip Fibre programme commenced in June for completion in July. The surfacing programme is split into two phases with Phase 1 completed in April and Phase 2 was on track to start late July for completion in September.
63. The Footway programme/Level 2 carriageway patching programme and other block programmes are approved and delivery is on track. The DfT Pothole budget is funding the repair of carriageway defects on the Tour of Britain route and will be completed in advance of the event.
64. The LED street lighting lantern replacement and structural column replacement programmes are currently in the survey/design phase with delivery due to start on site in August.
65. The recent flooding event in Poynton was handled very well by the reactive teams in partnership with the emergency services and other key stakeholders and this work has been funded by using some of the Council's Highways Adverse Weather Contingency fund. In the aftermath the Highways service, led by the Structures team and Flood team have engaged with partner agencies to quickly assess the legacy of the flood damage to the highway infrastructure and drainage systems. A report on the damage and costed repair options has been prepared for Management Group Board (MGB) to consider with a request for additional funding for the capital repairs. The outcome of this will determine whether it will be necessary to review and revise any of the currently approved capital programmes.
66. Highways spend at first quarter is slightly above budget; this is due to winter service expenditure incurred well into April 2016, additional flooding expenditure in early June 2016 and the usual higher spend rate for summer activities and longer available working hours. It is anticipated all these costs will be managed within budget or through the use of the appropriate earmarked reserves, and therefore a net nil position is forecast.
67. Car Parks are expecting to generate an under spend of £239,000. The majority of this is due to increased pay and display income which will be ring fenced to provide funding for new pay and display machines. There is also a small staffing under spend in both the processing and enforcement teams. A full staffing review of the service is being undertaken.
68. The Transport commissioning service is currently reporting a potential pressure of £196,000. This relates to a number of budget pressures and additional funding requested by Transport Services Solutions Limited (TSS), the Council's wholly owned company.
69. There is potential non-achievement of £153,000 of commissioner-led savings related to Available Walking Routes. In addition, there is also a pressure from increased demand in SEN of £43,000.

- 70. The Council will underwrite the pressures subject to progress during the year (Available Walking Routes) and evidenced demand information (SEN), respectively.
- 71. Cheshire East Council has responded to the recent announcement that GHA Coaches has entered into liquidation. Ruabon-based GHA Coaches employed 320 people and operated 230 vehicles on school and bus routes across North Wales, Cheshire and Shropshire.
- 72. To ensure that the travel needs of local residents are met, the Council and TSS put in place an emergency plan to cover local bus routes affected by the cessation of GHA Operations. In the short term, this response has added pressure on revenue budgets for local bus support during the transitional arrangements. As the situation is stabilised, on-going cost pressures will be known and reviewed at year end. The contingency, if needed, will be drawn from the ASDV reserves.

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

#### **Securing the Best Start in Life**

- 73. Quarter one saw the launch of the 'Parenting Journey' in Cheshire East. The Parenting Journey is a universal integrated early help pathway and programme of support for children under 5 and their families. Beginning in pregnancy through to a child starting school there are a series of 'stops' where parents will be offered age appropriate guidance regarding their child's learning and development. It supports every child in Cheshire East to have the best possible start in life.

- 74. Despite a very small reduction, the take up of the childcare offer for disadvantaged two year old children in Cheshire East continues to outperform the national average, giving our youngest children the best start in readiness for school; as at quarter one, this stood at 75%.
- 75. Access to the 2 year old programme is monitored on a fortnightly basis. Every parent whose child is eligible is contacted to ensure the parent is aware of the offer and to support their child's access to local childcare provision. The local authority has set up a 'door knocking' system to support this process. A Health Visitor is working with the service to support the delivery of the 2 year old integrated review.

#### **Highest Achievement for All Learners**

- 76. During the first quarter, students across Cheshire East undertook their GCSE and A-Level examinations, an anxious time for them and their families as they await the result of years of hard work. Result details will be included as part of the Council's Quarter 2 report, with verified results anticipated in November 2016.

#### **Inclusion**

- 77. The Local Authority has worked with local employers through the Chamber of Commerce to provide additional opportunities for care leavers not in education employment or training (NEET). Of the 64 NEET in quarter one, over 39% are engaged in positive activities that are developing skills for the work place. Excluding those pregnant/ with parenting responsibilities and those unavailable to the workplace due to illness/disability/custody there are only 14 individuals that are NEET and able to work. Active support is in place through Personal Assistants for these individuals.

78. Children and Families is forecasting an overspend of £1.5m at the first quarter.
79. This is caused by the underlying pressure of children in care, and the limit to how effectively this can be mitigated against via in year activity.
80. The budget for children in care for 2015/16 was set in anticipation of further reductions in numbers based on reductions experienced previously. This reduction has not materialised and numbers have increased locally, regionally and nationally.
81. At March 2015 there were 357 children in care. The numbers increased by 30 (8.5%) to 387 in March 2015 and have reached 401 in June 2016. Increasing gatekeeping has resulted in the cases which are coming through being more complex and therefore cost more.
82. The 2015/16 outturn for placements reflected an overspend of £2.2m. This pressure was partially addressed through the 2016/17 budget process (in the context of funding limitations) where an extra £1m was allocated to placements (plus £0.3m to fostering allowances).
83. The end result is that the overspend has been reduced but the increase in client numbers and complexity has limited the impact.
84. The service continues to seek better value for money placements that provide the necessary support for vulnerable children and reduce cost on an individual basis. The service is also considering other ways of reducing pressures through local projects to improve outcomes and linking up with bids for Department for Education innovation funding.
85. Although children in care numbers have continued to rise they are still below the average level for similar authority areas.
86. The service has a pressure of £0.15m from a shortfall in adoption income which it expects to manage.
87. In terms of the Directorate generally there are £0.35m of pressures caused by delays in delivering budget proposals. These are intended to reduce staffing costs and will be considered as part of a service restructure in line with the People's Directorate approach in due course. It is hoped that this action will enable the proposals to be delivered.
88. The service could also face pressures of £0.3m as a result of additional unaccompanied asylum seeking children should a national transfer scheme be put in place. This represents the shortfall between additional costs and grant funding available.
89. The service continues to work proactively to permanently recruit Social Workers and Social Work Managers. This is a critical element of our Ofsted improvement plan, and extensive efforts have been made to increase stability in the children's social work teams. Consequently, there has been a significant improvement with 89% of posts covered by permanent social workers.

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

##### **Planning and Sustainable Development**

90. Consultation on the Proposed Changes to the Local Plan was completed as anticipated on 19th April and the Council received 19,572 representations from 4,679 individuals or groups. Each representation has been logged and analysed and a full response prepared in readiness to be submitted to the Inspector in early

July, in line with agreed time scales. The stage is now set for a further 6-7 weeks of hearings starting in September. Each of these steps ensures that the Council continues to meet the rigorous Local Plan timetable agreed with the Inspector.

91. 98% of planning applications are being validated within five working days and 100% of valid prior approval applications are being registered within 24 hours. More information is now available online to customers about what stage an application is at.
92. Turnaround of planning applications within timescales during the first quarter indicate strong performance of 81% for Major planning applications (within 13 weeks). This significantly exceeds the target of 60%, reflecting successful recruitment at Principal Planning Officer level and focus on working with applicants to agree achievable target dates.
93. Turnaround of Minor applications (within eight weeks) fell below target of 65% to 54% during the first quarter. This reflects the loss of experienced staff and difficulty in recruiting experienced planning and senior planning officers. Overall output has improved on recent quarters, but the percentage within the target timeframe is a result of the backlog of older applications.
94. The volume of "Other" planning applications determined significantly increased in quarter one, up by 211 application on the previous quarter. This includes a high number of householder applications. The percentage within target date therefore dropped below target to 64% (against a target of 80%) as the backlog of older applications is worked through. Recruitment at the junior planning officer level is having a positive impact and these figures reflect time taken to train new members of staff in the department.

95. The Building Control, Land Charges and Planning Administration commissioning service is currently forecasting a net nil position against a net budget of £1.8m.

### Waste Management

96. **Waste & Landfill** - The Authority continued to need to utilise landfill for approximately 62% of residual waste going to Maw Green Landfill in Crewe this first quarter. The remaining 38% of black bin waste largely from the North of the Borough is being sent to utilise spare capacity at the Stoke-on-Trent waste-to-energy plant. This is possible through a temporary transfer station on the now closed Macclesfield Landfill site.
97. Work is underway to provide permanent transfer facilities for all of the authority's waste from April 2017 at the central Environmental Hub currently under construction outside Middleswich. This will allow greater use of waste-to-energy plants outside the Borough as we seek to meet the Waste Strategy objective of ceasing using landfill as a primary disposal route.
98. **Reuse and Recycling** - During the first quarter the council anticipates collecting 30,000 tonnes of waste for recycling through its silver and green bin schemes and the nine Household Waste Recycling Centres (HWRC). Of this material, 350 tonnes is reused through charitable partnerships and the HWRC.

99. **Waste, Recycling Reuse Figures (Quarter 1 indicative estimated tonnages)**

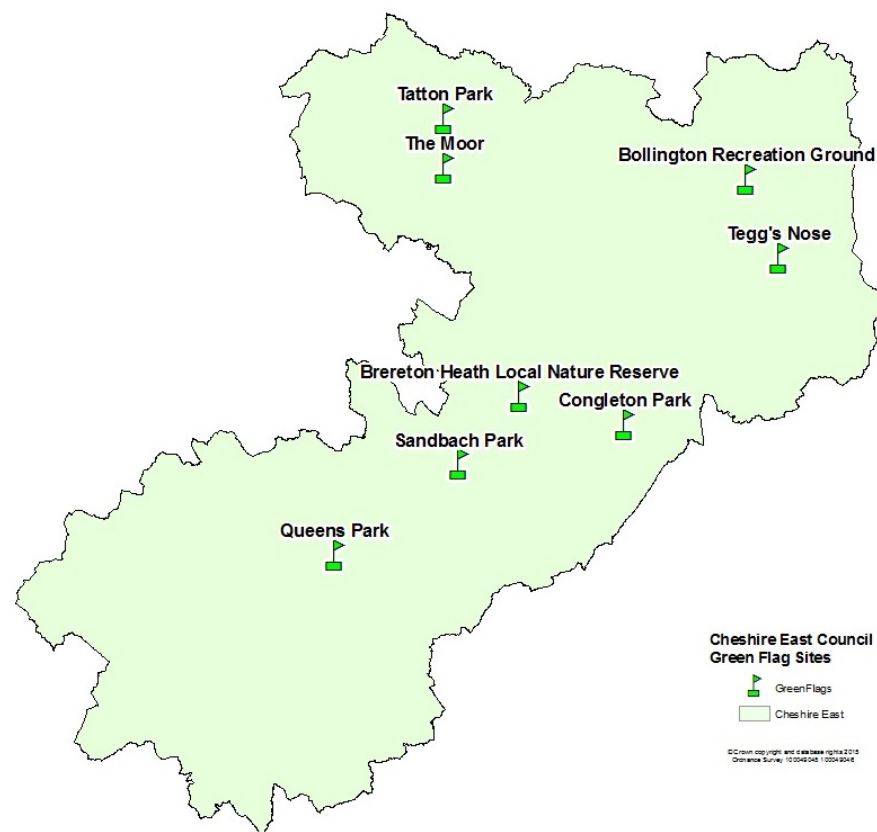
| Residual     |                 |       |
|--------------|-----------------|-------|
| Landfill     | Waste to Energy | HWRC  |
| 10,250       | 8,100           | 2,900 |
| Recycling    |                 |       |
| Household    | HWRC            | Reuse |
| 9,300        | 4,200           | 350   |
| Green Garden |                 |       |
| Household    | HWRC            |       |
| 14,000       | 2,200           |       |

100. **Fly Tipping** - The task and finish group, set up via the Environmental Overview and Scrutiny Committee to review fly tipping across Cheshire East, continues to seek to address fly tipping and side waste issues. The funding that was secured for additional resource in the Crewe area to tackle persistent issues has enabled two new staff members to be engaged in the Communities' Enforcement Team. They will begin their work in quarter two. There were 733 reported incidents of fly-tipping/side waste in the first quarter, a rise of 7% from the first quarter last year, equating to an estimated 300 tonnes.

### Environment

101. **Parks** – Queen's Park Crewe has been newly awarded a Green Flag reflecting the works to improve the park undertaken over the last few years and the contribution of the parks friends group and work of Ansa's parks staff. Further investment is scheduled this year to complete works of Crewe's Queens Park, Coronation Valley, together with works to Macclesfield's South Park to desilt the lake and refurbish the multi use sports area.

102. The Green Flag awarded to Queen's Park means that it becomes one of eight sites in Cheshire East to be awarded the standard in 2016, joining Congleton and Sandbach Parks along with the Moor in Knutsford, Bollington recreation ground, Brereton Heath local nature reserve, Tegg's Nose country park and Tatton Park. Tatton Park has also received the Green Heritage Award, which is given to places that achieve a high standard in management and interpretation of a site with local or national historic importance.





103. **Playing Pitches** - The Assessment, Strategy and Action plans for playing pitches are currently under development with Sport England and KKP Consultancy to meet required timetables for the Local Plan in the autumn.
104. Investment in playing pitch facilities at King George V Pavilion, with grant contributions from Wren and Cheshire FA, have seen the opening of fully refurbished changing rooms to FA standards to develop Men's and Women's league football in Crewe.
105. A comprehensive programme of countryside events has been scheduled for the year and is currently being delivered by our Partners and the Countryside Rangers. The Countryside Rangers' social media "likes" have increased by between 7.6% - 15.3%, whilst our Twitter followers have increased by 5.6%.
106. Overall Environmental Operations, including Bereavement Services, is currently reporting a £104,000 overspend for 2016/17 against a net £27.2m budget.
107. There is a forecasted shortfall in markets income for the year of £45,000. This primarily relates to Macclesfield indoor and outdoor markets where trader occupancy levels continue to reduce for a variety of reasons. Some mitigation may be possible by way of small 'invest to save' works to refresh vacant units and reduced start up rent for newcomers. Negotiations over the projected transfer of Crewe Markets to Crewe Town Council are continuing.
108. Within Bereavement Services there is currently a forecasted income shortfall of £48,000 for the year. This takes into account a number of variants throughout the year. During the first quarter, Crewe Crematorium became fully operational from May 2016 after an extensive refurbishment programme, offset by a period of down

time at Macclesfield Crematorium due to emergency replacement of the lining.

### **Affordable Energy, Growing Energy Businesses & Independent Energy**

109. The Fairerpower scheme continues to attract new customers, with 1,000 customers in quarter two. Cheshire East is exploring opening the scheme up to other authorities.
110. A £1m bid for ELENA funding from the European Investment Bank has been submitted following Cabinet approval which, if successful, will enable further investigation of an energy service company for Cheshire East.
111. The Skills & Growth Company has secured funding for Cheshire East for a Macclesfield Heat Network Study. Bids have also been submitted for Heat Networks funding for Crewe Town Council and Hurdsfield.
112. The new Joint Venture Partnership with Engie, called Cheshire Energy Networks Ltd, held its launch event, and work is now underway on finalising its business plan. A £2.5m bid has been submitted to the Local Growth Fund for a deep Geothermal project, with a concept bid submitted for a test well and business support programme.
113. The Waste Strategy commitment to investigate the recycling of food and garden waste to create energy is progressing though live procurement with seven bids and due to concluded in February 2017.

114. The construction of the Environmental Hub has begun, and is due for opening in March 2017. Once complete this will provide facilities for the diversion of waste from landfill to waste-to-energy plants outside the Borough.

## 5 ~ People live well and for longer

### Empowering people to live independent, healthier and more fulfilled lives

115. Our Reablement services have successfully helped people to maintain their independence, avoiding the need for long term dependence on care services. We have recruited additional Local Area Coordinators (LACs) to support individuals in the community to find the right support in their locality, bringing communities together to support one another and maximising community outcomes. There are now 8 coordinators across the borough supporting service users to access the diverse range of existing resources within the communities in which they live. By tapping in to no - or low - cost community-based services, we are enhancing the lives of social care customers who suffer reduced life opportunities and health outcomes to improve their social and health outcomes. The LACs have already made a significant impact on supporting individuals and their carers including Mental Health. Social workers and social care assessors feel that the LACs have helped find solutions to 'some conundrums' they'd faced in cases and felt that training with the coordinators had boosted partnership working with service users and their carers.
116. 523 home adaptations were carried out in quarter one, helping our residents to retain their independence.
117. 145 new affordable homes (79 rented/66 intermediate) were delivered in quarter one, helping our residents to access appropriate housing to either rent or purchase.
118. Eight long term empty homes were brought back into use during the first quarter, reducing the negative impact that empty homes can have on the community.
119. **Crewe Lifestyle Centre** – The £15.1m Centre was fully operational on time from 1st April 2016, and was officially opened on 26th May by Sir Philip Craven, President of the International Paralympic Committee and Crewe resident. All services including libraries, leisure, adult social care and family services transferred over a phased period during March to ensure continuity of service. The project has been recognised as a finalist in the Association of Public Service Excellence (APSE) National Awards.
120. **Peter Mason Leisure Centre Congleton** – Following Cabinet approval the project to upgrade the leisure centre has commenced its search for a Development Partner to develop the scheme through to planning approval and build in 2017.
121. As part of Sport England's annual "Active People Survey", Cheshire East has become the most active local authority in the North West with participation in sport and recreation (4 x 30 minutes a month) increasing from 37% to 42.7% since the last survey. This has been reflected in increases in swimming visits recently reported by Everybody Sport & Recreation (ESAR), where in the period 1st January to 31st May there was a 10.4% increase on the equivalent period last year, increasing from 127,077 visits to 140,371. This is at a time where there is currently an 8% national decline in swimming.

122. The first quarter for ESAR showed some excellent results including a 14% increase in attendances at leisure facilities of 774,616 against the target of 678,976. This included increases in all the key user groups of adults (14.2%), young people under 16 (8.6%) and people over 60 (19.7%).
123. There were also increases against the target for leisure volunteering of 11% (1551 hours) and for Bikeability of 43% with 1,700 young people being trained since 1st April 2016.
124. The Leisure commissioning service is currently forecasting a net nil position against a net £2.2m budget.
125. Adult Social Care patch teams are working more closely with health colleagues to improve the experience of those in need of help from social care and health professionals. A number of workshops have been held between health and social care professionals to develop pathways and processes. Work is progressing to integrate around GP surgery patches.
126. The need to commission the Recovery Based Accommodation Project was identified in response to the Vulnerable and Older Persons Housing Strategy and the Homelessness Strategy (2014). Public Health and Housing undertook a joint commissioning process and awarded the contract to Emerging Futures in January 2016. The project is an appropriate 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 to recover to the point where they can start to work towards maintaining an independent tenancy. The project provides residents with the support they require to access a pathway to recovery, reducing the risks associated with uncontrolled substance misuse. This service targets the most complex high need individuals who continue to access public sector service such as A&E, Social Care, Housing, Police, Criminal Justice etc. The project aims to break this cycle of individual and societal risk, harm, access and dependency on local services for individuals. So far the project has received 35 referrals which have resulted in:
- 21 residents being housed in total - 16 residents currently housed.
  - 2 evicted due to threats of violence
  - 4 moved to alternative accommodation
  - 8 cancelled by SPA or declined service
  - 8 progressing to be housed
127. The evaluation of a training package for health and care professionals to 'change the conversation' with the people that they work with is getting underway as part of the Cheshire Pioneer Programme. This will develop the concept of empowerment, supporting individuals to take responsibility for their own health and wellbeing. A group of staff are going to participate in a day-long course to test its suitability for consideration for wider roll-out.
128. Recently finalised data supporting the 2015/16 SALT (Short and Long Term Services) Return for Adults Services show that 9,243 requests for support were received for new clients in 2015/16, 80% of which were requests for clients aged 65+. 912 (10%) of these requests led to Long Term Support, and 1,726 (19%) led to Short Term Support to maximise independence.
129. As a result of support, the proportion of older people (65+) who were still at home 91 days after discharge from hospital into reablement / rehabilitation increased slightly from 84.7% in 2014/15 to 85.4% in 2015/16.
130. Overall, Cheshire East supported 6,211 individuals with Long Term Support during 2015/16, which is similar performance to the support provided in 2014/15.

131. There was a significant increase in Carers receiving Direct Payments (from 25 in 2014/15 to 298 in 2015/16), due to a change in the funding arrangements for the Wellbeing Fund.
132. The Adults budget has a net projected overspend of £3m, before remedial action is taken into account, and remains under constant pressure given both the demographics of the Borough and the increased complexity of service users which are key drivers of costs. It is therefore increasingly challenging to expect the last three years of positive final outturns to be replicated in this and future years.
133. Gross savings of just over £7m are required from the Adults budget in 2016/17. This is before investment (predominantly to fund increased fees being paid to care providers, the increase in 2016 being the first time fees have been increased in the lifetime of Cheshire East Council) which means the overall budget has been reduced by £2m net this year.
134. The main issues behind the £3m budget pressures are as follows:
135. Firstly, whilst positive progress can be reported against the required £7m savings including some major contract reductions and additional income being successfully delivered, this totals just over £5m, leaving a further £2m still to be delivered. In addition, one area currently projected as falling short already had an existing target in the base rolled forward from last year, making the gap this year bigger still.
136. Secondly, care costs excluding the increase in fees mentioned above, have risen and the current year contains the full year impact of rises that begun during the latter part of 2015/16. Care costs normally rise (increase in new cases) during the latter part of

the financial year as this coincides with the winter pressure period that remains a major issue across the wider Health and Social Care world. The impact of the full year effect is compounded this financial year by the fact that monies included in the base last year in anticipation of an earlier fee increase to providers are now being fully utilised within the new prices agreed for 2015/16.

