

# Cabinet Agenda

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**Date:** Tuesday, 7th February, 2017  
**Time:** 2.00 pm  
**Venue:** Committee Suite 1, 2 & 3, Westfields, Middlewich Road,  
Sandbach CW11 1HZ

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The agenda is divided into 2 parts. Part 1 is taken in the presence of the public and press. Part 2 items will be considered in the absence of the public and press for the reasons indicated on the agenda and in the report.

It should be noted that Part 1 items of Cabinet meetings are webcast and the recording of the webcast will remain available for public viewing on the Council's website.

## **PART 1 – MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS PRESENT**

1. **Apologies for Absence**
2. **Declarations of Interest**

To provide an opportunity for Members and Officers to declare any disclosable pecuniary and non-pecuniary interests in any item on the agenda.

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

In accordance with Procedure Rules Nos.11 and 35 a period of 10 minutes is allocated for members of the public to address the meeting on any matter relevant to the work of the body in question. Individual members of the public may speak for up to 5 minutes but the Chairman or person presiding will decide how the period of time allocated for public speaking will be apportioned where there are a number of speakers. Members of the public are not required to give notice to use this facility. However, as a matter of courtesy, a period of 24 hours' notice is encouraged.

Members of the public wishing to ask a question at the meeting should provide at least three clear working days' notice in writing and should include the question with that notice. This will enable an informed answer to be given.



4. **Questions to Cabinet Members**

A period of 20 minutes is allocated for questions to be put to Cabinet Members by members of the Council. Notice of questions need not be given in advance of the meeting. Questions must relate to the powers, duties or responsibilities of the Cabinet. Questions put to Cabinet Members must relate to their portfolio responsibilities.

The Leader will determine how Cabinet question time should be allocated where there are a number of Members wishing to ask questions. Where a question relates to a matter which appears on the agenda, the Leader may allow the question to be asked at the beginning of consideration of that item.

5. **Minutes of Previous Meeting** (Pages 5 - 10)

To approve the minutes of the meeting held on 17<sup>th</sup> January 2017.

6. **Connected Communities - Connected to Neighbourhoods** (Pages 11 - 20)

To consider a report on the Connected to Neighbourhoods theme which is part of the Council's Connected Communities Strategy.

7. **2016/17 Third Quarter Review of Performance** (Pages 21 - 88)

To consider a report on how the Council is managing resources to provide value for money for its residents during 2016/17.

8. **The Council's Corporate Plan and Medium Term Financial Strategy 2017/20**  
(Pages 89 - 410)

To consider the Corporate Plan and Medium Term Financial Strategy for Cheshire East Council for the years 2017/18 to 2019/20.

9. **Treasury Management Strategy and MRP Statement 2017/18** (Pages 411 - 438)

To consider a report on the Council's Treasury Management Strategy and Minimum Revenue Provision Statement for 2017/18.

10. **Poynton Relief Road - Procurement Strategy** (Pages 439 - 466)

To consider a report on the options available to the Council to procure a contractor to deliver the relief road.

11. **Poynton Relief Road - Statutory Process** (Pages 467 - 478)

To consider a report on the anticipated cost of the scheme and the funding required.

12. **Bus Service Review Project - Statement of Methodology** (Pages 479 - 494)

To consider a report on the proposed methodology to complete a Borough-wide review of the need for supported local bus services in Cheshire East.



13. **Cultural Framework** (Pages 495 - 514)

To consider a report which presents the Cultural Framework as a key pillar in delivering the Council's strategic priority of 'Quality of Place'.

14. **The Northern Gateway Partnership and Growth Strategy** (Pages 515 - 534)

To consider a progress report on the work of the Northern Gateway Partnership. The report includes a governance structure for the Partnership.

15. **Connecting Cheshire - Digital 2020 Programme** (Pages 535 - 560)

To consider a report on a three year programme of work to enhance access to digital technology for small and medium-sized enterprises and residents in the Cheshire and Warrington Local Enterprise Partnership area.

16. **Review of 2017/18 Schools Funding Formula** (Pages 561 - 566)

To consider a report which sets out the proposed local schools funding formula for 2017/18 for approval following consideration of the options by the Cheshire East Schools Forum.

17. **Early Years National Funding Formula** (Pages 567 - 576)

To consider a report which seeks approval to amend the funding to schools, private, voluntary and independent sector providers of the free early education entitlement for 2, 3 and 4 year olds in line with revised government guidance.

18. **Equality and Diversity Strategy 2017- 2020** (Pages 577 - 602)

To consider a report which presents the Equality and Diversity Strategy for 2017-2020.

**THERE ARE NO PART 2 ITEMS**



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**CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Cabinet**  
held on Tuesday, 17th January, 2017 at Committee Suite 1,2 & 3, Westfields,  
Middlewich Road, Sandbach CW11 1HZ

**PRESENT**

Councillor Rachel Bailey (Chairman)

Councillors A Arnold, P Bates, J Clowes, L Durham, J P Findlow and  
P Groves

**Members in Attendance**

Councillors Rhoda Bailey, G Baxendale, B Burkhill, S Edgar, D Flude,  
M Grant, A Moran, L Wardlaw and G Williams

**Officers in Attendance**

Mike Suarez, Kath O'Dwyer, Peter Bates, Frank Jordan, Bill Norman, Mark  
Palethorpe and Paul Mountford

**Apologies**

Councillors D Brown, D Stockton, C Andrew, S Gardiner and G Hayes

**78 DECLARATIONS OF INTEREST**

The Chairman, Councillor Rachel Bailey, declared a non-pecuniary interest in an item on the agenda relating to the sale of Redsands, Nantwich. She signalled her intention to vacate the chair and leave the meeting when the matter was considered.