137. Work continues in resolving the funding of Continuing Healthcare / Complex Care and it is pleasing to report that a cash settlement is in operation which will remove the need for detailed negotiations that have been a feature of recent year-ends. Operationally work is ongoing with health colleagues to resolve outstanding cases and to ensure individuals remain properly supported.
138. Given the projected position it is necessary to identify remedial measures, even if these can only delivered on a one-off basis. These measures can then fill in the gaps where savings have been subject to delay. Work is underway both to identify and then prioritise action in these key remedial areas in order to maximise the financial benefit this year.
139. Areas of remedial action will naturally involve care costs given they represent such a majority of overall costs. Where our costs are benchmarked externally and we are an outlier, for example, against authorities categorised as near neighbours this will provide a focus for attention. Also, where areas of potential weakness are identified locally these will be worked through. It is envisaged that the remedial action will reduce the potential overspend from £3m to approximately £1m by year end.
140. In addition to remedial action the service is working to minimise the financial risk that manifests itself for the Council as a result of the financial position being faced by the Council's biggest partner - the Health service. The local Health economy is under massive

strain with a potential knock-on financial implication for the Council as decisions are taken to cut or stop some services currently funded by Health. Inevitably given the close links between the two sectors there could be financial consequences as service users seek alternative sources of assistance.

141. In conclusion, whilst the draft position is one of a material adverse variance this has been identified early enough in the financial year that successful remedial action can be implemented to correct this, either partially or fully, over coming months.

#### **Information, Advice & Guidance, Prevention and Early Intervention**

142. During quarter one, just over 3,400 children aged 0-4-years accessed provision at Children's Centres across Cheshire East. Approximately 155 parenting support and adult learning sessions were provided, and accessed by around 870 parents. The most commonly accessed sessions were Breastfeeding Support and Antenatal Education, closely followed by Baby Massage and First Aid. In addition, the adult learning sessions included literacy and numeracy skills.
143. 234 households were prevented from becoming homeless in quarter one. This was achieved through a number of initiatives including rent deposits, negotiation with landlords and Housing Associations; mediation with family and friends; and engaging / linking in with wider support.
144. Adult Social Care have increased the fees we pay to the care market to fairly reflect the National Living Wage, which will ensure the care market remains buoyant and that quality care services remain available to those in need of care and support. The rates associated with Direct Payments as an alternative for customers to

access their choice of care and support have also been increased to account for the National Living Wage increases – this means more people can recruit their own personal assistants if they wish to do so.

145. The Infection, Prevention and Control (IPC) service was re-commissioned and went live on 1st April 2016. The service provides specialist advice on the prevention and control of infection to the general public (residents, patients, carers, and others) and to non-acute providers of health and social care services across Cheshire East. The IPC Service aims to:
- Prevent significant infections within the Cheshire East community;
  - Reduce the risks posed by Health Care Associated Infections (HCAI) and other communicable diseases in the local population;
  - Provide assurance to Cheshire East Council around infection prevention and control standards within Primary Care (including non-acute NHS providers) and Social Care services;
  - Community Infection Control Team will support the activities of PHE Health Protection Team in responding to cases of infectious disease, incidents and outbreaks in the community. This will usually be a reactive role but could include strategic work, for example implementation of protocols, procedures and guidelines
146. The IPC service governance arrangements include the recently established Health Protection Forum, which meets quarterly to advise on local, regional and national issues that need to be addressed by the local IPC service. The new provider Staffordshire and Stoke NHS Trust (SSOTP) have implemented new innovative practices which has already achieved positive outcomes for example a Care Home Hygiene Award, which has been acknowledged by Public Health England as good practice.

147. Early Intervention and Prevention Proposals were approved by Management Group Board in June, and procurement/development of all schemes has since begun, including:

- Increasing capacity for parenting interventions with a focus on families with Children with mental health needs.
- Investment in children's mental health services to improve links between schools and mental health services and improved offer to children and young people across the spectrum of mental health needs.
- Investment in physical activity opportunities for primary school children.
- Investment in evidence-based early help to tackle neglect will prevent escalation and further therefore costs to the child and the public purse.
- A wrap-around support service for care leavers in Cheshire East would be constructed via a menu of services tailored to individual need; this would be coordinated as a 'virtual care leaver's employment team'.
- Increasing capacity in the Family Nurse Partnership that provides intensive support for first time young mothers (and fathers) aged 19 or under.
- Investment in an intense programme of support for women who have experienced, or are at risk of, repeat removals of children from their care.
- Investment in maternity services to allow additional time for mothers to be with identified mental health needs.
- Extend employment of 'local area coordinators' which has been a successful model in improving community support for people deemed ineligible for statutory adult social care services.

### Accessible high quality services, Information & Advice

148. Adult Social Care have successfully implemented the Shared Care Record in a busy hospital patch team. The Cheshire Shared Care Record provides health and social care professionals with important information about those in need of help so that people only have to tell their story once. The system may help with hospital discharge planning and will support the person in need by bringing together all those involved in their care and support. Adult Social Care will roll the system out further to all social care teams across the service during the next quarter. The preparatory work for the Shared Care Record has required customers to give their consent for their information to be shared - 80% of our customers consented to share their information.
149. **Stop Smoking Service** - Stop Smoking Services have been recommissioned as part of the Passport to Health Service. Peaks and Plains are now providing specialist services for hospital patients, smoking in pregnancy and smokers with a mental health condition. Services in the community are now provided by a number of providers including pharmacies and an NHS Trust.
150. **Assessment Service & Lifestyle Service** - Peaks and Plains have been awarded the contract to manage the assessment and outreach required for Passport to Health, as well as to offer the Specialist Smoking Service. The procurement of Healthy Eating, Physical Activity and Healthy Weight Management programmes has also now been completed and a contract was due to be awarded in August 2016.
151. **Sexual Health Service** - Following recommissioning in March, there are now 87 providers of sexual health services which include IUCD (Intrauterine Contraceptive Devices), Implants, Chlamydia Postal Kits, and Chlamydia Test and Treat. These providers consist of GPs

and Pharmacists. The contract start date was from 1 April 2016. The Eagle Bridge Sexual Health service was officially opened on 15th July. The facility will provide the full range of contraception and STI testing and treatment services in a convenient, accessible but discrete location.

152. **Health Checks Service** - There are 42 different providers of the NHS Health Checks service following recommissioning in March. These consist of GP Practices as well as an NHS Trust. The new service began from 1st April 2016.
153. The Digital Customer Services programme is building on our existing online services and developing new innovative digital services for customers and colleagues. The existing Cheshire East website has been recognised as one of the best in the country receiving the award for the Best English Unitary Website Award from Socitm, the professional body for IT and digitally enabled services, at the inaugural Better Connected Awards in May 2016. Our website was also awarded 4 stars - the highest rank achievable - by Socitm's supporting 'Better Connected 2016' report. Only 44 of 412 authorities in the UK reached the top standard which aims to identify good practice in local authority websites.
154. However, in the rapidly changing world of online services and digital technology, it is important that the council continues to build on these achievements so it can meet the needs and requirements of all its customers in the future. Therefore the ambition as part of the Digital Customer Service Programme is to innovate and develop digital services even further and ensure we remain the best of the best for years to come.
155. Benchmarking data released for Q4 2015/16 has also recognised that the Cheshire East website is leading the way amongst English Unitary authorities for the numbers of website visitors which gives

confidence that our customers will be quick to adopt improved Digital services. Delays in the development and implementation of new Digital services will impact the realisation of financial benefits within 2016/17.

156. At quarter one the programme is forecasting a reduction in 2016/17 savings from the budget of £0.55m to £0.19m, however, this is expected to be partially mitigated by not replacing vacancies as they occur within Customer Operations and so effectively banking benefits early. This could have a short term impact on the customer experience as customer response times increase until the new Digital services are deployed. This mitigation is anticipated to reduce the benefits from £0.55m to £0.4m.

#### **Public Protection, Health Protection & Safeguarding**

157. Cheshire East Council has established a Health Protection Forum as a subgroup of the Health and Wellbeing Board. The Forum is chaired by the Director of Public Health and has the responsibility for ensuring that plans are in place to protect the health of the population of Cheshire East. This is done by identifying threats, assessing risks and reviewing health protection arrangements and plans that all associated organisations have in place. The membership of the groups includes representatives from Public Health and NHS England, Infection Prevention and Control from the acute trusts and community services, Regulatory Services and Health, Emergency Planning, and CCGs alongside members of the Public Health Team.
158. Environmental Protection Officers took part in a six day public enquiry following an appeal against the refusal of planning permission for residential development on the former Harman Technology site in Mobberley. Officers represented views of members and challenged the applicant's proposed noise mitigation

scheme particularly as it was novel and untested and there was doubt about its effectiveness. The Planning Inspectorate subsequently dismissed the appeal on grounds of noise and the impact on residential amenity.

159. The Environmental Protection Team has successfully prosecuted a second defendant in a case involving the burning of waste on land. Earlier this year the team prosecuted the land owner for accepting and burning waste whilst this latest case involved prosecution action against the individual who illegally dumped the waste on land. He was fined £2,085 and ordered to pay additional costs of £821.
160. The Animal Health Team have been involved in the care and sale arrangements for livestock following the sudden death of their owner. Officers ensured that the animals were fed and watered over a two week period before they could gain approval from the Next of Kin to sell the animals. The team had some very positive feedback, including the comment: “An excellent way to run a service helping people rather than simply enforcing legislation”.
161. A farmer prosecuted for Animal Welfare offences and subsequently jailed for non payment of Proceeds of Crime (POCA)confiscation costs has now settled his bill and been released from prison. A total of £42,500 was received with 37.5% retained by the authority to support the POCA role.
162. The percentage of repeat referrals to children’s social care stands at 25%. Whilst there is a small increase in the number of re-referrals, the rate of re-referral remains fairly constant. This continues to illustrate the need to develop better early help for complex families and to support agencies in continuing their lead role with a family.
163. The timeliness of children’s social care work assessments are on target, with 85% of assessments completed within 45 days in quarter one. In addition, we have seen an increased percentage of assessments being completed within 15 days.
164. Improvements have been made around initial health assessments for cared for children in quarter one. Of the 57 children who entered the care system, 55 required a request for an initial health assessment within 48 hours. Requests meeting the deadline have improved from 42% in April 2016 to 88% by the end of June 2016, with a total of 69% for quarter one. Health assessments completed by a paediatrician within 20 days has also improved, although further improvements are required.
165. Public Health continues to operate in a ring-fenced grant funding arrangement which now includes the full year effect in 2016/17 of responsibilities for 0 to 5 year olds transferred part way through the last financial year. The ring- fenced budget now stands at £17.258m. The service continues to expand its range of targeted investments aimed at improving the health of the population of Cheshire East. The latest example is the Integrated Wellness service which targets investment on evidenced priorities such as increased physical activity, reducing obesity and stopping smoking, all of which improve Health and reduce the likelihood of future debilitating conditions. These investments are closely aligned with wider Council spending priorities with the unit working in close collaboration with other Council services, for example, Adults and Children’s as part of the Council’s wider ‘People’ Directorate. The rules surrounding the operation of the ring-fenced grant allow for any unused funds to be carried forward via a specific Public Health reserve held on the Council’s balance sheet. At the end of 2015/16 the balance on the reserve stood at £1.942m. Given the outlined investments now being made, as well of the year-on-year



reductions being experienced to the grant, it is currently envisaged that the reserve will reduce during 2016/17.

## 6 ~ A Responsible, Effective and Efficient Organisation

166. Feedback from the 2016 Spring “Influence Cheshire East” (Citizen’s Panel) survey indicates further overall satisfaction with the Council; up from 39% in 2011 to 58% in 2016. Alongside the rise in satisfaction with the Council, there has also been an increase in the percentage who agree that the Council provides value for money – up from 23% in 2011 to 40% in 2016. Overall, 84% of residents stated that they were satisfied with their local area as a place to live. The Council’s work towards achieving the six Residents First Outcomes over the course of its new Corporate Plan period will seek to further improve this encouraging trend.
167. The Council is in the running to scoop five prestigious national awards for excellence in public service, having been shortlisted in the Association for Public Service Excellence (APSE) Service Awards 2016. The award winners will be announced at a ceremony in September, and the Council’s shortlisted entries are:
- Best public/ private partnership working initiative – Fairerpower energy supply partnership between Cheshire East Council (CEC) and OVO;
  - Best community and neighbourhood initiative – CEC/Ansa community partnership to recycle Christmas trees and raise funds for Cheshire East Hospice;
  - Best service team: highways, winter maintenance and street lighting – Cheshire East Highways;
  - Best service team: transport and fleet maintenance – TSS, the Council’s own transport company;
  - Best service team: construction and building service – for the new £15m Crewe Lifestyle Centre.

168. Adult Social Care have successfully implemented a new, improved Social Care Case Management system which will improve the efficiency of our social care referral and assessment processes and which will deliver improved business intelligence for service planning. The system integrates fully with the financial system driving customer bills and care market payments in an improved and more efficient way.
169. A thorough review of the disposals programme in conjunction with our Engine Of The North delivery partner has seen the 3-year programme re-profiled ensuring that the data is in line with current projected disposal delivery. Work is also underway on creating additional certainty on forecasting as these pieces of work will improve programme certainty.
170. The service is also working to reduce its use of external consultants, pushing to fill vacancies within the team instead, to maximise capacity and improve customer response times. Additional capacity will allow the service to implement rent reviews in a more timely manner, with Q1 realising an extra £91,000 of income.
171. There is an overall pressure for Customer Operations of £14,000. This pressure is from the Emergency Planning service as they are expecting to receive unbudgeted accommodation costs for the use of buildings in Cheshire West. The other services are expecting to be on budget overall. There is a high risk that the position on the Benefits subsidy could deteriorate given experience over the last couple of years which may lead to an adverse position.
172. At this early stage of the year, the overall budget for Chief Operating Officer Services is forecast to be underspent by £496,000. The forecast underspend is considerably smaller than in

previous years due to the substantial reduction in the 2016/17 budget.

173. Resources & Stewardship is forecasting an underspend of £325,000, with a substantial part of the underspend relating to posts which have been vacant for periods of time. Underspends against budget are being reported by Organisational Development (£99,000); Monitoring Officer & Head of Legal Services (£2,000); Governance & Democratic (£52,000) and Communications (£18,000). A balanced position is being reported by Commissioning.

## 2. Financial Stability

### Introduction

174. 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.
175. 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 has a direct effect on the financial performance of the Council and the Council's share of ongoing surpluses are currently held in the Trading earmarked reserve.
176. **Table 1** provides a service summary of financial performance at quarter one. For further details please see Section 1 and the notes below the table. Changes to service net budgets since Original Budget are analysed in **Appendix 2**.
177. The impact of the projected service outturn position is to decrease balances by £2.7m. Further items impacting on the level of the Council's balances are detailed in the paragraphs below on centrally held budgets.

**Table 1 - Service Revenue Outturn Forecasts**

| 2016/17<br>First Quarter Review            | Revised<br>Budget<br>(NET)<br>£m | Forecast<br>Actual<br>Outturn<br>£m | Forecast<br>Over /<br>(Underspend)<br>£m | Outcome<br>Number<br>1 - 6 |
|--|----------------------------------|-------------------------------------|--|----------------------------|
| <b>SERVICE DIRECTORATES</b>                |                                  |                                     |  |                            |
| Children & Families                        | 45.1                             | 46.6                                | 1.5                                      | 3, 5                       |
| Adult Social Care                          | 92.7                             | 93.7                                | 1.0                                      | 5                          |
| Public Health                              | 0.0                              | 0.0                                 | 0.0                                      | 5                          |
| Community & Partnerships                   | 4.5                              | 4.5                                 | 0.0                                      | 1                          |
| <b>People</b>                              | <b>142.3</b>                     | <b>144.8</b>                        | <b>2.5</b>                               |                            |
| Directorate                                | 1.4                              | 1.4                                 | 0.0                                      | 2                          |
| Planning & Sustainable Development         | -1.4                             | -1.3                                | 0.1                                      | 2,4                        |
| Infrastructure & Highways                  | 8.0                              | 7.8                                 | -0.2                                     | 1,2,4                      |
| Growth & Regeneration                      | 3.2                              | 3.4                                 | 0.2                                      | 2                          |
| Rural & Green Infrastructure               | 2.7                              | 2.8                                 | 0.1                                      | 1, 2                       |
| <b>Client Commissioning :</b>              |                                  |                                     |  |                            |
| Building Control                           | 1.8                              | 1.8                                 | 0.0                                      | 4                          |
| Skills & Growth                            | 1.7                              | 1.8                                 | 0.1                                      | 2                          |
| Transport                                  | 14.4                             | 14.6                                | 0.2                                      | 2                          |
| <b>Place</b>                               | <b>31.8</b>                      | <b>32.3</b>                         | <b>0.5</b>                               |                            |
| <b>Client Commissioning :</b>              |                                  |                                     |  |                            |
| Leisure                                    | 2.4                              | 2.4                                 | 0.0                                      | 5                          |
| Environmental                              | 28.4                             | 28.5                                | 0.1                                      | 4                          |
| Bereavement                                | -1.1                             | -1.0                                | 0.1                                      | 4                          |
| Customer Operations                        | 9.1                              | 9.1                                 | 0.0                                      | 1                          |
| Chief Operating Officer (Finance, ICT etc) | 37.6                             | 37.1                                | -0.5                                     | 6                          |
| <b>Corporate</b>                           | <b>76.4</b>                      | <b>76.1</b>                         | <b>-0.3</b>                              |                            |
| <b>Total Services Net Budget</b>           | <b>250.5</b>                     | <b>253.2</b>                        | <b>2.7</b>                               |                            |

## Government Grant Funding of Local Expenditure

178. 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 2016/17 was £304.2m.
179. In 2016/17 Cheshire East Council's specific use grants held within the services was budgeted to be £259.1m based on Government announcements to February 2016. Further announcements have revised this figure down to £248.2m.
180. General purpose grants were budgeted to be £45.2m, but further in-year grant announcements have increased this figure to £46.8m at first quarter review.
181. Since the original budget was set, specific use grants have decreased by £10.9m. This is due to a reduction of £5.5m in estimated Housing Benefit Subsidy payments, and £5.4m due to 11 academy conversions. A further 6 to 7 schools are potentially converting to academies in September, so it is likely that the grant will reduce further.
182. Spending in relation to specific use grants must be in line with the purpose for which it is provided.
183. Additional general purpose grants of £1.6m have been received during the first quarter of 2016/17. These include an additional £0.7m for Tackling Troubled Families, £0.3m for Youth Justice Board Funding, and £0.1m for Extended Rights to Free Transport. Requests for the allocation of the additional grants received are detailed in **Appendix 10**.
184. **Table 2** provides a summary of the updated budget position for all grants in 2016/17. A full list is provided at **Appendix 3**.

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

|                              | 2016/17<br>Original<br>Budget | 2016/17<br>Revised<br>Forecast<br>FQR | 2016/17<br>Change |
|------------------------------|-------------------------------|---------------------------------------|-------------------|
|                              | £m                            | £m                                    | £m                |
| <b>SPECIFIC USE</b>          |                               |                                       |                   |
| Held within Services         | 259.1                         | 248.2                                 | -10.9             |
| <b>GENERAL PURPOSE</b>       |                               |                                       |                   |
| Central Funding              | 26.3                          | 26.3                                  | 0.0               |
| Service Funding:             |                               |                                       |                   |
| Children and Families        | 0.2                           | 1.3                                   | 1.1               |
| Adult Social Care            | 0.9                           | 1.2                                   | 0.3               |
| Place                        | 0.7                           | 0.9                                   | 0.1               |
| Corporate                    | 16.9                          | 17.0                                  | 0.2               |
| Total Service Funding        | 18.8                          | 20.5                                  | 1.6               |
| <b>TOTAL GENERAL PURPOSE</b> | <b>45.2</b>                   | <b>46.8</b>                           | <b>1.6</b>        |
| <b>Total Grant Funding</b>   | <b>304.2</b>                  | <b>295.0</b>                          | <b>-9.3</b>       |

## Collecting Local Taxes for Local Expenditure

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

## Council Tax

186. Council Tax is set locally and retained for spending locally. Council Tax was set for 2016/17 at £1,261.95 for a Band D property. This is applied to the taxbase.
187. 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 2016/17 was agreed at 142,186.60 which, when multiplied by the Band D charge, means that the expected income for the year is £179.4m.
188. 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 £218.9m.

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

|  | £m           |
|--|--------------|
| Cheshire East Council                  | 179.4        |
| Cheshire Police and Crime Commissioner | 22.9         |
| Cheshire Fire Authority                | 10.2         |
| Town and Parish Councils               | 6.4          |
| <b>Total</b>                           | <b>218.9</b> |

189. 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.
190. 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 £222.0m.
191. **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 |         |         |
|----------------|----------------|---------|---------|
|                | 2013/14        | 2014/15 | 2015/16 |
|                | %              | %       | %       |
| After 1 year   | 98.1           | 97.9    | 98.1    |
| After 2 years  | 99.0           | 98.9    | *98.2   |
| After 3 years  | 99.3           | *99.0   | **      |

\* year to date

\*\*data not yet available

192. The Council Tax in-year collection rate for 2016/17 is identical to the same period last year at 30.2%.
193. Council Tax support payments (including Police and Fire) were budgeted at £16.7m for 2016/17 and at the end of the first quarter the total council tax support awarded was £14.8m. The Council Tax Support caseload has reduced since April 2014 and there have

been more reductions in the Council Tax Support awards in the year than increased or new awards.

194. Consultation on changes to the Council Tax Support Scheme for 2016/17 was carried out in summer/autumn 2015, and the final scheme was agreed by full Council in February 2016.
195. Council Tax discounts awarded are £19.5m which is broadly in line with the same period in 2015/16.
196. Council Tax exemptions currently awarded total £3.6m which is broadly in line with the same period in 2015/16.

## Non-Domestic Rates (NDR)

197. 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.
198. The small business multiplier applied to businesses which qualify for the small business relief was set at 48.4p in 2016/17. The non-domestic multiplier was set at 49.7p in the pound for 2016/17.
199. Cheshire East Council continues to be in a pooling arrangement with the Greater Manchester (GM) Authorities (also includes Cheshire West and Chester for 2016/17) 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 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.

200. The Cheshire 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. Income from this pilot is currently being held within the pool with distribution yet to be decided.
201. **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 |         |         |
|----------------|----------------|---------|---------|
|                | 2013/14        | 2014/15 | 2015/16 |
|                | %              | %       | %       |
| After 1 year   | 98.2           | 98.1    | 98.1    |
| After 2 years  | 99.2           | 99.3    | *98.2   |
| After 3 years  | 99.6           | *99.3   | **      |

\* year to date

\*\*data not yet available

202. The business rates in-year collection rate for 2016/17 has increased marginally to 29.5% compared to 29.4% for the same period in 2015/16.

## Capital Programme 2016/20

203. Since reporting the Capital Programme for the Budget Book in February 2016 the overall forecast expenditure for the next three years has increased by £36.7m as shown in **Table 6**.

**Table 6 – Summary Capital Programme**

|                       | Original<br>Total<br>Forecast<br>Budget<br>2016/20<br>£m | Amendments<br>to Original<br>Forecast<br>Budget<br>2016/20<br>£m | Amended<br>Original<br>Forecast<br>Budget<br>2016/20<br>£m | Budget<br>Reductions<br>£m | SCE's<br>£m | Revised<br>Total<br>Forecast<br>Budget<br>2016/20<br>£m |
|-----------------------|--|--|--|----------------------------|-------------|---|
| People Directorate    | 50.0   | 1.0  | 51.0   | -1.3                       | 0.0         | 49.7  |
| Place Directorate     | 351.0  | 22.5   | 373.5  | 0.0                        | 3.3         | 376.8   |
| Corporate Directorate | 80.8   | 10.9   | 91.7   | 0.0                        | 0.4         | 92.1  |
|                       | <b>481.8</b>   | <b>34.4</b>  | <b>516.2</b>   | <b>-1.3</b>                | <b>3.7</b>  | <b>518.5</b>  |

204. £19.6m of the change relates to slippage where expenditure had been forecast to be spent by the 31st March 2016, but has now been carried forward in to the 2016-20 programme so that the on-going projects can be completed.
205. There were a number of Supplementary Capital Estimates totalling £14.8m that were approved at the Outturn report stage or were approved by an Officer Decision Record during the last quarter of 2015/16.
206. There have also been a number of 2016/17 Supplementary Capital Estimates for First Quarter Review totalling £3.7m. This includes the Middlewich Eastern Bypass project where the Council has been successful in bidding for development funding for Large Major Projects from the Department of Transport of £1.3m. There is also

an additional £0.9m for the Strategic Highways programme, £0.3m for Highways Work in Poynton, £0.5m for replacement Pay and Display parking meters, and £0.4m for a joint re-procurement of a new Human Resources and Finance System.

207. There are also £1.3m of budget reductions, the most notable being that of the Schools Condition Grant where there was an over estimate of the amount of grant to be received.
208. 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**

|                         | Original<br>Budget<br>£m | FQR<br>Total<br>Forecast<br>Budget<br>£m | Change<br>£m |
|-------------------------|--------------------------|--|--------------|
| Grants                  | 197.0                    | 200.5                                    | 3.5          |
| External Contributions  | 48.4                     | 69.0                                     | 20.6         |
| Cheshire East Resources | 236.4                    | 249.1                                    | 12.7         |
|                         | <b>481.8</b>             | <b>518.5</b>                             | <b>36.7</b>  |

## Capital Budget 2016/17

209. At the First Quarter Review stage the Council is forecasting actual expenditure of £142.7m. The in-year budget for 2016/17 has been revised from the budget book position of £183.6m to reflect the forecast expenditure for the financial year and any slippage reported at Outturn and slipped to future years. A summary of the capital programme is shown in **Appendix 4**.

210. Since the start of 2016/17 slippage on the capital programme has been measured on schemes that are at the Gateway 2 stage and are classed as committed schemes as these schemes should have commenced prior to or during 2016/17 and have a detailed forecast expenditure plan in place. Schemes will be monitored on their progress during the year and re-categorised quarterly. This includes the net impact in 2016/17 of supplementary capital estimates, virements and budget reductions listed in **Appendices 5 to 8**.

211. **Table 8** below shows the forecast expenditure on those schemes against the revised Budget.

**Table 8 – 2016/17 Revised Budget compared to Original Budget**

| Committed Schemes              | Original Budget<br>£m | Revised FQR Budget<br>£m | Forecast Expenditure<br>£m | Current Forecast Over / Underspend<br>£m |
|--------------------------------|-----------------------|--------------------------|----------------------------|--|
| People Directorate             | 6.7                   | 4.9                      | 4.9                        | 0.0                                      |
| Place Directorate              | 51.8                  | 42.3                     | 42.3                       | 0.0                                      |
| Corporate Directorate          | 35.1                  | 42.3                     | 42.3                       | 0.0                                      |
| <b>Total Committed Schemes</b> | <b>93.6</b>           | <b>89.6</b>              | <b>89.6</b>                | <b>0.0</b>                               |

212. At the First Quarter Stage the in-year budget has been revised to align with the latest in-year forecast expenditure for 2016/17.

213. **Appendix 5** details requests of Supplementary Capital Estimates and Virements up to and including £250,000 approved by delegated decision which are included for noting purposes only.

214. **Appendix 6** details requests for five supplementary capital estimates between £250,000 and £1m for Cabinet approval.

215. **Appendix 7** details a request for a Supplementary Capital Estimate for Council approval of £1,257,000 for the grant funding received from the Department of Transport as part of the development funding for Large Local Major Projects in respect of Middlewich Eastern Bypass.

216. **Appendix 8** lists details of reductions in Approved Budgets where schemes are completed and surpluses can now be removed. These are for noting purposes only.

## Central Adjustments

### Capital Financing Costs and Treasury Management

217. 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.

218. Investment income to June 2016 is £143,000 which is higher than the budgeted income of £80,000 for the period. The level of cash balances has remained high, whilst market interest rates have remained relatively flat. However, investments in the CCLA Investment Management Ltd property fund and use of corporate bonds has contributed to higher rates of interest earned on investments. Investment returns in future quarters are likely to be lower as cash resources diminish and the cut in Bank Base Rate takes effect.

- The average lend position (the 'cash balance') including managed funds up to the end of June 2016 is £76.7m.



- The average annualised interest rate received on in house investments up to the end of June 2016 is 0.69%.
- The average annualised interest rate received on the externally managed property fund up to the end of June 2016 is 4.89%.

219. The Council's total average interest rate for the first quarter is 1.10%. The returns continue to exceed our benchmark, the London Inter-bank Bid Rate for 7 days at 0.45%, and is consistent with our own performance target of 1.00% (Base Rate + 0.50%).

**Table 9 – Interest Rate Comparison**

| Comparator         | Average Rate to 30/06/2016 |
|--------------------|----------------------------|
| Cheshire East      | 1.10%                      |
| LIBID 7 Day Rate   | 0.45%                      |
| LIBID 3 Month Rate | 0.61%                      |
| Base Rate          | 0.50%                      |
| Target Rate        | 1.00%                      |

220. As a result of lower debt repayments, due to slippage in the capital programme, there is an anticipated £1.2m underspend on the £14m budget.
221. A contributory factor of not exceeding the £14m budget and maintaining the underspend position, is based on an assumed reliance of achieving capital receipts of £10m in 2016/17 to finance capital expenditure. A list of proposed disposals for 2016/17 is detailed in the **Table 10** below. To date, the first four assets listed below have been sold generating total receipts of £5.1m.

**Table 10 – Proposed Disposals 2016/17**

| Asset Description                         |
|---|
| Cypress House, Handforth                  |
| Pyms Lane, Crewe                          |
| Windsor Palace, Congleton                 |
| Canal Street, Congleton                   |
| Land at Westfields, Sandbach              |
| Newall Avenue, Sandbach                   |
| 113 London Road, Macclesfield             |
| Browning Street / Limelight Club Easement |
| Park Green Registrars                     |
| Lodmore Lane                              |
| Land at Frank Bott Avenue, Crewe          |
| 2 Tunnickliffe Road, Macclesfield         |
| Wilmslow Cemetery Lodge, Wilmslow         |
| Land at 6-8 Market Place                  |
| Farm Sales                                |

222. All investments are made in accordance with the parameters set out in the Treasury Management Strategy Statement approved by Council on 25th February 2016. Further details of counterparty limits and current investments are given in **Appendix 9**.
223. The Council has £7.5m invested in the CCLA managed property fund. This fund continues to generate income of 4.9% and had been maintaining steady underlying capital growth. Following the referendum decision to leave the EU (Brexit) the capital value of

the fund has been devalued by 4%. This was a prudent industry wide move to prevent forced selling of assets in a potentially volatile market. A full review and revaluation of the fund will be carried out shortly with the expectation that the fund will be valued closer to the pre-Brexit levels.

224. The aim has been to increase investments which fall outside of bank bail-in regulations, typically covered bonds and corporate bonds. However, in doing so, the Council should have regard to liquidity – the amount of cash available for investments. Although cash balances are currently high, the expectation is that cash resources will diminish over the course of 2016/17. Most bonds are issued for longer periods which has limited the availability of suitable bonds.
225. 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 August 2016 and November 2016. The intention is to hold more of these investments although lack of availability of suitable bonds has prevented this.
226. Corporate Bonds are not protected by collateral but are generally exempt from any bail-in requirements. Investment in Corporate Bonds are only made on advice from our Treasury Management advisors who review the company, the market and country in which they operate, the ranking of the bond and the credit worthiness assigned to it. As at 30th June the Council had investments in one Corporate bond with Centrica plc for £2m. Full details are shown in **Appendix 9**.

### Central Contingencies and Contributions

227. A budget of £1.1m is held centrally to meet past service Employer Pension contributions relating to staff transferred to the new supplier companies. Net unallocated savings budgets of £0.3m are also currently held centrally. It is currently forecast that spend on these areas will be in line with budget.

### Debt Management

228. The balance of outstanding debt has increased by £6.3m since quarter four of 2015/16. However, this mainly relates to year end invoices raised against Clinical Commissioning Health on which settlement has been agreed. Balances remain within forecast levels and adequate provisions have been made. Details of the Council's invoiced debt position are contained in **Appendix 11**.

### Outturn Impact

229. The impact of the projected service outturn position is to decrease balances by £2.7m as reported above (**para 177**).
230. Taken into account with the central budget items detailed above and the approved use of general reserves below (**para 233**), the financial impact described in this report could result in a reduction in balances of £2.5m as summarised in **Table 11**.

**Table 11 – Impact on Balances**

|                                     | £m          |
|-------------------------------------|-------------|
| Service Net Budget Outturn          | 2.7         |
| Central Budgets Outturn             | -1.2        |
| Use of Reserves approved by Council | -1.0        |
| <b>Total</b>                        | <b>-2.5</b> |

### Management of Council Reserves

231. The Council's Reserves Strategy 2016-19 states that the Council will maintain reserves to protect against risk and support investment. The Strategy forecast that the risk assessed level of reserves is likely to remain at £11.8m throughout the medium term.
232. The opening balance at 1<sup>st</sup> April 2016 in the Council's General Reserves was £13.0m as published in the Council's Draft Statement of Accounts for 2015/16.
233. At the February 2016 meeting, Council approved the use of £1.0m of general reserves in 2016/17, to be transferred to earmarked reserves to meet additional costs associated with the Council's planning functions.
234. The overall impact of service budgets, central budgets and Council decisions is identified in **Table 11** above. **Table 12** shows how this impacts on the forecast closing balance of general reserves.

**Table 12 – Change in Reserves Position**

|   | £m          |
|---|-------------|
| Opening Balance at 1 <sup>st</sup> April 2016 | 13.0        |
| Impact on Balances at Quarter 1               | -2.5        |
| <b>Forecast Closing Balance at March 2017</b> | <b>10.5</b> |

235. The projected balance of £10.5m reflects the current forecast that risks associated with budget achievement in 2015/16 may partly materialise, and would bring reserves to below the level planned in the 2016-19 Reserves Strategy. However, the Council will strive to identify remedial actions to bring about a balanced outturn position by year end. Overall the Council remains in a strong financial position given the major challenges across the public sector.
236. The Council also maintains Earmarked Revenue reserves for specific purposes. At 31<sup>st</sup> March 2016 balances on these reserves stood at £53.3m, excluding balances held by Schools. Contributions of £2.5m to the Transitional Funding reserve, and £451,000 to the Collection Fund Management reserve, and a contribution of £140,000 from the Investment Sustainability reserve were approved as part of the 2016/17 budget.
237. Council also approved the transfer of a further £1.0m from general reserves into earmarked reserves in 2016/17 to provide for additional costs associated with the Council's planning functions. These items brought the earmarked reserves balance available in 2016/17 to £56.8m.
238. During 2015/16, an estimated £17.3m will be drawn down and applied to fund service expenditure specifically provided for.

Service outturn forecasts take account of this expenditure and funding.

239. A full list of earmarked reserves at 1 April 2016 and estimated movement in 2016/17 is contained in **Appendix 12**.

# 3. Workforce Development

240. This section sets out the Council's activities and progress in relation to HR, Organisational Development, Health and Safety and Workforce Development plans and changes for the first quarter 2016/17.

## Culture and Values

241. The staff survey 2016 was launched on 15th June and ran for four weeks. The response rate (59% compared to 45% in 2014) has been strong, supported by an ongoing communications campaign. The broad themes of the survey have remained similar to the 2014 survey with some small changes to build on the learning from the previous survey. The results are expected late September 2016. Co-ordinated action planning both corporately and locally within services will take place during the autumn.

## Building Capability and Capacity

242. The Corporate Training programme and Continuous Professional Development Portfolios ensure 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.

243. Over 2,026 reservations were successfully arranged for CEC employees to attend a range of regulatory and mandatory learning and development opportunities during the first quarter of 2016/17. A further 19 employees successfully secured funding approval via

the Learning and Development Panel for role specific development, seeing £27,072 investment.

244. Developing management capability at all levels has continued with 12 managers across the Council currently being supported to complete ILM qualifications through an external commissioning arrangement. A leadership and management programme is also being developed for the Council's top 100 managers, which will run alongside a corporate leadership and management programme.

245. The Workforce Development Team continues to work closely with numerous regulatory and professional bodies and links into several local universities and colleges to ensure academia and research based theories are inherent in everything we do, establishing teaching partnerships with Keele University and local FE colleges too. As a recognised centre of excellence, quality assurance measures ensure that all employees and apprentices receive up to date training and surpass expectations of external verification and examination boards and feel fully supported throughout all stages of their career.



## Resourcing and Talent

246. The Council has provided more than 12 work experience sessions for young adults and school children so far this year. The Council's apprenticeship scheme has been reviewed and expanded by extending the range and levels of qualifications offered. A preferred supplier list for the training providers of apprenticeships has also been established, in line with the potential changes coming next year with the Enterprise Act.
247. The Council continues to offer a Graduate Development Programme. The programme includes both permanent staff and recent graduates and recognises the importance of early career development by providing opportunities to build networks, gain skills and obtain wider insights.

## Reward and Recognition

248. To enhance the range of employee benefits an on-line "Rewards Centre" is due to be launched shortly for staff. The externally hosted offering will provide a range of high street discounts to staff with over 6,000 different discounts and offers, such as well known high street stores, days out, holidays etc. Discounts will be available at over 120,000 stores including M&S, John Lewis, IKEA, Sainsbury's, Morrisons, B&Q etc. Available through telephone, mobile, or website ordering, the Rewards Centre will help staff make their money go further and will support the attraction and retention of employees.

## Education HR Consultancy

249. The Education HR consultancy have continued to offer and provide two levels of service Gold and Silver, with the Silver Service changing from September 2016, to no on- site support being provided. Current take up from schools and academies continues to be strong despite the increasing numbers of Multi Academy Trusts. Crewe UTC will be buying the Gold Package for the first time from September. As an additional buy back option schools and academies who buy back Education HR Consultancy will be able to access the Rewards Centre from September 2016, and it is hoped that this will act as an added incentive for schools and academies to buy back.

## Health and Safety

250. The Council has recently received two awards; the first is a fourth (consecutive) Gold Royal Society for the Prevention of Accidents (RoSPA) Award for Health & Safety and the second is a Commended Award in the RoSPA Public Service and Local Government competitive sector. The latter award recognises that the Council achieved third place from all portfolios submitted in this sector. This RoSPA award gave us an opportunity to prove our ongoing commitment to raising health and safety standards and means we are part of a long running and highly respected occupational safety awards programme.

## Staffing Changes

251. As shown in **Tables 13 and 14**, Cheshire East's employee headcount decreased by 2.3% between June 2015 and June 2016.

**Table 13: June 2015 headcount and FTE figures**

| Directorate/Service                      | Employee FTE Jun-15 | Employee Headcount Jun-15 |
|--|---------------------|---------------------------|
| Public Health                            | 21.3                | 24                        |
| Media (Communications and PR)            | 7.9                 | 8                         |
| Strategic Commissioning                  | 2,084.5             | 2,843                     |
| Adults Social Care & Independent Living  | 874.1               | 1,145                     |
| Children's Services                      | 769.3               | 1,169                     |
| Commissioning and Client Support         | 23.2                | 24                        |
| Communities                              | 414.9               | 502                       |
| Chief Operating Officer                  | 479.3               | 592                       |
| Commissioning                            | 45.9                | 50                        |
| Corporate Resources and Stewardship      | 253.1               | 317                       |
| Democratic Services and Governance       | 56.1                | 88                        |
| Legal Services                           | 31.9                | 37                        |
| People and OD                            | 53.4                | 60                        |
| Apprentices                              | 38.0                | 39                        |
| Economic Growth & Prosperity             | 281.6               | 355                       |
| Assets                                   | 25.0                | 26                        |
| Crewe – High Growth City                 | 2.0                 | 2                         |
| Investment                               | 77.1                | 85                        |
| Strategic and Economic Planning          | 61.2                | 63                        |
| Strategic Infrastructure                 | 7.5                 | 8                         |
| Visitor Economy, Culture and Tatton Park | 104.1               | 166                       |
| <b>Cheshire East Council Total</b>       | <b>2,875.6</b>      | <b>3,810</b>              |

**Note:** in tables 13 and 14 employees with multiple assignments across services will appear in the headcount figures for each service, but will be counted only once in the total (CE) headcount figure. The Chief Executive has not been included in any of the Directorate/Service information, but is counted in the overall Cheshire East Council

headcount and FTE figures; similarly Executive/Directors will not appear in the "Service" totals but will appear in the overall "Directorate" figures.

**Table 14: June 2016 headcount and FTE figures**

| Directorate/Service                      | Employee FTE Jun-16 | Employee Headcount Jun-16 |
|--|---------------------|---------------------------|
| Public Health                            | 21.6                | 24                        |
| Adults Social Care & Independent Living  | 748.3               | 962                       |
| Children's Services                      | 780.8               | 1,176                     |
| Chief Operating Officer                  | 1,034.6             | 1,222                     |
| Commissioning                            | 38.6                | 42                        |
| Corporate Resources and Stewardship      | 429.1               | 489                       |
| Democratic Services and Governance       | 55.6                | 83                        |
| Legal Services                           | 55.2                | 63                        |
| Media (Communications and PR)            | 10.7                | 11                        |
| Commissioning and Client Support         | 8.0                 | 8                         |
| Communities                              | 400.3               | 487                       |
| Apprentices                              | 36.2                | 38                        |
| Economic Growth & Prosperity             | 273.1               | 348                       |
| Growth and Regeneration                  | 78.7                | 85                        |
| Crewe – High Growth City                 | 4.0                 | 4                         |
| Lifelong Learning                        | 10.2                | 12                        |
| Planning and Sustainable Development     | 69.0                | 71                        |
| Strategic Infrastructure                 | 10.5                | 11                        |
| Countryside, Culture and Visitor Economy | 96.7                | 161                       |
| <b>Cheshire East Council Total</b>       | <b>2,859.5</b>      | <b>3,721</b>              |

## Absence

252. As shown in **Table 16**, absence levels over the first quarter of 2016/17 were very similar to 2015/16 and 2013/14, and lower than the same period in 2014/15. Proactive management of sickness absence levels will continue through 2016/17.

**Table 16: Average days lost to sickness (per FTE employee), at the end of Quarter 1, since 2013/14**

|                                   | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|-----------------------------------|---------|---------|---------|---------|
| Cheshire East (excluding Schools) | 2.59    | 2.91    | 2.61    | 2.61    |

## Voluntary Redundancies

253. 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.
254. 11 people have left the Council under voluntary redundancy terms in quarter one, seven of whom held posts within the management grades (Grade 10 or above). The total severance cost for all 11 employees was £529,507 inclusive of redundancy and actuarial costs. Over the next five years, these reductions are estimated to save the Council over £1.6m (which is the combined accumulated costs of the deleted posts).



# **Appendices to First Quarter Review of Performance 2016/17**

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**September 2016**

# Appendix 1 Cheshire East Council Residents First Outcomes



# Appendix 2 Changes to Revenue Budget 2016/17 since Original Budget

|   | Original<br>Net<br>Budget<br>£000 | Additional<br>Grant<br>Funding<br>£000 | Restructuring &<br>Realignments<br>£000 | Quarter 1<br>Net<br>Budget<br>£000 |
|---|-----------------------------------|--|---|------------------------------------|
| <b>PEOPLE</b>                                       |                                   |  |   |                                    |
| Children & Families                                 | 44,064                            | 1,107                                  | -13                                     | 45,158                             |
| Adult Social Care & Independent Living              | 93,933                            | 5                                      | -1,243                                  | 92,695                             |
| Public Health                                       | 0                                 |  |   | 0                                  |
| Community & Partnerships                            | 4,282                             |  | 180                                     | 4,462                              |
|   | 142,279                           | 1,112                                  | -1,076                                  | 142,315                            |
| <b>PLACE</b>  |                                   |  |   |                                    |
| Directorate   | 1,347                             |  |   | 1,347                              |
| Planning & Sustainable Development                  | -1,383                            | 22                                     |   | -1,361                             |
| Infrastructure & Highways                           | 7,918                             |  | -4                                      | 7,914                              |
| Growth & Regeneration                               | 2,183                             |  | 1,064                                   | 3,247                              |
| Rural & Green infrastructure                        | 2,745                             |  |   | 2,745                              |
| Client Commissioning :                              |                                   |  |   |                                    |
| Building Control, Land Charges and Planning Support | 1,801                             |  |   | 1,801                              |
| Skills & Growth                                     | 1,750                             |  |   | 1,750                              |
| Transport   | 14,368                            | 118                                    |   | 14,486                             |
|   | 30,729                            | 140                                    | 1,060                                   | 31,929                             |

|   | Original<br>Net<br>Budget<br>£000 | Additional<br>Grant<br>Funding<br>£000 | Restructuring &<br>Realignments<br>£000 | Quarter 1<br>Net<br>Budget<br>£000 |
|---|-----------------------------------|--|---|------------------------------------|
| <b>CORPORATE</b>  |                                   |  |   |                                    |
| Client Commissioning :  |                                   |  |   |                                    |
| Leisure   | 1,984                             |  | 383                                     | 2,367                              |
| Environmental   | 27,246                            |  |   | 27,246                             |
| Bereavement   |                                   |  |   |                                    |
| Customer Operations   | 8,845                             | 62                                     | 187                                     | 9,094                              |
| Chief Operating Officer - Other (e.g Finance, ICT, Legal, Facilities) | 37,869                            | 104                                    | -414                                    | 37,559                             |
|   | 75,944                            | 166                                    | 156                                     | 76,266                             |
| <b>TOTAL SERVICE BUDGET</b>   | <b>248,952</b>                    | <b>1,418</b>                           | <b>140</b>                              | <b>250,510</b>                     |
| Central Budgets   |                                   |  |   |                                    |
| Specific Grants   | -18,826                           | -1,418                                 |   | -20,244                            |
| Capital Financing   | 14,000                            |  |   | 14,000                             |
| Corporate Unallocated   | -119                              |  | -210                                    | -329                               |
| Corporate Contributions   | 1,084                             |  | 70                                      | 1,154                              |
| Contribution to / from Reserves                                       | 2,811                             |  |   | 2,811                              |
|   | -1,050                            | -1,418                                 | -140                                    | -2,608                             |
| <b>TOTAL BUDGET</b>   | <b>247,902</b>                    | <b>0</b>                               | <b>0</b>                                | <b>247,902</b>                     |

The Original Net Budgets above have been restated to reflect the new Organisational Structure which came into effect on 1 June 2016.

# Appendix 3 Corporate Grants Register

| Corporate Grants Register 2016/17          |      | Original Budget | Revised Forecast | Change          | SRE / Balances |
|--|------|-----------------|------------------|-----------------|----------------|
|  |      |                 | FQR              |                 | (Note 2)       |
|  | Note | 2016/17<br>£000 | 2016/17<br>£000  | 2016/17<br>£000 |                |
| <b>SPECIFIC USE (Held within Services)</b> |      |                 |                  |                 |                |
| <b>Schools</b>                             |      |                 |                  |                 |                |
| Dedicated Schools Grant                    | 1    | 146,960         | 142,268          | -4,692          |                |
| Pupil Premium Grant                        | 1    | 6,158           | 5,399            | -758            |                |
| Sixth Forms Grant                          | 1    | 4,164           | 4,230            | 66              |                |
| <b>Total Schools Grant</b>                 |      | <b>157,282</b>  | <b>151,897</b>   | <b>-5,385</b>   |                |
| Housing Benefit Subsidy                    |      | 84,518          | 79,000           | -5,518          |                |
| Public Health Funding                      |      | 17,258          | 17,258           | 0               |                |
| <b>TOTAL SPECIFIC USE</b>                  |      | <b>259,058</b>  | <b>248,155</b>   | <b>-10,903</b>  |                |
| <b>GENERAL PURPOSE (Held Corporately)</b>  |      |                 |                  |                 |                |
| <b>Central Funding</b>                     |      |                 |                  |                 |                |
| Revenue Support Grant                      |      | 26,340          | 26,340           | 0               |                |
| <b>Total Central Funding</b>               |      | <b>26,340</b>   | <b>26,340</b>    | <b>0</b>        |                |

| Corporate Grants Register 2016/17                          |      | Original Budget | Revised Forecast | Change          | SRE / Balances |
|--|------|-----------------|------------------|-----------------|----------------|
|  |      |                 | FQR              |                 | (Note 2)       |
|  | Note | 2016/17<br>£000 | 2016/17<br>£000  | 2016/17<br>£000 |                |
| <b>People - Children &amp; Families</b>                    |      |                 |                  |                 |                |
| Troubled Families  |      | 195             | 875              | 680             | SRE            |
| Youth Justice Board  |      | 0               | 299              | 299             | SRE            |
| Staying Put Implementation Grant                           |      | 0               | 109              | 109             | SRE            |
| Remand Funding   |      | 0               | 19               | 19              | SRE            |
| <b>People - Adult Social Care &amp; Independent Living</b> |      |                 |                  |                 |                |
| Independent Living Fund                                    |      | 948             | 948              | 0               |                |
| Local Reform and Community Voices                          |      | 0               | 198              | 198             | SRE            |
| Social Care in Prisons                                     |      | 0               | 73               | 73              | SRE            |
| <b>Place</b>   |      |                 |                  |                 |                |
| Adult Skills (Lifelong Learning)                           |      | 749             | 749              | 0               |                |
| Property Search Fees New Burdens                           |      | 0               | 22               | 22              | SRE            |
| Extended Rights to Free Transport                          |      | 0               | 118              | 118             | SRE            |
| <b>Corporate - Customer Operations</b>                     |      |                 |                  |                 |                |
| Housing Benefit and Council Tax Administration             |      | 1,275           | 1,336            | 61              | SRE            |
| NNDR Administration Grant                                  |      | 562             | 562              | 0               |                |
| Business Rates Revaluation 2017: S31 Grant Reimbursement   |      | 0               | 1                | 1               | SRE            |

| Corporate Grants Register 2016/17                              |      | Original Budget | Revised Forecast | Change          | SRE / Balances |
|--|------|-----------------|------------------|-----------------|----------------|
|  |      |                 | FQR              |                 | (Note 2)       |
|  | Note | 2016/17<br>£000 | 2016/17<br>£000  | 2016/17<br>£000 |                |
| <b>Corporate - Chief Operating Officer</b>                     |      |                 |                  |                 |                |
| 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               |                |
| New Homes Bonus 2016/17  |      | 2,444           | 2,444            | 0               |                |
| New Homes Bonus 2017/18  |      | 0               | 0                | 0               |                |
| Affordable Homes 2012/13                                       |      | 85              | 85               | 0               |                |
| Affordable Homes 2013/14                                       |      | 82              | 82               | 0               |                |
| Affordable Homes 2015/16                                       |      | 63              | 63               | 0               |                |
| Affordable Homes 2016/17                                       |      | 222             | 222              | 0               |                |
| New Homes Bonus Returned Funding Grant 2016/17                 |      | 0               | 90               | 90              | Balances       |
| New Homes Bonus ESTIMATED OVERALL REDUCTION                    |      | 0               | 0                | 0               |                |
| Education Services Grant                                       |      | 2,920           | 2,778            | -141            | Balances       |
| Transitional Funding   |      | 2,973           | 2,973            | 0               |                |
| Electoral Register Transfer Programme Resource Grant 2016/17   |      | 0               | 58               | 58              | SRE            |
| Additional Election Funding                                    |      | 0               | 37               | 37              | SRE            |
| Additional Election Funding: N West Deadline Extension Funding |      | 0               | 9                | 9               | SRE            |
| <b>Total Service Funding</b>                                   |      | <b>18,825</b>   | <b>20,457</b>    | <b>1,632</b>    |                |
| <b>TOTAL GENERAL PURPOSE</b>                                   |      | <b>45,164</b>   | <b>46,797</b>    | <b>1,632</b>    |                |
| <b>TOTAL GRANT FUNDING</b>                                     |      | <b>304,222</b>  | <b>294,951</b>   | <b>-9,271</b>   |                |

## Notes

1 The Dedicated Schools Grant, Pupil Premium Grant and Sixth Form Grant from the Education Funding Agency (EFA) figures are based on actual anticipated allocations. Changes are for in-year increases/decreases to allocations by the DfE and conversions to academy 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      |                      |               |               |
|                                     | FQR           | Reductions     | Reductions  | Budget       | 2016/17              | 2017/18       | 2018/19 and   |
|                                     | 2016/17       | 2016/17        | 2016/17     | 2016/17      | 2016/17              | 2017/18       | Future Years  |
|                                     | £000          | £000           | £000        | £000         | £000                 | £000          | £000          |
| <b>People Directorate</b>           |               |                |             |              |                      |               |               |
| <b>Children and Families</b>        |               |                |             |              |                      |               |               |
| Committed Schemes - In Progress     | 6,549         | -2,128         | -34         | 4,387        | 4,387                | 3,684         | 1,083         |
| New Schemes and Option Developments | 900           | 1,633          | 0           | 2,533        | 2,533                | 4,342         | 0             |
| Recurring Programmes                | 9,867         | -9,097         | -370        | 400          | 400                  | 5,409         | 12,779        |
| Longer Term Proposals               | 2,490         | -2,121         | -19         | 350          | 350                  | 12,516        | 1,055         |
| <b>Adult Social Care</b>            |               |                |             |              |                      |               |               |
| Committed Schemes - In Progress     | 0             | 281            | 47          | 328          | 328                  | 0             | 0             |
| New Schemes and Option Developments | 0             | 0              | 0           | 0            | 0                    | 0             | 0             |
| Recurring Programmes                | 356           | 375            | -47         | 684          | 684                  | 0             | 0             |
| Longer Term Proposals               | 0             | 0              | 0           | 0            | 0                    | 0             | 0             |
| <b>Community &amp; Partnerships</b> |               |                |             |              |                      |               |               |
| Committed Schemes - In Progress     | 200           | 12             | 0           | 212          | 212                  | 0             | 0             |
| <b>Total People Directorate</b>     | <b>20,362</b> | <b>-11,045</b> | <b>-423</b> | <b>8,894</b> | <b>8,894</b>         | <b>25,951</b> | <b>14,917</b> |



| Service  | In-Year        | SCE's          | SCE's        | Revised       | Forecast Expenditure |                |                |
|--|----------------|----------------|--------------|---------------|----------------------|----------------|----------------|
|  | Budget         | Virements      | Virements    | In-Year       |                      |                |                |
|  | FQR            | Reductions     | Reductions   | Budget        | 2018/19 and          |                |                |
|  | 2016/17        | 2016/17        | 2016/17      | 2016/17       | 2016/17              | 2017/18        | Future Years   |
|  | £000           | £000           | £000         | £000          | £000                 | £000           | £000           |
| <b>Place Directorate</b>                               |                |                |              |               |                      |                |                |
| <b>Infrastructure &amp; Highways (inc car parking)</b> |                |                |              |               |                      |                |                |
| Committed Schemes - In Progress                        | 12,196         | 18,903         | 147          | 31,246        | 31,246               | 14,460         | 3,458          |
| New Schemes and Option Developments                    | 1,491          | -315           | 2,112        | 3,288         | 3,288                | 800            | 300            |
| Recurring Programmes                                   | 13,691         | -11,451        | 0            | 2,240         | 2,240                | 14,717         | 2,270          |
| Longer Term Proposals                                  | 18,072         | 4,224          | 0            | 22,296        | 22,296               | 21,276         | 135,807        |
| <b>Growth &amp; Regeneration</b>                       |                |                |              |               |                      |                |                |
| Committed Schemes - In Progress                        | 38,488         | -28,485        | 51           | 10,054        | 10,054               | 29,194         | 13,777         |
| New Schemes and Option Developments                    | 13,158         | -9,108         | 0            | 4,050         | 4,050                | 13,971         | 7,592          |
| Recurring Programmes                                   | 3,641          | -798           | 10           | 2,853         | 2,853                | 2,711          | 1,650          |
| Longer Term Proposals                                  | 10,800         | -5,800         | 0            | 5,000         | 5,000                | 1,899          | 12,557         |
| <b>Rural &amp; Green Infrastructure</b>                |                |                |              |               |                      |                |                |
| Committed Schemes - In Progress                        | 1,078          | -55            | 0            | 1,023         | 1,023                | 679            | 0              |
| New Schemes and Option Developments                    | 100            | 0              |              | 100           | 100                  | 175            | 0              |
| Recurring Programmes                                   | 2,962          | -2,380         | 0            | 582           | 582                  | 3,535          | 165            |
| Longer Term Proposals                                  | 0              | 0              | 0            | 0             | 0                    | 0              | 13,000         |
| <b>Total Place Directorate</b>                         | <b>115,677</b> | <b>-35,265</b> | <b>2,320</b> | <b>82,732</b> | <b>82,732</b>        | <b>103,417</b> | <b>190,576</b> |

| Service                                | In-Year       | SCE's        | SCE's      | Revised       | Forecast Expenditure |               |               |
|--|---------------|--------------|------------|---------------|----------------------|---------------|---------------|
|  | Budget        | Virements    | Virements  | In-Year       |                      |               |               |
|  | FQR           | Reductions   | Reductions | Budget        |                      |               |               |
|  | 2016/17       | 2016/17      | 2016/17    | 2016/17       | 2016/17              | 2017/18       | 2018/19 and   |
|  | £000          | £000         | £000       | £000          | £000                 | £000          | Future Years  |
|  |               |              |            |               |                      |               | £000          |
| <b>Corporate Directorate</b>           |               |              |            |               |                      |               |               |
| <b>Environmental</b>                   |               |              |            |               |                      |               |               |
| Committed Schemes - In Progress        | 16,972        | 2,584        | 2          | 19,558        | 19,558               | 16            | 0             |
| New Schemes and Option Developments    | 60            | 0            | 0          | 60            | 60                   | 0             | 0             |
| Recurring Programmes                   | 140           | 0            | 0          | 140           | 140                  | 220           | 0             |
| Longer Term Proposals                  | 2,730         | -2,580       | 0          | 150           | 150                  | 230           | 12,120        |
| <b>Bereavement</b>                     |               |              |            |               |                      |               |               |
| New Schemes and Option Developments    | 0             | 150          | 0          | 150           | 150                  | 0             | 0             |
| <b>Leisure</b>                         |               |              |            |               |                      |               |               |
| Committed Schemes - In Progress        | 1,765         | 925          | 0          | 2,690         | 2,690                | 3,203         | 5,353         |
| <b>Customer Operations</b>             |               |              |            |               |                      |               |               |
| Committed Schemes - In Progress        | 90            | 153          | -102       | 141           | 141                  | 0             | 0             |
| New Schemes and Option Developments    | 80            | 0            | 98         | 178           | 178                  | 144           | 30            |
| <b>Chief Operating Officer - Other</b> |               |              |            |               |                      |               |               |
| Committed Schemes - In Progress        | 16,282        | 3,707        | -73        | 19,916        | 19,916               | 2,015         | 0             |
| New Schemes and Option Developments    | 2,500         | -2,112       | 387        | 775           | 775                  | 5,112         | 0             |
| Recurring Programmes                   | 2,001         | 308          | 0          | 2,309         | 2,309                | 8,240         | 4,357         |
| Longer Term Proposals                  | 5,000         | 0            | 0          | 5,000         | 5,000                | 0             | 0             |
| <b>Total Corporate Directorate</b>     | <b>47,620</b> | <b>3,135</b> | <b>312</b> | <b>51,067</b> | <b>51,067</b>        | <b>19,180</b> | <b>21,860</b> |

| Service                             | In-Year        | SCE's          | SCE's        | Revised        | Forecast Expenditure |                |                |
|-------------------------------------|----------------|----------------|--------------|----------------|----------------------|----------------|----------------|
|                                     | Budget         | Virements      | Virements    | In-Year        |                      |                | 2018/19 and    |
|                                     | FQR            | Reductions     | Reductions   | Budget         | 2016/17              | 2017/18        | Future Years   |
|                                     | 2016/17        | 2016/17        | 2016/17      | 2016/17        | 2016/17              | 2017/18        | 2018/19 and    |
|                                     | £000           | £000           | £000         | £000           | £000                 | £000           | Future Years   |
|                                     |                |                |              |                |                      |                | £000           |
| Committed Schemes - In Progress     | 93,620         | -4,103         | 38           | 89,555         | 89,555               | 53,251         | 23,671         |
| New Schemes and Option Developments | 18,289         | -9,752         | 2,597        | 11,134         | 11,134               | 24,544         | 7,922          |
| Recurring Programmes                | 32,658         | -23,043        | -407         | 9,208          | 9,208                | 34,832         | 21,221         |
| Longer Term Proposals               | 39,092         | -6,277         | -19          | 32,796         | 32,796               | 35,921         | 174,539        |
| <b>Total Net Position</b>           | <b>183,659</b> | <b>-43,175</b> | <b>2,209</b> | <b>142,693</b> | <b>142,693</b>       | <b>148,548</b> | <b>227,353</b> |

| Funding Sources                 | 2016/17        | 2017/18        | 2018/19 and    |
|---------------------------------|----------------|----------------|----------------|
|                                 | £000           | £000           | Future Years   |
|                                 |                |                | £000           |
| Grants                          | 32,915         | 59,973         | 107,605        |
| External Contributions          | 13,495         | 3,670          | 51,819         |
| Cheshire East Council Resources | 96,283         | 84,905         | 67,929         |
| <b>Total</b>                    | <b>142,693</b> | <b>148,548</b> | <b>227,353</b> |

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

| Capital Scheme   | Amount Requested<br>£ | 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>Infrastructure &amp; Highways (inc car parking)</b>   |                       |   |
| S106 Next plc, Wilmslow  | 45,000                | Section 106 works to improve walking facilities on Wilmslow Public Footpaths Nos. 80 & 91 in vicinity of Next plc development, Wilmslow |
| S106 Queens Drive Towpath, Nantwich  | 53,800                | S106 works to improve canal towpath as result of Queens Drive, Nantwich development 12/4654N  |
| Surface Water Management Schemes   | 137,000               | DEFRA grant received towards Surface Water Management Schemes.  |
| Highway Maintenance  | 60,000                | Public Rights of Way, Poynton restoration works, funded by the Severe Weather earmarked reserve.  |
| A500 Widening at Junction 16   | 10,000                | Increase budget for additional expenditure funded from S106   |
| <b>Growth &amp; Regeneration</b>   |                       |   |
| Regeneration and Development Programme   | 10,000                | Increase budget for additional funding from Tesco Bags for Life   |
| Development for Housing and Jobs   | 61,000                | Increased budget relating to Homes and Communities Agency funding   |
| <b>Environmental</b>   |                       |   |
| The Blue Lamp Carrs Park   | 2,225                 | These values relate to S106 funding which is not already recognised in the Capital Programme.   |
| South Park Action Zone S106  | 365                   |   |
| Ollerton Playing Fields  | 243                   |   |
| <b>379,633</b>   |                       |   |

| Capital Scheme   | Amount Requested<br>£ | Reason and Funding Source   |
|--|-----------------------|---|
| <b>Summary of Supplementary Capital Estimates and Capital Virements that have been made up to £250,000</b> |                       |   |
| <b>Capital Budget Virements</b>  |                       |   |
| <b>Children and Families</b>   |                       |   |
| Dingle Primary School Mobile   | 60,000                | Virement from School Maintenance Project to cover the cost of the window replacement works at Dingle Primary School.  |
| Mablins Lane Primary School  | 13,237                | Virement from Assets - a contribution towards Boiler replacement works as part of the larger project.   |
| <b>Adult Social Care</b>   |                       |   |
| Adults Case Management   | 46,500                | Virement of social care capital grant toward post implementation costs of Adults Case Management System   |
| <b>Customer Operations</b>   |                       |   |
| Next Generation - Self Service   | 101,702               | A virement is requested to move £101,702 from the Sustainable Libraries project to the Next Generation Self Service project. The budget for the Sustainable Libraries project is to refurbish and upgrade Macclesfield library and to start the investment in the next generation of library digital services. The virement will consolidate the funding for this project |
| <b>Total Capital Budget Virements Approved</b>   | <b>221,439</b>        |   |
| <b>Total Supplementary Capital Estimates and Virements</b>   | <b>601,072</b>        |   |

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

| Capital Scheme  | Amount Requested<br>£ | Reason and Funding Source  |
|---|-----------------------|--|
| <b>Cabinet are asked to approve the Supplementary Capital Estimates and Virements above £250,000 up to and including £1,000,000</b> |                       |  |
| <b>Supplementary Capital Estimates</b>  |                       |  |
| <b>Infrastructure &amp; Highways (incl. car parking)</b>  |                       |  |
| Middlewich Road, Poynton - Flood Damage   | 250,000               | Restoration works and slope stabilisation to Middlewood Road, Poynton. To be funded by Cheshire East Resources.  |
| Replacement Pay and Display Car Parking Meters  | 500,000               | Programme of works to replace the Pay and Display in the car parks across the Borough.   |
| A6 SEMMS Disley   | 622,000               | To increase the budget to take in to account £300,000 S106 funding, £272,000 funding received from Stockport Metropolitan Borough Council and £50,000 LTP funding. |
| Congleton Relief Road   | 267,537               | Increase budget in line with latest forecast as per cabinet report funded by Cheshire East.  |
| <b>Chief Operating Officer - Other</b>  |                       |  |
| Enterprise Resource Planning (Oracle Replacement)   | 387,000               | To increase the budget for the amount to be contributed by Cheshire West and Chester Council.  |
| <b>Total Supplementary Capital Estimates and Virements</b>  | <b>2,026,537</b>      |  |

# Appendix 7 Request for Supplementary Capital Estimates and Virements above £1,000,000

| Capital Scheme   | Amount Requested<br>£ | Reason and Funding Source   |
|--|-----------------------|---|
| Cabinet are asked to request Council to approve the Capital Virements and SCEs over £1,000,000 |                       |   |
| Supplementary Capital Estimates  |                       |   |
| Infrastructure & Highways (inc car parking)  |                       |   |
| Middlewich Eastern By-pass   | 1,257,000             | Grant funding received from the Department of Transport - Development funding for Large Local Major Projects - to continue the option development of the Middlewich Eastern Bypass proposals. |
| <b>Total Supplementary Capital Estimates and Virements</b>                                     | <b>1,257,000</b>      |   |

# Appendix 8 Capital Budget Reductions

| Capital Scheme  | Approved Budget<br>£ | Revised Approval<br>£ | Reduction<br>£    | Reason and Funding Source  |
|---|----------------------|-----------------------|-------------------|--|
| <b>Cabinet are asked to note the reductions in Approved Budgets</b> |                      |                       |                   |  |
| <b>Children and Families</b>  |                      |                       |                   |  |
| Devolved Formula Capital - delegated funding to school              | 6,192,273            | 6,006,777             | -185,496          | To match the existing Devolved Formula Capital budget being provided between 2015 - 2019 |
| Condition Capital grant   | 6,657,900            | 5,548,143             | -1,109,757        | To match the existing Condition Capital budget being provided between 2015 - 2019        |
| Knutsford Achievement   | 10,000,000           | 9,981,397             | -18,603           | Reduction to budget for costs relating to the project being funded from revenue budgets. |
| <b>Rural &amp; Green Infrastructure</b>                             |                      |                       |                   |  |
| Congleton Dane Walkway FP23   | 25,000               | 18,586                | -6,414            | Project complete   |
| Walking to Wellbeing  | 37,972               | 37,096                | -876              | Project complete   |
| <b>Environmental</b>  |                      |                       |                   |  |
| Adlington Road Park S106  | 85,583               | 84,688                | -895              | WREN grant approved and received less than in the original Delegated Decision.           |
| <b>Total Capital Budget Reductions</b>                              | <b>22,998,728</b>    | <b>21,676,687</b>     | <b>-1,322,041</b> |  |

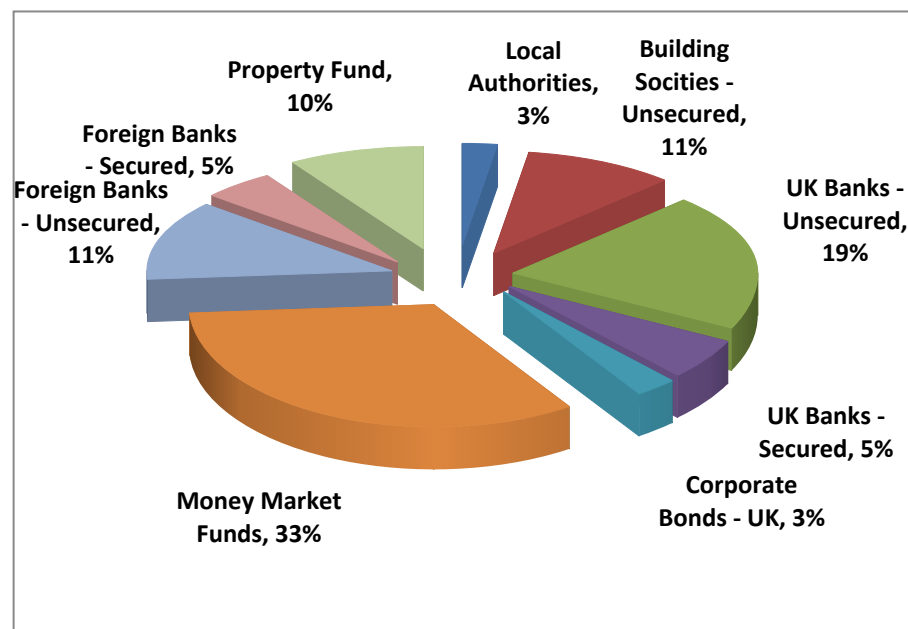


# Appendix 9 Treasury Management

## 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 £6m for unsecured investments and £12m 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 £12m per fund with a limit of 50% of total investments per fund. There is also a maximum that can be invested in all Money Market Funds at any one time of £50m. 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 with a limit of £12m per country. Foreign investments held at 30th June 2016 total £11.5m over three 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. The Council is also making use of some Variable Net Asset Value (VNAV) Money Market Funds which invest for a slightly longer duration than the standard money market funds but where the rate of return can be quite variable. At the end of June these were returning 1.32% but this was unusually high at that time. In July this has returned to a more typical 0.70%.
5. Banks' credit ratings are kept under continual review. The 'Brexit' issue has resulted in a review of all UK credit ratings but has not yet had a material effect other than the UK credit rating being downgraded. Subject to availability and cash flow requirements the Council is seeking to invest in high credit quality covered bonds
6. Covered Bonds are fixed period investments (typically three to ten years) which are tradeable and where the investment is secured 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.
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 | 0.05           | 0.6  |
| Money Market Funds      | 0.71           | 17.7 |

| Notice Accounts           | Notice Period | Average Rate % | £m  |
|---------------------------|---------------|----------------|-----|
| Money Market Funds (VNAV) | 2 days        | 1.32           | 6.5 |
| Lloyds Bank               | 175 days      | 0.80           | 5.0 |
| Santander (UK)            | 90 days       | 0.90           | 3.0 |
| Santander (UK)            | 120 days      | 1.05           | 2.0 |
| Santander (UK)            | 180 days      | 1.15           | 1.0 |
| Svenska Handelsbanken     | 35 days       | 0.55           | 4.0 |

| Fixed Term Deposits (Unsecured)    | Start      | Maturity   | Rate % | £m  |
|------------------------------------|------------|------------|--------|-----|
| Lancashire County Council          | 02/12/2015 | 04/12/2017 | 1.00   | 2.0 |
| Toronto Dominion CD                | 04/01/2016 | 03/01/2017 | 0.90   | 1.5 |
| Nationwide Building Society        | 01/04/2016 | 03/10/2016 | 0.71   | 3.0 |
| Coventry Building Society          | 11/04/2016 | 11/10/2016 | 0.60   | 1.0 |
| Nationwide Building Society        | 11/04/2016 | 11/10/2016 | 0.71   | 2.0 |
| Lloyds                             | 19/04/2016 | 19/07/2016 | 0.65   | 2.0 |
| Vernon Building Society            | 28/04/2016 | 05/08/2016 | 0.54   | 1.0 |
| Toronto Dominion CD                | 12/05/2016 | 10/02/2017 | 0.77   | 2.5 |
| National Counties Building Society | 13/05/2016 | 14/11/2016 | 0.75   | 1.0 |

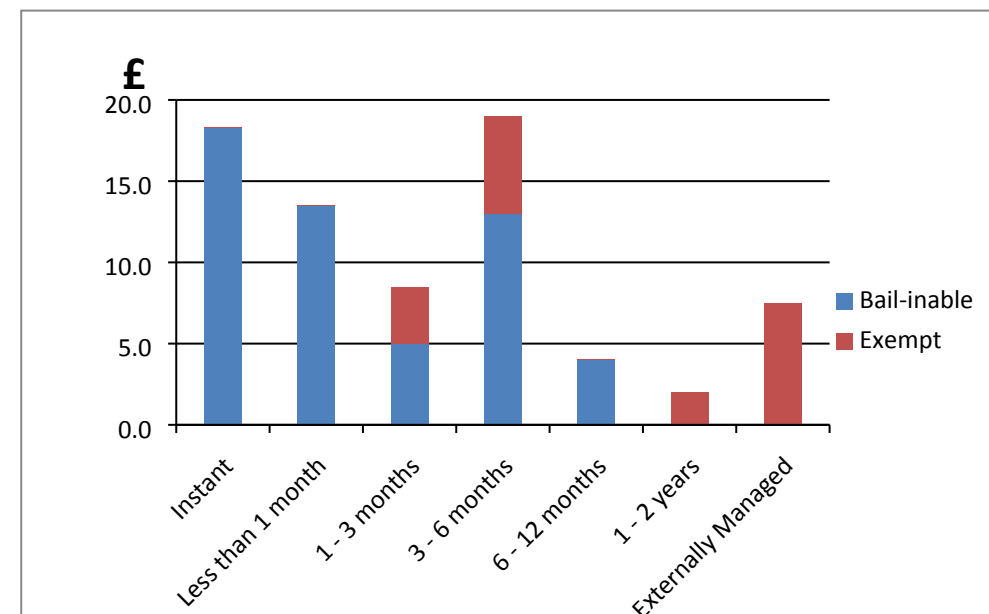
| Secured Deposits        | Start      | Maturity   | Rate % | £m  |
|-------------------------|------------|------------|--------|-----|
| Bank of Scotland        | 17/06/2015 | 08/11/2016 | 0.84   | 2.5 |
| Bank of Scotland        | 30/10/2015 | 08/11/2016 | 0.95   | 1.5 |
| National Australia Bank | 18/04/2016 | 12/08/2016 | 0.65   | 3.5 |

| Corporate Bonds | Start      | Maturity   | Rate % | £m  |
|-----------------|------------|------------|--------|-----|
| Centrica plc    | 12/05/2016 | 24/10/2016 | 0.98   | 2.0 |

| Externally Managed Funds | £m  |
|--------------------------|-----|
| Property Fund            | 7.5 |

| Summary of Current Investments | £m          |
|--------------------------------|-------------|
| <b>TOTAL</b>                   | <b>72.8</b> |

**Chart 2 – Maturity Profile of Investments**



# Appendix 10 Requests for Allocation of Additional Grant Funding

| Service             | Type of Grant  | £000 | Details  |
|---------------------|--|------|--|
| Children & Families | Extended Troubled Families Grant – Family Focus<br><br>(General Purpose) | 680  | <p>In April 2012, the Government launched the Troubled Families Programme, a £448m scheme to incentivise local authorities and their partners to turn around the lives of 120,000 troubled families by May 2015. This programme worked with families where children are not attending school, young people are committing crime, families are involved in anti-social behaviour and adults are out of work.</p> <p>In June 2013, the Government announced plans to expand the Troubled Families Programme for a further five years from 2015/16 and to reach up to an additional 400,000 families across England. £200 million has been committed to fund the first year of this five year programme. This increased investment is testament to the Government's ongoing commitment to improve the lives of troubled families and as this work is taken to a significantly greater scale, to transform local public services and reduce costs for the long-term.</p> |
| Children & Families | Youth Justice Board<br><br>(General Purpose)                             | 299  | The Youth Engagement Service (YES) delivers a statutory Youth Justice service. A partnership of agencies defined in the Crime and Disorder Act is required to jointly deliver this service. As such any failure to utilise the funding streams identified will result in the dereliction of the Council's duties under the Act.  |
| Children & Families | Staying Put<br><br>(General Purpose)                                     | 109  | <p>The Children &amp; Families Act 2014 introduced a new duty on local authorities to support young people to continue to live with their former foster carers once they turn 18. This duty came into force on 13<sup>th</sup> May 2014.</p> <p>The purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred by them in respect of a young person aged 18 and their former foster carer to continue to live together in a 'Staying Put' arrangement. For the purposes of this grant, 'young person' means a former relevant child who was looked after immediately prior to their 18<sup>th</sup> birthday. This supported arrangement can continue until the young person's 21<sup>st</sup> birthday.</p>   |

| Service                      | Type of Grant  | £000 | Details  |
|------------------------------|--|------|--|
| Children & Families          | Remand Funding<br><br>(General Purpose)                    | 19   | Children and Young People (CYP) who are remanded in youth detention accommodation will be given Looked After Children (LAC) status. The grant is to cover the costs of the LA's responsibility and gives LA's incentives to reduce their secure remands and reinvest any savings achieved in Youth Justice (YJ).   |
| Adult Social Care            | Local Reform and Community Voices<br><br>(General Purpose) | 3    | Originally budgeted at £195,418 (2015/16). Final allocations for 2016/17 have come in at £198,321.<br><br>Local authorities have a duty under the Local Government and Public Involvement in Health Act 2007 (as amended by the Health and Social Care Act 2012) to ensure that an effective local Healthwatch is operating in their area, delivering the activities set out in the legislation. The Local Reform and Community Voices grant provides one element of the non-ring fenced funding provided for local Healthwatch, with the larger proportion having been rolled in to the local government settlement in 2011/12.   |
| Adult Social Care            | Social Care in Prisons<br><br>(General Purpose)            | 2    | Originally budgeted at £69,933 (2015/16). Final allocations for 2016/17 have come in at £72,528.<br><br>The provision of social care in prisons is a new burden for local authorities introduced as part of the Care Act.<br><br>The Act establishes that the local authority in which a prison, approved premises or bail accommodation is based will be responsible for assessing and meeting the care and support needs of the offenders residing there.<br><br>The provision of care and support for those in custodial settings is based on the principle of equivalence to provision in the community. The Act clarifies the application of Part 1 for people in custodial settings, including aspects which do not apply. |
| Economic Growth & Prosperity | Property Searches New Burdens<br><br>(General Purpose)     | 22   | Land charges payment being made by the Government towards the claims made against each Local Authority. Contingency monies held for about 2 + years re: the Tinkler and APPS claims.   |

| Service                      | Type of Grant  | £000         | Details   |
|------------------------------|--|--------------|---|
| Economic Growth & Prosperity | Extended Rights to Free Transport (Home to School Transport)<br><br>(General Purpose)                      | 118          | The Department for Education provides additional transport funding to local authorities to support children from low-income families to be able to attend schools further from home than the statutory walking distances. The funding is paid as a non-ring-fenced grant paid via the Department for Communities and Local Government under the Local Services Support Grant (section 31 of the Local Government Act 2003). |
| Communities                  | Housing Benefit Administration Grant and Council Tax Support Administration Grant<br><br>(General Purpose) | 61           | Administration of Housing Benefit claims & Council Tax Support. Claims to be processed on time to avoid hardship to customers and risk of eviction. Delays in processing work feed into a penalty area and if the threshold is exceeded there will be a loss of Housing Benefit subsidy payable to the Council (from DWP).  |
| Communities                  | Business Rates Revaluation 2017 Information Sheet<br><br>(General Purpose)                                 | 1            | This grant is in respect of expenditure already incurred by the Revenues team during annual billing. It is recompense for the printing and postage of leaflets on behalf of VOA.  |
| Chief Operating Officer      | Electoral Register Transfer Programme Resource Grant 2016/17<br><br>(General Purpose)                      | 58           | The funding is to be used on activities associated with the Individual Electoral Registration (IER) service within the Elections area.  |
| Chief Operating Officer      | EU Referendum Administration Costs – Additional Funding<br><br>(General Purpose)                           | 37           | Additional grant aimed to alleviate administration pressures in respect of processing voter registration applications in the run up to the EU Referendum on 23 <sup>rd</sup> June.  |
| Chief Operating Officer      | EU Referendum Administration Costs – Deadline Extension<br><br>(General Purpose)                           | 9            | Further grant funding allocated due to the extension of the EU registration deadline.   |
| <b>Total</b>                 |  | <b>1,418</b> |   |

# Appendix 11 Debt Management

1. Sundry debt includes all invoiced income due to the Council except for statutory taxes (Council Tax and Non-Domestic Rates) for which the performance related data is contained within Section 2 of this report.
2. Annually, the Council raises invoices with a total value of over £75m. Around a quarter of the Council's overall sundry debt portfolio relates to charges for Adult Social Care, the remainder being spread across a range of functions including Highways, Property Services, Licensing, Markets and Building Control.
3. The Council's standard collection terms require payment within 28 days of the invoice date, however, services receive immediate credit in their accounts for income due. 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.
4. The Revenue Recovery team (using their experience gained in collecting Council Tax and Non-Domestic Rates) engage with services to offer advice and assistance in all aspects of debt management, including facilitating access to debt collection/enforcement agent services (currently provided by Bristow & Sutor). In 2015/16 the team collected £1.8m on behalf of services.
5. After allowing for debt still within the payment terms, the amount of outstanding service debt at the end of June 2016 was £11.9m. This is higher than at March 2016 due to invoices raised just

before year end in Adult Social Care to Clinical Commissioning Groups remaining unpaid. However, settlement has now been reached, and the debt will be cleared in quarter 2.

6. The total amount of service debt over 6 months old is £3.0m; provision of £3.4m has been made to cover doubtful debt in the event that it needs to be written off.

|  | Outstanding Debt<br>£000 | Over 6 months old<br>£000 | Debt Provision<br>£000 |
|--|--------------------------|---------------------------|------------------------|
| Children & Families                    | 402                      | 10                        | 10                     |
| Schools                                | 51                       | 28                        | 31                     |
| Adult Social Care & Independent Living | 9,362                    | 1,937                     | 2,322                  |
| Public Health & Wellbeing              | 0                        | 0                         | 0                      |
| Economic Growth & Prosperity           | 860                      | 309                       | 308                    |
| Highways                               | 744                      | 359                       | 359                    |
| Chief Operating Officer:               |                          |                           |                        |
| Environmental                          | 123                      | 121                       | 121                    |
| Leisure                                | 11                       | 11                        | 11                     |
| Communities                            | 46                       | 11                        | 11                     |
| Other                                  | 306                      | 246                       | 246                    |
|  | <b>11,905</b>            | <b>3,033</b>              | <b>3,419</b>           |

# Appendix 12 Earmarked Reserves

| Name of Reserve                                   | Opening Balance<br>1 <sup>st</sup> April<br>2016<br>£000 | Forecast Movement<br>in<br>2016/17<br>£000 | Forecast Balance<br>31 <sup>st</sup> March<br>2017<br>£000 | Notes   |
|---|--|--|--|---|
| <b>Children &amp; Families</b>                    |  |  |  |   |
| Children's Social Care                            | 377  | -377                                       | 0  | To support implementation of Children's Social Care bill.   |
| <b>Adult Social Care &amp; Independent Living</b> |  |  |  |   |
| Extra Care Housing PFI                            | 1,879  | 181  | 2,060  | Surplus grant set aside to meet future payments on existing PFI contract which commenced in January 2009.   |
| Individual Commissioning                          | 450  | -450                                       | 0  | To provide capacity to perform Deprivation of Liberties and Best Interest reviews of care customers following recent case law.  |
| NHS Section 256                                   | 3,391  | -1,695                                     | 1,696  | 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>                              | 1,942  | -1,942                                     | 0  | 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>Highways</b>                                   |  |  |  |   |
| Severe Weather                                    | 360  | -80  | 280  | To provide for future adverse winter weather expenditure.   |
| <b>Communities</b>                                |  |  |  |   |
| Communities Investment                            | 586  | -244                                       | 342  | Amalgamation of promoting local delivery; grant support; new initiatives and additional funding from outturn to support community investment.   |
| Emergency Assistance                              | 569  | -400                                       | 169  | Carry forward of underspend on previous years' schemes to provide for future hardship payments.   |



| Name of Reserve                                 | Opening<br>Balance<br>1 <sup>st</sup> April<br>2016<br>£000 | Forecast<br>Movement<br>in<br>2016/17<br>£000 | Forecast<br>Balance<br>31 <sup>st</sup> March<br>2017<br>£000 | Notes   |
|---|---|---|---|---|
| <b>Economic Growth &amp; Prosperity</b>         |   |   |   |   |
| Tatton Park                                     | 202   | -30   | 172   | Ring-fenced surplus on Tatton Park trading account.   |
| Planning Costs and Investment Service Structure | 358   | -358  | 0   | To meet potential costs within the Planning Service and Investment Service Structure.   |
| Royal Arcade Crewe                              | 500   | -500  | 0   | To provide for future costs relating to the Royal Arcade including repairs and maintenance.   |
| <b>Chief Operating Officer</b>                  |   |   |   |   |
| Elections                                       | 12  | -12   | 0   | To provide funds for Election costs every 4 years.  |
| Insurance & Risk                                | 4,581   | -81   | 4,500   | To settle insurance claims and manage excess costs.   |
| Investment (Sustainability)                     | 2,744   | -1,722  | 1,022   | To support investment that can increase longer term financial independence and stability of the Council.  |
| Collection Fund Management                      | 8,570   | 319   | 8,889   | To manage cash flow implications as part of the Business Rates Retention Scheme. Includes liabilities that will not be paid until future years. |
| Financing                                       | 11,540  | 0   | 11,540  | To provide for financing of capital schemes, other projects and initiatives.  |
| Transforming Services                           | 3,345   | -2,058  | 1,287   | Funding for costs associated with service transformation; particularly in relation to staffing related expenditure.                             |
| Transitional Funding                            | 0   | 1,287   | 1,287   | To provide financial support to services or projects during a period of transition to a lower overall cost base.                                |

| Name of Reserve                          | Opening<br>Balance<br>1 <sup>st</sup> April<br>2016<br>£000 | Forecast<br>Movement<br>in<br>2016/17<br>£000 | Forecast<br>Balance<br>31 <sup>st</sup> March<br>2017<br>£000 | Notes   |
|--|---|---|---|---|
| <b>Cross Service</b>                     |   |   |   |   |
| Trading Reserve                          | 1,179   | 0   | 1,179   | The Authority's share of ASDVs net surplus to be spent in furtherance of the ASDV's objectives. |
| Service Manager carry forward            | 3,186   | -3,102  | 84  | Allocations for Cost of Investment or grant funded expenditure.                                 |
| Revenue Grants - Dedicated Schools Grant | 5,158   | -1,158  | 4,000   | Unspent specific use grant carried forward into 2015/16.  |
| Revenue Grants - Other                   | 2,404   | -1,449  | 955   | Unspent specific use grant carried forward into 2015/16.  |
| <b>TOTAL</b>                             | <b>53,333</b>   | <b>-13,871</b>                                | <b>39,462</b>   |   |

**Notes:**

- Figures exclude Schools balances of £8.058m at 1<sup>st</sup> April 2016.
- Forecast Movements in 2016/17 include the following budgeted and approved additions and reductions to earmarked reserves approved by Council

|   |              |
|---|--------------|
|   | £000         |
| Planning costs and Investment Service structure | 1,000        |
| Transitional Funding                            | 2,500        |
| Collection Fund Management                      | 451          |
| Investment Sustainability                       | -140         |
|   | <u>3,811</u> |

**MINUTE OF THE CORPORATE OVERVIEW AND SCRUTINY COMMITTEE MEETING ON  
8<sup>TH</sup> SEPTEMBER 2016**

**15 QUARTER 1 PERFORMANCE REPORT**

The committee considered a report of the Chief Operating Officer relating to the first quarter review of performance 2016/17. The report highlighted financial and non-financial pressures and performance in connection with the outcomes of the Corporate Plan 2016 to 2020.

A potential overspend of £1.5 million was being forecast, which was attributed largely to an increase in caseloads and costs associated with children in care.

Appendix 1 of the report set out details of how the Council was performing. The appendix was divided into 3 sections:

- Section 1- Summary of Council Performance brought together the positive impact that service performance and financial performance had had on six residents first outcomes during the first year:
- Section 2 – Financial Stability provided an update on the Council's overall financial position. It demonstrated how spending in 2016/17 had been funded including service budgets, grants, council tax and business rates, treasury management, centrally held budgets and reserves.
- Section 3 Workforce Development - provided a summary of the key issues relating to the Council's workforce development plan.

Members then questioned at length the Chief Operating Officer, Executive Director of People and Deputy Chief Executive and Director of Place on the contents of the report and sought additional information on the following matters which would be reported back to Members outside of the meeting:

- Details of the amount of grant approved for the 523 home adaptations for older and/or disabled residents to support independent living;
- The annual target for affordable homes having delivered 145 to date;
- Whether the figure of 57 fixed penalty notices issued in the first quarter was higher or lower than previous years?
- The level of funding provided by Town/Parish Councils for CCTV;
- An explanation as to why a town centre manager for Macclesfield would be retained for 2016/17

**RESOLVED –**

- (a) That the report be received;
- (b) That Cabinet be informed that this Committee acknowledges the significant financial pressures facing the Council at the moment, the work going on to alleviate those pressures and the challenges ahead to manage the projected budgetary deficits in future years. The committee is pleased to note however, that in spite of the difficult climate, the Council continues to maintain a strong

financial position and therefore wishes to place on record its thanks to all involved in achieving this;

- (c) That The Committee request that Cabinet formally acknowledge these comments in the minutes of the meeting.

**COUNCIL MEETING – 20<sup>TH</sup> OCTOBER 2016**

**Extract from the Minutes of the Constitution Committee meeting on  
15<sup>th</sup> September 2016**

**14 SUBSTITUTE COMMITTEE MEMBERS AT PLANNING COMMITTEE MEETINGS**

The Committee considered a report recommending that a pool of trained members be created to supplement existing arrangements for the provision of substitute committee members at planning committee meetings.

The current substitution arrangements provided that a substitute on a planning committee must have received appropriate training and must be a member of one of the other two planning committees. These requirements made it difficult on occasions for Group whips to find substitutes for planning meetings. It was therefore proposed that a limited pool of additional members with the required training be established and drawn from as required.

**RESOLVED**

That Council be recommended to approve that

1. a pool of 9 planning substitutes be established (5 Conservative: 2 Labour: 2 Independent);
2. the pool will supplement the existing Constitutional provisions which enable planning substitutes to be drawn from any of the Council's planning committees: Northern Planning, Southern Planning and Strategic Planning Board;
3. subject to the requirement that each member of the pool must have received appropriate and up-to-date planning training, the political groups may nominate their members to the pool as and when necessary; and
4. the Director of Legal Services, in consultation with the Chairman of the Constitution Committee, be given authority to make such changes to the Constitution as he considers are necessary to give effect to the wishes of Council.

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# Cheshire East Council

## Constitution Committee

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**Date of Meeting:** 15<sup>th</sup> September 2016

**Report of:** Head of Governance and Democratic Services

**Subject:** Substitute Committee Members at Planning Committee meetings

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### 1. Report Summary

- 1.1. This report asks the Committee to consider making a recommendation to Council that a pool of trained Members be created to supplement existing arrangements for the provision of substitute committee members at planning committee meetings.

### 2. Recommendation

Council be recommended to agree that:

- 2.1. a pool of 8 planning substitutes be established, on the basis of political proportionality: 5:2:1 (Conservative: Labour: Independent);
- 2.2. the pool will supplement the existing Constitutional provisions which enable planning substitutes to be drawn from any of the Council's planning Committees; Northern Planning, Southern Planning and Strategic Planning Board;
- 2.3. only those Members who, in the opinion of the Director of Legal Services, have received appropriate planning training will be permitted to be members of the pool of planning substitutes;
- 2.4. subject to the requirement that each member of the pool must have received appropriate planning training, the political groups may nominate their members to take places as part of the pool as and when necessary;
- 2.5. That the Director of Legal Services, in consultation with the Chairman of the Constitution Committee, be given authority to make such changes to the Constitution as he considers are necessary to give effect to the wishes of Council.

### **3. Background**

3.1 The Council has rules, set out in the Constitution, which provide for substitutes to attend meetings on behalf of committee members who are unable to do so (eg in cases of illness or holiday).

3.2 These rules are rightly enhanced in the case of certain committees (eg planning) so as to ensure that substitute members have received appropriate training.

3.3 However, during the last year, an additional restriction was placed on planning substitutes; this requiring planning substitutes to be members of one of the other planning committees; Northern Planning, Southern Planning or Strategic Planning Board.

3.4 This additional restriction has caused difficulties for the whips from time to time, with absences being unable to be filled.

3.5 Whilst it is essential to retain the requirement that planning substitutes have up to date and appropriate training, a way needs to be found to relax the rule that planning substitutes must be drawn from one of the other planning committees.

3.6 This report proposes that there should be a small pool of trained planning substitutes from which members can be called upon to substitute for absent members.

3.7 This provision would need to be added to the Constitution, following a report to the Constitution Committee, and an appropriate recommendation to Council.

3.8 The numbers in each Group's pool of substitutes should be limited. For example an approach could be adopted which recognises the proportionality of the Council with a pool of 8 Members (5:2:1:0).

### **4. Wards Affected and Local Ward Members**

4.1. All wards and local ward members are affected.

### **5. Implications of Recommendation**

#### **5.1. Policy Implications**

5.1.1. No direct policy implications arise from the recommendations of this report.



## **5.2. Legal Implications**

5.2.1. It is of key importance to ensure that any Member involved in the determination of planning matters has received appropriate and up to date planning training. The recommendations of this report seek to achieve this.

5.2.2. The recommendations of this report will, if agreed by Council, result in the need for amendments to the Council's Constitution,

## **5.3. Financial Implications**

5.3.1. The recommendations of this report do not result in any financial implications.

## **5.4. Human Resources Implications**

5.4.1. The recommendations of this report do not have any human resources implications.

## **5.5. Equality Implications**

5.5.1. The recommendations of this report could be seen to have positive equalities implications.

## **5.6. Rural Community Implications**

5.6.1. The recommendations of this report do not have any direct implications for rural communities.

## **5.7. Public Health Implications**

5.7.1. The recommendations of this report do not have any direct public health implications.

## **6. Risk Management**

6.1. This report recommends an increase in the pool of Members who would be available to act as substitutes for absent Members at planning committee meetings. This will reduce the risk of reduced numbers of planning members taking part in the determination of planning matters.

## **7. Background Papers**

7.1. No background papers were used in the preparation of this report.

## 8. Contact Information

Contact details for this report are as follows:-

**Name:** Brian Reed  
**Designation:** Head of Governance and Democratic Services  
**Tel. No.:** 01270 696670  
**Email:** [brian.reed@cheshireeast.gov.uk](mailto:brian.reed@cheshireeast.gov.uk)

**COUNCIL MEETING – 20<sup>TH</sup> OCTOBER 2016****Extract from the Minutes of the Constitution Committee meeting on  
15<sup>th</sup> September 2016****15 AUDIO-RECORDING OF MEETINGS**

The Committee considered a report seeking clarification and guidance on the arrangements for the audio-recording of decision-making meetings. The purpose of such recordings would be to resolve any disagreement as to the accuracy of the draft minutes.

The Committee took the view that the requirement to record should apply to the meetings of all decision-making bodies, including overview and scrutiny committees.

The Committee also considered whether the audio recordings should be published on the Council's website.

Councillor S Pochin attended the meeting and, at the invitation of the Chairman, spoke on this matter.

**RESOLVED**

That

1. Council be recommended to agree that, subject to the following principles, the audio recording of meetings shall take place:
  - (a) All decision-making meetings of the Council be subject to audio-recording, including overview and scrutiny committees (but not informal non-decision-making bodies such as working groups) unless the press and public have, by resolution, been excluded from the meeting;
  - (b) Any member who was a member of a decision-making body at a meeting of that body, including anyone attending as a substitute, may request that the audio recording of that meeting be reviewed in order to clarify the wording of a draft minute;
  - (c) Such a request for review of the audio recording must be made on a working day before the day of the meeting at which the draft minutes are to be submitted for approval; and
  - (d) The audio recordings be retained for a period of 6 months from the date of the meeting in question, unless a Freedom of Information request is made in respect of the recording, in which case the recording will be retained for such longer period as is required by law.

2. Council be asked to give authority to the Director of Legal Services, in consultation with the Chairman and Vice-Chairman of the Constitution Committee, to make such changes to the Constitution as he considers necessary to give effect to the wishes of Council;
3. Council be asked to consider whether the audio recordings of meetings should be published on the Council's website and, if it is minded to agree, request and authorise the Constitution Committee to approve the detailed arrangements and the necessary changes to the Constitution; and
4. Council be asked to consider whether a report should be presented to the Constitution Committee which will explore the implications of the Openness and Local Government Bodies Regulations 2014.

# Cheshire East Council

## Constitution Committee

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|                          |   |
|--------------------------|---|
| <b>Date of Meeting:</b>  | 15 <sup>th</sup> September 2016             |
| <b>Report of:</b>        | Head of Governance and Democratic Services  |
| <b>Title:</b>            | Audio-Recording of Meetings                 |
| <b>Portfolio Holder:</b> | Councillor Peter Groves, Finance and Assets |

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### 1. Report Summary

- 1.1. This report seeks clarification and guidance upon the audio-recording of decision-making meetings.

### 2. Recommendations

- 2.1. That the proposals contained in paragraph 5.2(d) of this report be considered and, if agreed, an appropriate recommendation be made to Council.
- 2.2. That the Director of Legal Services, in consultation with the Chairman of the Constitution Committee, be given authority to make such changes to the Constitution as he considers are necessary to give effect to the wishes of Council.

### 3. Reason for Recommendations

- 3.1. In order for appropriate changes to be made to the Constitution.

### 4. Other Options Considered

- 4.1. Other options considered include a decision not to proceed with audio-recording, given the cost of recording equipment, and the additional administrative work which would be involved.

### 5. Background

- 5.1 The following is an extract of the minutes of the February meeting of the Constitution Committee, which considered the question of audio-recording decision-making meetings of the Council.

“With effect from the beginning of the new municipal year, subject to the availability of appropriate equipment, the proceedings of all decision-making meetings be audio-recorded; further that such recordings be retained for use by officers only in order to resolve any disagreement as to the accuracy of the draft minutes of the meeting, and that after formal agreement of the draft minutes, the audio recording be deleted”.

The question now arises as to how this minute should be actioned, given a number of practical considerations.

5.2 The Committee decision, which was approved by Council, stipulated that the sole purpose of keeping audio recordings of meetings will be to ensure the accuracy of minutes. Consideration should be given to the practicalities around this:

- a. For decades, local authority committees have relied upon the notes taken by committee clerks, who produce draft minutes. These are then considered, in the light of the recollection of the committee members, when they come to approve the minutes at the next meeting.
- b. The introduction of an audio-recording, which would be referred to if there was disagreement at a committee meeting over the accuracy of draft minutes, introduces practical considerations for the Committee. Given that the recording could not be listened to during the meeting, the approval of the disputed minute would need to be deferred. This, for example, would have consequences in respect of planning decisions where there is a set period of time within which an application should be determined.
- c. Rules would be needed in order to ensure that only certain categories of Members would have the right to formally call for the audio-recording to be used to clarify any concern about a draft minute eg a member of the committee in question, who had been present at the meeting in question.
- d. The following provisions could be built-into the Constitution, in order to provide certainty around the process:
  - i. Prior to it being moved and seconded that the minutes of a previous meeting of a decision-making meeting body be approved, such members as are referred to in paragraph 5.2 (d) (ii) (“Qualified Members”) below may propose that the audio recording of the meeting in question be scrutinised in order to establish the accuracy of the minute.
  - ii. Such proposal may only be made by a member appointed by Council to the decision-making body (not a substitute member), who was present throughout the whole of the item in question, at the meeting which made the decision, and must be supported by at least one other member of that body who was similarly present.

- iii. Where such a proposal is moved, seconded by Qualifying Members, and carried by a majority of such Members similarly present, the decision making body in question will consider the matter no further and the power to approve the minute, in a modified form, or in the same form as set out in the draft minutes, will be formally delegated to the Head of Governance and Democratic Services (or his nominated delegee), in consultation with the Chairman of the decision-making body in question, or his/her Vice Chairman.
- iv. In approving the minute in question, the Head of Governance and Democratic Services will have regard only to any available audio-recording of the meeting and to the views of the Chairman or Vice-Chairman.
- v. These provisions shall apply only to the following formal decision-making meetings of the Council, and not to the consideration of Part II (exempt) items of such meetings:
  - 1. Council
  - 2. Cabinet
  - 3. Planning Committees
  - 4. Licensing Committees/Sub-Committees
  - 5. Audit and Governance Committee
  - 6. Staffing Committee
- vi. Once the officer has exercised delegated powers, all members of the body in question will be notified of the outcome.
- vii. Upon the approval of the minutes, whether by the decision-making body, or by the officer, the audio-recording of the meeting in question will be expunged, provided that, if a relevant Freedom of Information request has been made before this has taken place, such request will remove the requirement to expunge until it has been satisfied.

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

- 6.1. There are no direct implications for individual wards or local ward members.

## **7. Implications of Recommendation**

### **7.1. Policy Implications**

- 7.1.1. Once any new provisions are agreed, these will need to be approved by Council and incorporated into the Constitution.

## **7.2. Legal Implications**

7.2.1 The proposals contained in this report would not amount to a minor change in the Constitution and so require the approval of full Council (Constitution page 51, Chapter 14 – Management of the Constitution Paragraph 2.1).

7.2.2 The approved minutes constitute the legal record of a meeting and any decisions taken. However, an audio-recording is itself a record/information kept by the Council for the purposes of the Freedom of Information Act 2000 (FOI) and so capable of being subject to requests for copies or transcripts. Consideration should be given to the making and retaining of audio-recordings and their inclusion in the Council's policies and practices in particular in relation to responding to FOI requests and document retention policies.

7.2.3 The Openness of Local Government Bodies Regulations 2014 (SI No 2095) amended existing legislation to require councils to allow any member of the public to record the proceedings and report on all public meetings using communication methods such as filming, audio-recording, taking photographs and using social media. The Council does not have a policy or protocol on the use of such modern media tools (which would be a means to assist in managing the day to day practical implications of the public's right to use such methods). However, in dealing with the public's use of such methods the Council does need to comply with the regulations/amended legislation. The audio-recording of public meetings by the Council itself, publication of the recording on the Council's website and retention in perpetuity would ensure that the Council has its own accurate record of the proceedings in its original form and enhances the openness of council business in accordance with the Council's transparency agenda.

## **7.3. Financial Implications**

7.3.1. Following initial trials, basic recording mechanisms, such as dictaphones and iPad devices are not considered fit for purpose. Other devices of modest cost are being considered which, it is hoped, will prove to be adequate. It is understood that suitable devices can be purchased for around £140. Given the need for a number of devices to be purchased the total cost is not expected to exceed £600.

## **7.4. Human Resources Implications**

7.4.1. There are no direct human resources implications.

## **7.5. Equality Implications**

7.5.1. There are no direct equality implications.



## **7.6. Rural Community Implications**

7.6.1. There are no direct rural community implications.

## **7.7. Public Health Implications**

7.7.1. There are no direct public health implications.

## **8. Risk Management**

8.1. No direct risks appear to arise from the proposals contained in this report. Indeed, the existence of a mechanism to give certainty to the minutes, where these are questioned, minimises risks to the organisation.

## **9. Background Papers**

9.1. No background papers have been referred-to in the preparation of this report.

## **10. Contact Information**

Contact details for this report are as follows:

|                     |  |
|---------------------|--|
| <b>Name:</b>        | <b>Brian Reed</b>  |
| <b>Designation:</b> | <b>Head of Governance and Democratic Services</b>                                  |
| <b>Tel. No.:</b>    | <b>01270 686670</b>  |
| <b>Email:</b>       | <a href="mailto:brian.reed@cheshireeast.gov.uk">brian.reed@cheshireeast.gov.uk</a> |

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**COUNCIL MEETING – 20<sup>TH</sup> OCTOBER 2016****Extract from the Minutes of the Constitution Committee meeting on  
15<sup>th</sup> September 2016****16 URGENT DECISION PROCEDURES**

The Committee considered a report on recommended changes to the procedures for taking urgent decisions. The current procedures, which were introduced in 2011, were considered deficient in certain respects as outlined in the report.

With regard to the proposed changes to the urgency provisions relating to executive decisions, the Leader of the Council had been consulted.

**RESOLVED**

That Council be recommended to approve the amended procedures for taking urgent decisions as set out below and to authorise the Director of Legal Services to amend the Constitution accordingly:

1. The procedure for taking urgent regulatory decisions under Committee Procedure Rule 25 be amended as follows:

*“The Chief Executive or in his/her absence the Deputy Chief Executive (or in their absence their nominee) in consultation with the Chairman and/or Vice-Chairman of the relevant committee or sub-committee have delegated authority to take any non-executive decision subject to the following requirements being met:*

- *The decision-maker is satisfied that the matter is urgent and cannot await the next meeting of the decision-making body, or an urgently convened meeting;*
- *The decision is reported for information to the next available meeting of the decision-making body;*
- *The provisions of legislation are complied with;*
- *Advice has been taken from the Council’s Director of Legal Services and Section 151 Officer;*
- *All Members of the Council are notified of the decision taken by electronic means.”*

2. The procedure for taking urgent Council decisions under Council Procedure Rule 18 be amended as follows:

*“If a decision would normally be required to be made by full Council the decision may be made by the Chief Executive or in his/her absence the Deputy Chief Executive (or in their absence their nominee) in consultation with Group Leaders*

*and the Mayor (or in his/her absence the Deputy Mayor) subject to the following requirements being met:*

- *The decision-maker is satisfied that the matter is urgent and cannot await the next meeting of the Council, or an urgently convened Council meeting ;*
- *The decision is reported for information to the next available meeting of the Council;*
- *The provisions of legislation are complied with;*
- *Advice has been taken from the Chief Executive, Council's Director of Legal Services and Section 151 Officer;*
- *All Members of the Council are notified of the decision taken by electronic means."*

3. The procedure for taking urgent executive decisions under Cabinet Procedure Rule 53 be amended as follows:

*"The Leader of the Council, or in his/her absence the Deputy Leader of the Council, or in his/her absence the relevant portfolio holder has delegated authority to take any executive decision in consultation with the Chief Executive subject to the following requirements being met:*

- *The decision-maker is satisfied that the matter is urgent and cannot await the next meeting of the Cabinet, or an urgently convened Cabinet meeting;*
- *The decision is reported for information to the next available meeting of the Cabinet;*
- *The provisions of legislation are complied with;*
- *The relevant overview and scrutiny committee Chairman has been notified of the matter and has been invited to make representations;*
- *The Leaders of all Opposition Groups have been notified of the matter and have been invited to make representations;*
- *Advice has been taken from the Council's Director of Legal Services and Section 151 Officer;*
- *All Members of the Council are notified of the decision taken by electronic means.*

*In addition the following provisions shall apply:-*

- *Rules 13, 14 and 15 of Access to Information Procedure Rules shall be adhered to, relating to the content of the Forward Plan, general exceptions to the requirement to list decisions on the Forward Plan, and circumstances of special urgency*
- *Rule 54 of the Executive Procedure Rules shall be adhered to, relating to the Forward Plan and Key Decisions*

- *Overview and Scrutiny Procedure Rules in relation to Call-in (Rule 12) shall not apply to urgent executive decisions taken under this procedure (see Rule 13).*
- *Rule 4 of the Budget and Policy Framework Procedure Rules shall be adhered to in relation to urgent executive decisions taken under this procedure.*
- *Overview and scrutiny committees can review the reasons for the urgency of a decision and the process adopted.*

*For the purposes of this urgency provision, the limit placed on the decision-making powers of individual Portfolio Holders in relation to decisions involving expenditure or savings of £1M or more would not apply.”*

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# CHESHIRE EAST COUNCIL

## Constitution Committee

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|                         |   |
|-------------------------|---|
| <b>Date of Meeting:</b> | 15 <sup>th</sup> September 2016                                       |
| <b>Report of:</b>       | Director of Legal Services/Head of Governance and Democratic Services |
| <b>Subject/Title:</b>   | Urgent Decision Procedures  |

---

### 1.0 Report Summary

- 1.1 This report invites the Committee to consider amendments to the procedures for taking urgent decisions as set out in the Constitution. The current procedures were introduced in 2011 and are considered deficient in certain respects as explained in the report.

### 2.0 Recommendations

- 2.1 That Council be recommended that the procedures for taking urgent decisions as set out in Appendix 4 to the Procedure Rules within the Constitution be amended as set out in this report.

### 3.0 Reasons for Recommendations

- 3.1 The urgency procedures in their current form are considered unlawful in part and impracticable for the purpose of taking urgent decisions.

### 4.0 Background and Options

- 4.1 Where a decision is urgent and cannot await the next meeting, or a special meeting, of the relevant decision-making body, the Council's procedure rules set out how such decisions should be taken.
- 4.2 In the early days of Cheshire East Council, the procedure rules provided that urgent decisions would be taken by the Council's Chief Executive or his/her nominee in consultation with the relevant committee chairman or Cabinet member, the relevant scrutiny chairman and group leaders. Such decisions could involve significant amounts of expenditure and/or have a significant effect on a local community. In 2011, the then Head of Legal Services took the view that such decisions should properly be made by councillors and not officers. The urgency procedures were therefore amended by Council to provide that councillors and not officers would in future be responsible for urgent decisions. The urgency procedures approved by Council in 2011 are set out in Appendix 4 to the Procedure Rules within the Council's Constitution.
- 4.3 There are three different urgency procedures depending on whether the decision would normally have been taken by full Council, a committee or

sub-committee of the Council or the Cabinet. All three urgency procedures are set out in Appendix 4 to the Procedure Rules. The Appendix includes a definition of an urgent decision as follows:

*“A decision will be urgent if any delay likely to be caused by following the usual procedures would seriously prejudice the Council’s or the Public’s interests. If a decision is deemed an urgent decision caused by a failure to plan appropriately or work without due regard to timeliness, the circumstances giving rise to the need for an urgent decision should be reported to the Audit and Governance Committee on a quarterly basis.”*

- 4.4 The Director of Legal Services has reviewed the urgency procedures. He is of the view that the current provisions appear to have legal issues and may be less practical than is ideal for the purpose of taking urgent decisions. Each urgency procedure is discussed below. The deficiencies or weaknesses of each procedure are highlighted and an alternative approach is recommended in each case.

**Urgent Regulatory Decisions (Committee and Sub-Committee Procedure Rule 25)**

- 4.5 This procedure relates to decisions which would normally be taken by a regulatory committee such as a licensing committee or sub-committee. It provides as follows:

*“The Chairman and Vice-Chairman (or, in their absence, their nominees) of the relevant committee or sub-committee, in consultation with the appropriate Director or Head of Service, have delegated authority to take any non-executive decision subject to the following requirements being met:-*

- *The decision-makers are satisfied that the matter is urgent and cannot await the next meeting of the decision-making body, or urgently convened meeting;*
- *The decision is reported for information to the next available meeting of the decision-making body;*
- *The provisions of legislation are complied with;*
- *Advice has been taken from the Council’s Director of Legal Services and Section 151 Officer;*
- *All Members of the Council are notified of the decision taken by electronic means.”*

- 4.6 Section 101 of the Local Government Act 1972 provides that a decision may be delegated to a committee, a sub-committee or an officer. It does not allow decisions to be delegated to individual members or groups of members who are not constituted as a formal committee or sub-committee (or who are not members of the Council’s executive body). Therefore, this urgency procedure in its current form is unlawful and any decisions taken under it would be invalid.



**Recommended:** That the procedure be amended to the following:

*“The Chief Executive or relevant Chief Officer (or in their absence their nominees) in consultation with the Chairman and/or Vice-Chairman of the relevant committee or sub-committee have delegated authority to take any non-executive decision subject to the following requirements being met: (requirements as before).”*

**Urgent Decisions: Council (Council Procedure Rule 18)**

- 4.7 This procedure relates to decisions which would normally be taken by full Council. It provides as follows:

*“If a decision would normally be required to be made by full Council the decision may be made by an urgency sub-committee which shall comprise 5 Members of the Council (ratio 3:1:1) and the Mayor (or in his absence the Deputy Mayor) as a non-voting member subject to the following requirements being met:-*

- *The decision-makers are satisfied that the matter is urgent and cannot await the next meeting of the Council, or an urgently convened Council meeting ;*
- *The decision is reported for information to the next available meeting of the Council;*
- *The provisions of legislation are complied with;*
- *Advice has been taken from the Chief Executive, Council's Director of Legal Services and Section 151 Officer;*
- *All Members of the Council are notified of the decision taken by electronic means.”*

- 4.8 An urgency committee convened for the purpose of taking an urgent decision would be subject to the Access to Information provisions, normally requiring five clear working days' notice before the meeting could take place. It would also be necessary to find five members at short notice to make up the committee, presumably in consultation with the group leaders or whips (plus the Mayor or Deputy Mayor). This would be a protracted process for taking an urgent decision requiring immediate action and would therefore seem impracticable.

**Recommended:** That the procedure be amended to the following:

*“If a decision would normally be required to be made by full Council the decision may be made by the Chief Executive or in his/her absence the Deputy Chief Executive (or in their absence their nominee) in consultation with Group Leaders and the Mayor (or in his/her absence the Deputy Mayor) subject to the following requirements being met: (requirements as before).”*

- 4.9 In the case of both amendments above, it is proposed that the decision-making role revert to officers. This is to avoid both legal complications and

the impracticalities of trying to arrange an urgent member body at short notice. However, in both cases, the procedure will require that all relevant members are formally consulted and a record of such consultation will be made as part of the decision notice.

**Urgent Decisions: Cabinet / Executive Matters (Cabinet Procedure Rule 53)**

- 4.10 This procedure relates to decisions which would normally be taken by Cabinet. It provides as follows:

*“The Leader of the Council, the Deputy Leader of the Council and the relevant portfolio holder (or, in their absence, their nominees), have delegated authority to take any executive decision in consultation with the Chief Executive subject to the following requirements being met:-*

- *The decision-makers are satisfied that the matter is urgent and cannot await the next meeting of the Cabinet, or an urgently convened Cabinet meeting;*
- *The decision is reported for information to the next available meeting of the Cabinet;*
- *The provisions of legislation are complied with;*
- *The relevant overview and scrutiny committee Chairman has been notified of the matter and has been invited to make representations;*
- *The Leaders of all Opposition Groups have been notified of the matter and have been invited to make representations;*
- *Advice has been taken from the Council’s Director of Legal Services and Section 151 Officer;*
- *All Members of the Council are notified of the decision taken by electronic means.*

*In addition the following provisions shall apply:-*

- *Rules 13, 14 and 15 of Access to Information Procedure Rules shall be adhered to, relating to the content of the Forward Plan, general exceptions to the requirement to list decisions on the Forward Plan, and circumstances of special urgency*
- *Rule 54 of the Executive Procedure Rules shall be adhered to, relating to the Forward Plan and Key Decisions*
- *Overview and Scrutiny Procedure Rules in relation to Call-in (Rule12) shall not apply to urgent executive decisions taken under this procedure (see Rule 13).*
- *Rule 4 of the Budget and Policy Framework Procedure Rules shall be adhered to in relation to urgent executive decisions taken under this procedure.*
- *Overview and scrutiny committees can review the reasons for the urgency of a decision and the process adopted.”*

- 4.11 This procedure depends on the Leader, Deputy Leader and relevant Portfolio Holder all being available to take an urgent decision jointly. Sometimes, one or more of these individuals is absent when the need for an urgent decision arises. It is also doubtful that a decision taken by a group of executive members not formally constituted as a committee of the Cabinet would be lawful. Any formally constituted body would of course be subject to the Access to Information requirements as regards notice of the meeting, etc. and could compromise the Council's interests in the case of an urgent decision. Finally, only the Leader of the Council may nominate another member of the Cabinet to act in his/her absence or the absence of another member of the Cabinet. Neither the Deputy Leader nor any other member of the Cabinet may nominate a substitute.
- 4.12 The proposed amended procedure recommended below sets out a formal scheme of delegation to individual Cabinet members with regard to the taking of urgent executive decisions and will therefore require the approval of the Leader of the Council before it can be incorporated into the Constitution.

**Recommended:** That subject to the approval of the Leader of the Council, the procedure for taking urgent executive decisions be amended to the following:

*“The Leader of the Council, or in his/her absence the Deputy Leader of the Council, or in his/her absence the relevant portfolio holder has delegated authority to take any executive decision in consultation with the Chief Executive subject to the following requirements being met: (requirements as before).”*

*Note: for the purposes of this urgency provision, the limit placed on the decision-making powers of individual Portfolio Holders in relation to decisions involving expenditure or savings of £1M or more would not apply.”*

## **5. Wards Affected and Local Ward Members**

- 5.1. There are no direct impacts upon individual Wards.

## **6. Implications of Recommendation**

### **6.1. Policy Implications**

- 6.1.1. Any changes to the Constitution, which arise from this report, will form the constitutional policy of the Council, and must be followed in the future work and operation of the Council.

## **6.2. Legal Implications**

6.2.1. As discussed in this report, the current procedures for dealing with urgent decisions other than by a formally-constituted decision-making body are in places unlawful. The proposed amendments will place the procedures on a sound legal footing.

## **6.3. Financial Implications**

6.3.1. There are no specific financial implications.

## **6.4. Human Resources Implications**

6.4.1. There are no human resources implications.

## **6.5. Equality Implications**

6.5.1. There are no direct equality implications.

## **6.6. Rural Community Implications**

6.6.1. There are no direct implications for the Borough's rural communities.

## **6.7. Public Health Implications**

6.7.1. There are no direct public health implications.

## **7. Risk Management**

7.1. The proposals in this report would, if implemented, appear not to result in any risks for the Council; rather they would mitigate any existing risks.

## **8. Background Papers**

8.1. In writing this report, the report author has had regard to the Council's Constitution.

## **9.0 Access to Information**

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

Name: Paul Mountford  
Designation: Governance and Democratic Services  
Tel No: 01270 686472  
E-mail: [paul.mountford@cheshireeast.gov.uk](mailto:paul.mountford@cheshireeast.gov.uk)

**COUNCIL MEETING – 20<sup>TH</sup> OCTOBER 2016**

**Extract from the Minutes of the Audit and Governance Committee  
29 September 2016**

**28 AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT 2015/16**

Consideration was given to the draft report of the Chairman of the Committee on its performance and effectiveness in 2015/16 with regard to its terms of reference and purpose.

The report included details of governance, risk and control frameworks, internal audit charter, external audit reporting arrangements, financial reporting arrangements and internal and external functions.

In considering its effectiveness the report listed the additional areas of work that had been requested by the Committee around additional assurance, these being email retention and archiving policy, Ombudsman complaints and lessons learnt, WARNs (Waiver and Record of Non-adherence), review of Cardiff checks and performance management arrangements.

**RESOLVED**

That the draft Annual Report for 2015/16 be submitted to Council to be received, at its meeting on 20 October 2016.

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# CHESHIRE EAST COUNCIL

## REPORT TO: Audit and Governance Committee

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**Date of meeting:** 29 September 2016  
**Report of:** Chair of the Audit and Governance Committee  
**Title:** Audit and Governance Committee Annual Report 2015/16  
**Portfolio Holder:** Councillor Rachel Bailey

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### **1.0 Report Summary**

- 1.1 The purpose of the report is for the Committee to consider the draft 2015/16 Annual Report of the Audit and Governance Committee and agree the final version of the report that will go to Council on 20 October 2016.

### **2.0 Recommendation**

- 2.1 That the Committee considers the draft Annual Report 2015/16, as attached (Appendix A) and agree the final version that will go to Council in October 2016.

### **3.0 Reasons for Recommendation**

- 3.1 To report in accordance with the Council's Constitution. The Audit and Governance Committee's Terms of Reference include:
- To report to full Council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.
  - To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks; financial reporting arrangements, and internal and external functions.

### **4.0 Wards Affected**

- 4.1 All wards.

### **5.0 Local Wards Affected**

- 5.1 Not applicable.

### **6.0 Policy Implications**

- 6.1 Not applicable.

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

7.1 None.

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

8.1 None.

**9.0 Risk Assessment**

9.1 There is a requirement within the Council's Constitution for the Audit and Governance Committee to submit an annual report to Council. Failure to submit the record would be a breach of the Constitution.

**10.0 Background and Options**

10.1 Current CIPFA guidance, *Audit Committees, Practical Guidance for Local Authorities and Police* (2013) states that audit committees should report regularly on their work and at least annually report an assessment of their performance. Aspects to consider include:

- whether the committee has fulfilled its agreed terms of reference
- whether the committee has adopted recommended practice
- whether the development needs of committee members have been assessed and whether committee members are accessing briefing and training opportunities
- whether the committee has assessed its own effectiveness or been the subject of a review and the conclusions and actions from that review
- what impact the committee has on the improvement of governance, risk and control within the authority.

10.2 The requirement to submit an annual report is included within Cheshire East Council's Constitution.

**11.0 Access to information**

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

Name: Councillor Lesley Smetham

Designation: Chair of the Audit and Governance Committee

Tel No: 01625 426173

Email: [lesley.smetham@cheshireeast.gov.uk](mailto:lesley.smetham@cheshireeast.gov.uk)





# **Audit and Governance Committee**

## **Annual Report 2015/2016**

## Introduction by the Chair of the Audit and Governance Committee

I am pleased to present the annual report of the Audit and Governance Committee which outlines the Committee's work and responsibilities for 2015/16.

I hope that this report helps to demonstrate to Cheshire East residents and to the Council's other stakeholders, the vital role that is carried out by the Audit and Governance Committee and the contribution it makes to the overall governance arrangements at Cheshire East Council. All Audit and Governance Committee meetings are open to the public.

During the 2015/16 municipal year, meetings of the Audit and Governance Committee were attended by:

- the Chief Executive,
- Chief Operating Officer
- Monitoring Officer
- Corporate Manager Governance and Audit
- other senior officers, and
- representatives from Grant Thornton, the Council's external auditors.

This demonstrates the priority and importance given to receiving assurance on the effectiveness of the Council's internal controls and systems, particularly in the context of an ongoing financially challenging landscape.

The Audit and Governance Committee has played, and continues to play, a significant part in ensuring that appropriate governance arrangements have been introduced and are functioning properly.



We have continued to successfully develop the self-assessment arrangement for reviewing the effectiveness of the Committee. Areas for improvement have been progressed and action plans developed.

Training sessions for Members of the Committee have been delivered during the year, and an assessment against the core knowledge and skill's framework outlined in CIPFA's "Audit Committees - Practical Guidance for Local Authorities and Police" is underway.

I would like express my thanks to those officers and members who have supported the work of this Committee by presenting and discussing reports.

The Committee has been well attended during the year with constructive questioning and suggestions by members of the Committee throughout. Issues that have been raised by members have been addressed and reported back to the Committee.

*Councillor Lesley Smetham*

**Chair of the Audit and Governance Committee**

**September 2016**

## Role and Statement of Purpose of the Audit and Governance Committee

### Role of the Audit and Governance Committee

Audit Committees are an essential element of good governance. Good corporate governance requires independent, effective assurance about the adequacy of financial management and reporting. These functions are best delivered by an Audit Committee, independent from the executive and scrutiny functions.

Effective Audit Committees help raise the profile of internal control, risk management and financial reporting issues within an organisation, as well as providing a forum for the discussion of issues raised by internal and external auditors. They enhance public trust and confidence in the financial governance of an authority.

### Statement of Purpose of the Audit and Governance Committee

- 1 The Audit and Governance Committee is a key component of the Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
- 2 It provides an independent assurance to the Council of the adequacy of the risk management framework and the internal control environment.
- 3 It provides independent review of the Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes.
- 4 It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.
- 5 It promotes high standards of ethical behaviour by developing, maintaining and monitoring performance and Codes of Conduct for Members of the Council (including co-opted Members and other persons acting in a similar capacity). This is evidenced by the Audit and Governance Hearing Committee which met in November 2015.

## Governance, Risk and Control within Cheshire East Council

The Council's framework of risk management, control and governance is assessed as adequate.

(Annual Governance Statement 2015/16)

The Audit and Governance Committee outcomes for monitoring the governance, risk and control framework and arrangements of the Council during the year, include the following:

- Approving the Council's 2015/16 Statement of Accounts (Draft June 2016 / Final September 2016).
- Approving the Council's 2015/16 Annual Governance Statement (Draft June 2016 / Final September 2016).
- Reviewing the operation of and compliance with the Council's Code of Corporate Governance and making recommendations on its content (June 2015)
- Overseeing internal audit's operations and receiving the Head of Internal Audit's Opinion (June 2016).
- Undertaking a self-assessment of the Committee against CIPFA guidance (December 2015/June 2016).
- Receiving the External Auditor's Annual Audit Letter, Audit Plans, and any other reports and significant matters deemed necessary by the External Auditor (various).
- Reviewing the progress and adequacy of management's response to internal and external audit recommendations (various update reports).
- Reviewing revised Risk Management Policy Statements and reports on the monitoring and review of risk management, to consider the effectiveness of arrangements (December 2015 / June 2016).
- Monitoring the use of the council's use of its powers under the Regulation of Investigatory Powers Act 2000 (March 2016).
- Monitoring compliance with Data Protection Act 1998, Freedom of Information Act 2000, and Environmental Information Regulations 2004 (March 2016).
- Receiving a presentation on the Council's Performance Management arrangements (March 2016)
- The introduction of monitoring Waiver and Record of Non-adherence (WARNs) from December 2015 Committee onward, with a summary report and the presentation of individual WARNs considered under part two items.

Significant assurances the Committee has received during the year include:

- **2014/15 Financial Statements Opinion (External Audit):** *"We issued an unqualified opinion on the Council's 2014/15 financial statements on 30 September 2015, meeting the deadline set by the Department for Communities and Local Government. Our opinion confirms that the financial statements give a true and fair view of the Council's financial position and of the income and expenditure recorded by the Council."*(October 2015)
- **2014/15 Value for Money (VFM) Conclusion (External Audit):** *"On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2015."* (October 2015)

## Review of 2015/16

- **2015/16 Internal Audit opinion:** *“The Council’s framework of risk management, control and governance is assessed as adequate for 2015/16.” (June 2016)*

The External Auditor’s opinion on the Financial Statements and the Value for Money conclusion for 2015/16 will be presented to the September 2016 meeting of the Audit and Governance Committee. This report will be updated to reflect the reported opinions before being presented to Council.

### Effectiveness of the Committee

The Committee regularly undertakes a formal review of its own effectiveness. The 2015/16 self-assessment was carried out with the Chair and Vice Chair against the CIPFA guidance, *Audit Committees – Practical Guidance for Local Authorities and Police 2013* and the results reported to the Committee in June 2016.

The Committee recognised one area of non-compliance due to an outstanding action from the 2014/15 self-assessment action plan. Self-assessment by Members against the core knowledge and skill’s framework outlined in CIPFA’s “Audit Committees - Practical Guidance for Local Authorities and Police” is underway.

The Committee assessed as compliant or partially compliant against all other areas. Actions to ensure the Committee becomes fully compliant are in place, with some already implemented. In receiving the report in June 2016, the Committee noted positive improvements to the culture of the organisation such as the addition of WARNs as a regular item on the committee agenda and the value of the “Cardiff checks” carried out as part of the Member/Officer work group. Progress in implementing the actions will be reported to a future meeting of the Committee.

The Committee’s Terms of Reference (TOR) based on the CIPFA guidance were approved by Council in May 2014 to be reviewed annually thereafter. In May 2015 the Committee was asked to agree to the inclusion of behaviours and performance in the TOR, subject to approval of both Constitution Committee and Council. Constitution Committee received the report on 15<sup>th</sup> July 2015 and full Council approved the changes on 23<sup>rd</sup> July 2015.

The Committee’s 2015/16 Work Plan was developed in line with these Terms of Reference to ensure that the Committee continued to work effectively and fulfil its purpose.

In September 2015 the Committee approved the recruitment of an independent person to the Audit and Governance Committee under the Localism Act 2011. At the June 2016 Committee the recruitment panel was agreed and it is expected that an independent person will be co-opted at a future meeting.

## Outline of the Work of the Committee

This annual report sets out how the work of the Committee during 2015/16 has met the Terms of Reference on pages 9-13.

## Additional Assurance

It was agreed at the December 2015 meeting that future annual reports of the Committee be expanded to include greater details on any areas of additional work requested by the Committee to provide it with additional assurances, and that it also include analyses of its effectiveness.

Additional assurance work requested by the Committee has been provided around emerging issues including:

### Email retention and archiving policy

In March 2016 the committee received a presentation on the Council's development of best practice email archiving and management arrangements. Due to the quantity of emails to be managed the system now needed to be migrated and certain measures put in place to enable them to then be retrieved as and when necessary. Staff would be given comprehensive training on the storage of information contained in emails to enable them to prepare in good time for the migration which was to be carried out on a phased basis.

It was noted that different arrangements would apply to those involved with Children's services in the light of the Goddard Inquiry which, although still running, had issued a statement that there should be 'indefinite retention of electronic mail where accounts may contain information.'

### Ombudsman complaints and lessons learnt

In March 2016 the committee received a presentation on the Council's process for the review and administration of Local Government Ombudsman (LGO) Reports during 2015/16. Members were advised on the key stages in the process from the start through to completion including action taken on the receipt of the provisional view and arrangements for publishing the findings on the Council's website.

The presentation included details of the complaints and enquiries received by the LGO in the period 1 April 2015 to 31 January 2016. Members were informed that eight cases had been upheld; four with fault and no injustice, and four with injustice and the action to be taken in each case was reported.

The Committee considered the procedures in place were adequate and noted the outcomes which could all be used as part of a learning process.

## Review of 2015/16

### Report on Procurement

A number of high profile whistleblowing referrals were received during 2015/16 that raised concerns around procurement processes. In response, the scope of an ongoing audit of procurement arrangements was expanded to incorporate the testing of these concerns.

This work commenced in the third quarter of 2015/16 and was ongoing in late December 2015 when, following the launch of an investigation by Cheshire Police regarding alleged misconduct in public office, the internal audit work was suspended. This piece of work remains on hold pending the outcome of the police investigations which are ongoing at this time. The internal audit work will be completed once the police investigation concludes.

In March 2016 the Procurement Manager presented a report on the quantity and reasons for the issue of Waiver and Non Adherences (WARNs) and gave details of the total number issued for 2015/16. The report listed the circumstances whereby a WARN could be used, and the approval process, and summarised the number per service area along with the reasons for issue.

The Committee was advised that a new template had been drawn up and the process was continually being updated in the light of experience. Also, in every case where a WARN was used follow-up action was detailed and this was subsequently carefully monitored.

### Reporting of all WARNs's (Waiver and Record of Non-adherence):

Following the report of Procurement Manager in March 2016, it was confirmed that this would be a regular report to the Committee and it was proposed that statistics be collated from the start of the 2016 Municipal Year with the intention of being able to compare the overall position on an annual basis.

From June 2016 onwards, summary information is provided as a part one agenda item, with the details being considered as part two; excluding press and public from the meeting during consideration of the item in line with Section 100(A)4 of the Local Government Act 1972 on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 1 2 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and public interest would not be served in publishing the information.

### Review by Member/Officer group of Cardiff checks:

Since March 2016 Councillor Simon and Vice Chair have selected a sample of 10 invoices for review, the results of the compliance review are discussed at the Counter Fraud Member/Officer group.

### Performance Management Arrangements:

Members received a presentation on the arrangements and controls in place to prepare, manage and report on the Council's medium term budget and financial strategy. The presentation took members through the process from budget setting when the parameters were first set and evidence provided for the financial estimates for the year, how it was monitored throughout the year, leading to the end of year position and the opening balances for the process to start again.

## Members of the Committee

Members of the Committee during 2015/16 are set out on pages 14-15.

## Statutory Requirements, New Guidance and Recommended Practice

During the year, the Committee has carried out a number of statutory requirements such as approving the Financial Statements and approving the Annual Governance Statement. It has also ensured that it is up to date in adopting new guidance and/or recommended practice, including:

- The annual review of the Terms of Reference, based on CIPFA guidance.
- Approving updates to the Internal Audit Charter, based on the Public Sector Internal Audit Standards.
- Undertaking a self-assessment of the Committee, based on CIPFA guidance.

## Training and Development

The following training was carried out during the year:

- Induction for new and existing Members of the Committee
- Statement of Accounts
- Annual Governance Statement

The Member/Officer Groups continued to meet through 2015/16. The groups enable individual Members to become more involved in specific areas of audit and governance work as a means of developing in-depth knowledge and expertise, and cover the following areas:

- Audit
- Financial Statements
- Fraud Management
- Governance
- Risk Management

Members have continued to have access to copies of the CIPFA Better Governance Forum *Audit Committee Update* featuring a round-up of legislation, reports and developments of interest to Audit & Governance Committee Members.

As part of the Committee's self-assessment, reported to the Committee in March 2015, it was recognised that membership of the Committee needed to be assessed against the core knowledge and skills framework included in the new CIPFA guidance on Audit Committees.

Governance and Finance training was delivered in May 2015 and September 2015. In December 2015 the committee evaluated progress in relation to implementation of actions to improve effectiveness.



## Review of 2015/16

### Agendas and Minutes

The committee meetings reviewing the key outputs for the 2015/16 financial year were held;

- 25th June 2015
- 24th September 2015
- 10th December 2015
- 17th March 2016
- 30th June 2016 (draft AGS and Accounts for 2015/16)
- 29th September 2016 (approving AGS and Accounts for 2015/16)

### Work programme for 2016/2017

The Committee has an agreed work programme for 2016/17, which includes the many annual statutory requirements (e.g. approval of the Statement of Accounts, approval of the AGS etc.) of the Committee and also those regular reports and assurances it receives on External Audit, Internal Audit, Risk Management, Treasury Management, Whistleblowing and other areas. Additionally we will;

- Continue to develop the proactive nature of the Committee to facilitate actions by officers to ensure that risks are identified and assurances are identified as early as possible and remedial actions are taken in a timely fashion.
- Oversee the restructuring required of the Audit and Governance Committee to comply with the requirements of the Local Audit and Accountability Act 2014 (including the appointment of Independent Members)
- Continue to review governance arrangements to ensure the Council adopts the latest best practice and moves towards becoming an open and transparent public organisation
- Continue to support the work of internal and external audit and ensure that responses are given to their recommendations
- Oversee the implementation of the Public Sector Internal Auditing Standards
- Continue to help the Council to manage the risk of fraud and corruption
- Continue to develop the Audit and Governance Committee to review the risk and partnership issues and safeguarding public sector assets
- Equip existing and new Members to fulfil our responsibilities by providing more detailed and focused training on all key areas of responsibility, including financial arrangements and risk management, governance and audit planning.

It should be noted that the following items may require reports to the Committee which have not, as yet, been allocated to a specific meeting agenda.

- Annual review of the committee Terms of Reference (completed June 16)
- Risk Management; revised corporate risk register
- Update on ASDV governance arrangements
- Review of the Code of Corporate Governance
- Business Continuity
- Responses from the staff survey
- EU referendum; the effects of Brexit on CEC

## Audit and Governance Committee – How the Terms of Reference have been met in 2015/16: Summary

| Terms of Reference of Committee   | Relevant activity in 2015/16   |
|---|--|
| <b>Annual Report</b>  |  |
| To report to full Council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.  | The December 2015 Audit and Governance Committee meeting has been asked to review and approve the 2014/15 annual report for submission to the December 2015 Council meeting. This meeting, September 2016, will review the 2015/16 annual report for submission at a future Council meeting.                 |
| <b>Governance, Risk and Control</b>   |  |
| To review the Council's corporate governance arrangements against the good governance framework and consider annual governance reports and assurances.  | The Committee received and approved an update to the Code of Corporate Governance in June 2015.  |
| To review and approve the Annual Governance Statement and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control. | An update on progress against previous AGS Action Plans was received in December 2015 and endorses the process for the production of the Annual Governance Statement.<br><br>The Committee received the draft 2015/16 Annual Governance Statement in June 2016 approved the final version in September 2016. |
| To monitor the effective development and operation of risk management in the council.   | The Committee received update reports on Risk Management in December 2015 and June 2016.   |
| To monitor progress in addressing risk related issues reported to the committee and to review the assessment of fraud risks and potential harm to the Council from fraud and corruption. To monitor the counter fraud strategy, actions and resources.  | The Committee monitors Anti-Fraud and Corruption arrangements on an ongoing basis. The Audit and Governance committee Member/Officer sub group for anti-fraud and corruption discusses and reviews arrangements and current issues as part of their work plan. The   |

## Audit and Governance Committee – How the Terms of Reference have been met in 2015/16: Summary

| Terms of Reference of Committee  | Relevant activity in 2015/16   |
|--|--|
|  | Committee considered the Anti-Fraud and Corruption update report in March 2016.  |
| To review and monitor the Council's treasury management arrangements in accordance with the CIPFA Treasury Management Code of Practice.  | The Treasury Management 2014/15 Annual Report was received in September 2016. The 2016/17 Treasury Management Strategy and Minimum Revenue Position (MRP) Statement was reviewed at the December 2015 committee meeting.   |
| <b>Internal Audit</b>  |  |
| To approve the internal audit charter.   | An updated internal audit charter was approved at the December 2015 committee meeting.   |
| To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.  | The Committee approved the overall strategy and annual 2015/16 programme of audits (March 2015) and monitored progress against the plan (December 2015, March 2016)  |
| To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions. To consider summaries of specific internal audit reports as requested. | Internal Audit interim reports against the 2015/16 plan were received in December 2015 and March 2016, with the 2016/17 Internal Audit Plan received in March 2016. Internal Audit interim reports include a summary of internal audit completed and the significant issues arising from individual assignments. |
| To contribute to the Quality Assurance and Improvement Programme and in particular, to the external quality assessment of internal audit that takes place at least once every five years.  | The committee are updated through the Head of Internal Audit annual opinion report, on the progress made on assessment criteria required to comply with the Public Sector Internal Audit Standards.<br>The Member/Officer sub group for audit covers the   |

## Audit and Governance Committee – How the Terms of Reference have been met in 2015/16: Summary

| Terms of Reference of Committee  | Relevant activity in 2015/16  |
|--|---|
|  | requirements in detail and the actions required, and feedback will now be presented to committee.   |
| To consider the head of internal audit's annual report.  | The 2015/16 Internal Audit Annual Report, including the annual audit opinion was presented to the Committee in June 2016. (The 2014/15 Internal Audit Annual Report was presented to the Committee in June 2015.)   |
| To support the development of effective communication with the Head of Internal Audit.                               | The Head of Internal Audit and in his absence, Principal Auditors, meet on a regular basis with the Chair and Deputy Chair of the committee. There are also regular meetings of Member/Officer groups which meet on a regular basis to discuss a variety of assurance issues in more detail. These meetings include the Head of Internal Audit opinion.   |
| <b>External Audit</b>  |   |
| To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance. | The 2015/16 External Audit Findings Report was presented to Committee in September 2016 by the External Auditor. The 2015/16 Audit Findings and Action Plan, outlining the management responses and action plan for the findings was also reported to the September 2016 meeting.<br>The 2014/15 Annual Audit Letter was issued in November 2015 and was reported to the December 2015 Committee meeting. (The 2015/16 Annual Audit Letter will be reported to the next available meeting after issue.) |

## Audit and Governance Committee – How the Terms of Reference have been met in 2015/16: Summary

| Terms of Reference of Committee  | Relevant activity in 2015/16  |
|--|---|
| To consider specific reports as agreed with the external auditor.  | The Committee received and considered the work of the External Auditor (all meetings during the year.)  |
| To comment on the scope and depth of external audit work and to ensure it gives value for money  | Audit and Governance Member/ Officer sub group for Audit review external audit work throughout the year and assess the value that the Council receives from the work completed and reported.  |
| To commission work from internal and external audit and to advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.  | The Audit and Governance committee and the Member/Officer sub groups will consider the work plan at all meetings and commission additional work where committee members determine that additional assurance is required.<br>The relationship between internal and external audit is reviewed at least annually together with any requirements to liaise with any other relevant agencies. |
| <b>Financial reporting</b>   |   |
| To review and approve the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council. | The Draft Statement of Accounts 2015/16 was presented to the June 2016 committee, and was approved at Committee in September 2016.<br>The Statement of Accounts 2014/15 was approved at Committee in September 2015.  |
| To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.   | The 2015/16 External Audit Findings was presented to Committee in September 2016 by the External Auditor.<br><br>The 2014/15 Annual Audit Letter was issued in  |

## Audit and Governance Committee – How the Terms of Reference have been met in 2015/16: Summary

| Terms of Reference of Committee  | Relevant activity in 2015/16   |
|--|--|
|  | November 2015 and was reported to the December 2015 Committee meeting. (The 2015/16 Annual Audit Letter will be reported to the next available meeting after issue.)   |
| Related Functions  |  |
| To approve and monitor Council policies relating to “whistleblowing” and anti-fraud and corruption.  | Revised and updated whistleblowing policy arrangements were brought to the committee in June 2015 and June 2016. Fraud and corruption work monitored throughout the year.  |
| To seek assurance that customer complaint arrangements are robust  | Annual Report of Corporate Complaints and Local Government Ombudsman’s Annual Review 2014/15 presented to Committee in September 2015.<br>Annual Report of Corporate Complaints and Local Government Ombudsman’s Annual Review 2015/16 was presented to Committee in September 2016.   |
| Standards  |  |
| Promoting high standards of ethical behaviour by developing, maintaining and monitoring Codes of Conduct for Members of the Council (including co-opted Members and other persons acting in a similar capacity). | Members Code of Conduct Standards Reports updates recording decisions relating to complaints were submitted to the Committee in September 2015 and March 2016.<br>Audit & Governance Committee Members have attended Standards and Complaints Hearings through the year. A Review of Standards Arrangements for Dealing with Code of Conduct Complaints was received by the committee in |

## Audit and Governance Committee – How the Terms of Reference have been met in 2015/16: Summary

| Terms of Reference of Committee  | Relevant activity in 2015/16  |
|--|---|
|  | <p>September 2015.</p> <p>As Chair of Audit and Governance Committee I have provided advice and guidance to a number of Town and Parish Councils and other outside bodies.</p>  |
| Ensuring that Members receive advice and training as appropriate on the Members Code of Conduct.   | Members of the Audit & Governance Committee have been advised on the Code of Conduct during the year.   |
| Granting dispensations under the provisions of the Localism Act 2011 to enable a member or co-opted Member to participate in a meeting of the Authority. | <p>There have been no requests for individual dispensations during 2015/16. A report to approve the procedure for the recruitment of three Independent Persons to the Council under the Localism Act 2011 was received at the September 2015 committee.</p> <p>A special dispensation in relation to the Local Plan part two was presented to the committee in February 2016.</p> |

## Audit and Governance Committee Members 2015

|   |   |
|---|---|
|    | <p><b>Councillor Lesley Smetham (Chair)</b></p> <p>Councillor Smetham has been an elected member of Cheshire East Council since its beginning in April 2009 and was appointed as Chair of the Audit and Governance Committee in June 2015.</p>  |
|    | <p><b>Councillor David Marren (Vice Chair)</b></p> <p>Councillor Marren became an elected member of Cheshire East Council in May 2011 and has served on the Audit and Governance Committee since then, being Vice-Chair from January 2012 until the end of the 2011/12 municipal year. Councillor Marren was re-appointed as Vice Chair of the Audit and Governance Committee in June 2015.</p> |
|    | <p><b>Councillor Chris Andrew</b></p> <p>Councillor Andrew became an elected member of Cheshire East Council in May 2015, and has been a member of the Audit and Governance from June 2015 to May 2016.</p>   |
|  | <p><b>Councillor Gordon Baxendale</b></p> <p>Councillor Baxendale has been with Cheshire East Council from April 2009, and has been a member of the Audit and Governance Committee since June 2015.</p>   |
|  | <p><b>Councillor Amanda Stott</b></p> <p>Councillor Stott became an elected member of Cheshire East Council in May 2015, and has been a member of the Audit and Governance Committee since June 2015.</p>   |
|  | <p><b>Councillor Sam Corcoran</b></p> <p>Councillor Corcoran became an elected member of Cheshire East Council in May 2011 and has served on the Audit and Governance Committee since then.</p>   |



## Audit and Governance Committee Members 2015

|   |   |
|---|---|
|    | <p><b>Councillor Rod Fletcher</b></p> <p>Councillor Fletcher has been an elected member of Cheshire East Council since its beginning in April 2009 and has served on the Audit and Governance Committee since May 2011.</p>   |
|    | <p><b>Councillor Martin Hardy</b></p> <p>Councillor Hardy has been an elected member of Cheshire East Council since its beginning in April 2009. He has served on the Audit and Governance Committee since its inception in June 2010 and was Vice-Chair from May 2011 to January 2012.</p>                       |
|    | <p><b>Councillor Andrew Kolker</b></p> <p>Councillor Kolker has been an elected member of Cheshire East Council since its beginning in April 2009. He served as Vice-Chair of the Governance and Constitution Committee for a time and has been on the Audit and Governance Committee from June 2010 to date.</p> |
|   | <p><b>Councillor Margaret Simon</b></p> <p>Councillor Simon has been an elected member of Cheshire East Council since its beginning in April 2009. She has served on the Audit and Governance Committee since its inception in June 2010 and was Chair for the 2010/11 year.</p>                                  |
|  | <p><b>Councillor Les Gilbert</b></p> <p>Councillor Gilbert has been an elected member of Cheshire East Council since its beginning in April 2009. He is a new member of the Audit and Governance Committee joining in May 2016.</p>   |

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## Cheshire East Council

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**Date of Meeting:** 20<sup>th</sup> October 2016

**Report of:** Head of Governance and Democratic Services

**Subject:** Approval of absence from Council meetings

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### 1. Report Summary

- 1.1. This report seeks the approval of Council in respect of Councillor David Newton's absence from Council meetings for a period over six months, due to reasons of ill-health.

### 2. Recommendation

- 2.1. Council is asked to approve Councillor David Newton's absence from Council meetings for a period of over six months, due to reasons of ill-health; such approval to apply until the day after the conclusion of the Annual General Meeting of Council in 2017.

### 3. Background

- 3.1. Councillor David Newton has been absent from all Council meetings for over four months due to reasons of ill health.
- 3.2. Legislation states that, if a Council Member fails to attend Council meetings throughout a period of six consecutive months, he or she shall cease to be a member of the authority in question, unless such failure was due to some reason approved by the authority before the expiry of the six month period.
- 3.3. This report asks Council to formally approve Councillor Newton's absence from all Council meetings due to reasons of ill health, and to agree that such approval will continue to have effect until the day after the conclusion of the Annual General Meeting of Council in 2017. This will ensure that Councillor Newton's membership of the Council will continue for an appropriate period of time if he finds himself unable to attend Council meetings due to ill health for a period of over six months.

### 3.4. Legal Implications

3.4.1. Section 85 of the Local Government Act 1972 states that, if a member of a local authority fails, throughout a period of six consecutive months from the date of his last attendance, to attend any meeting of the authority, he shall, unless the failure was due to some reason approved by the authority before the expiry of that period, cease to be a member of the authority. If necessary, the authority may grant further approvals if the reason for non-attendance continues beyond the initially approved period.

3.4.2. The authority of Council is required in order to ensure that an individual's membership of the authority doesn't inadvertently cease, in circumstances where they find themselves unable to attend a meeting for the period in question due to a reason beyond the individual's control.

## 4. Contact Information

Contact details for this report are as follows:-

|                     |  |
|---------------------|--|
| <b>Name:</b>        | Brian Reed                                 |
| <b>Designation:</b> | Head of Governance and Democratic Services |
| <b>Tel. No.:</b>    | 01270 686670                               |
| <b>Email:</b>       | brian.reed@cheshireeast.gov.uk             |

## CHESHIRE EAST COUNCIL

### COUNCIL

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|                         |  |
|-------------------------|--|
| <b>Date of Meeting:</b> | 20 October 2016                            |
| <b>Report of:</b>       | Head of Governance and Democratic Services |
| <b>Subject/Title:</b>   | Appointment of Members to Committees       |

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#### **1.0 Report Summary**

- 1.1 To approve changes to group nominations to the membership of Committees.

#### **2.0 Recommendations**

- 2.1 That the changes to Committee places, to be circulated at the meeting, be approved.

#### **3.0 Reason for Recommendations**

- 3.1 To make changes to group nominations to Committee places as required by legislation.

#### **4.0 Legal Implications**

- 4.1 The Annual Meeting of Council is responsible for appointing the Council's decision-making bodies, the number of seats to be allocated to each body and the memberships of those bodies.
- 4.3 The Local Government (Committees and Political Groups) Regulations 1990 require political Group Leaders to notify the Proper Officer of the Group's nominations, or any changes to the bodies in question.

#### **5.0 Risk Assessment**

- 5.1 Failure to comply with the Act and Regulations would leave the Council open to legal challenge.

**6.0 Appointments to Committees under the Council's Political Structure for the Municipal Year 2016/17**

- 6.1 The Council's decision-making structures and bodies, and the memberships of those bodies were approved at the Annual meeting of Council on 11 May 2016
- 6.2 The 1990 Regulations require political Group Leaders to notify the Proper Officer where any changes are made to their nominations. Notification has been received of a number of changes to group nominations to Committees, which will be finalised shortly before the Council meeting, and circulated around the Chamber.

**7.0 Access to Information**

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

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E-mail: [brian.reed@cheshireeast.gov.uk](mailto:brian.reed@cheshireeast.gov.uk).

**COUNCIL – 20 OCTOBER 2016****NOTICES OF MOTION****Submitted to Council in Accordance with Procedure Rule 12****1 Fossil Fuel Investments****Proposed by Councillor Sam Corcoran**

This Council should write to the Cheshire Pension Fund Trustees asking how they intend to meet their fiduciary duty by assessing climate risks and the threat of stranded fossil assets, and modify accordingly their investment strategy in the light of the speech by Mark Carney at the Annual Arthur Burns Memorial Lecture in Berlin on 22 September in which he highlighted the financial risks associated with climate change, referring to work that will reveal how the valuations of companies that produce and use fossil fuels might change over time and to the collapse in the value of major US coal producers.

<http://www.bankofengland.co.uk/publications/Documents/speeches/2016/speech923.pdf>

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