**79 PUBLIC SPEAKING TIME/OPEN SESSION**

Sue Helliwell referred to an announcement by NatWest Bank that it would be closing its Alsager branch in May. She said that the residents of Alsager would be very pleased if Councillors P Groves, D Stockton, P Bates and

A Arnold could help in trying to get the bank to reconsider its position. A residents' meeting had been arranged for 20<sup>th</sup> January at 6.30 pm and the Cabinet members were invited to attend. A meeting had already been held with Fiona Bruce MP who had been supportive.

Councillor P Groves suggested that the four Cabinet members in question write a joint letter of support to NatWest Bank, asking the Bank to reconsider its decision. The Chairman added that the Council would liaise with the local MP on the matter. Councillor P Bates supported Councillor Groves' suggestion and indicated that he would be happy to attend the residents' meeting if his diary allowed.



**80 QUESTIONS TO CABINET MEMBERS**

Councillor D Flude referred to the recent closure of a care home in Alsager. She thanked Councillor J Clowes and the relevant social work team for the smooth transition of the people who had to be moved from the home and for the ongoing support for those people, and for looking at and reviewing the Council's policy in this area. The Chairman noted that local ward members had also expressed their thanks. Councillor Clowes thanked Councillor Flude for her kind words which she would pass on to the team in question.

**81 MINUTES OF PREVIOUS MEETING**

**RESOLVED**

That the minutes of the meeting held on 6<sup>th</sup> December 2016 be approved as a correct record.

**82 APPRENTICESHIP LEVY PROCUREMENT FRAMEWORK**

Cabinet considered a report on the Government's proposals for apprenticeships and on the introduction of an apprenticeship levy. The report sought approval to establish a procurement framework for apprenticeship training providers.

Cabinet had regard to the final report and recommendations of the Apprenticeships Task and Finish Group (March 2016) which had been appended to the Cabinet report.

The Chairman acknowledged the clear cross-party support for apprenticeships and commented that the work of the Skills and Growth Company in this area was second to none.

**RESOLVED**

That Cabinet

1. notes the changes being introduced by the Government to apprenticeships, and specifically the introduction of an apprenticeship levy;
2. approves the development of a register of training providers for the delivery of apprenticeships from April 2017 via a formal OJEU tendering process; and
3. authorises the Head of Strategic HR, in consultation with the Portfolio Holder for Corporate Policy and Legal Services, to award and enter into contracts with the successful providers, following a fully compliant OJEU procurement exercise for contract periods covering an initial period of 3 years with the option to extend the contract for a further 2 years (Total 5 years).



**83 CONNECTING CHESHIRE PHASE 3 GAINSHARE BROADBAND**

Cabinet considered a report seeking approval for the Phase 3 Gainshare Broadband Project to extend fibre broadband coverage throughout the Borough.

The Portfolio Holder for Housing and Planning advised that whilst this was a BT project, the Council could signpost those rural areas of the Borough where there was a particular need for superfast Broadband coverage. The Portfolio Holder for Adult Care and Integration advised that the Council would be supportive of any rural communities which decided to take a more proactive approach to achieving superfast Broadband coverage for their area.

**RESOLVED**

That Cabinet

1. approves a contract change to the Superfast Extension Project contract held with BT, which will commit £3.34m from the reinvestment fund to extend the rollout of superfast broadband to an additional 5387 premises by June 2018;
2. authorises the Executive Director Place, in consultation with the Cabinet Member for Highways and Infrastructure and the Chief Operating Officer, to invest any future additional funds accumulated in the reinvestment fund to further the rollout of superfast broadband; and
3. authorises the Director of Legal Services to enter into any necessary legal documentation to give effect to the above recommendations.

**84 HIGHWAY SERVICE CONTRACT PROCUREMENT**

Cabinet considered a report seeking approval of the approach to procuring the Council's next Highway Service Contract.

**RESOLVED**

That Cabinet

1. authorises the Executive Director Place, in consultation with the Deputy Leader and Portfolio Holder for Highways and Infrastructure, to progress the process for procuring a new Highway Service Contract for the Council;
2. approves the establishment of a pre-procurement advisory cross-party Member Panel, the composition of which will be determined by the Portfolio Holder for Highways and Infrastructure, to make informal recommendations to the Portfolio Holder in respect of priorities for the Contract;



3. notes that the Corporate Overview and Scrutiny Committee will receive a report on the suggested procurement approach to allow its recommendations to be considered by Cabinet before a decision is made;
4. notes the establishment of an officer Project Board involving key staff from other Council service areas in delivering the Contract, including Legal, Finance, HR, Assets, Procurement and external advisers;
5. notes that the funding allocations are in place to develop and deliver a new Highway Service Contract; and
6. notes that the decision on contract model, duration and procurement route will be brought back to Cabinet for approval following completion of the tender process, and that Cabinet will also approve the award of contract to the preferred/recommended provider.

## **85 COMMISSIONING NURSERIES IN CREWE**

Cabinet considered the re-procurement of three Nurseries in Crewe. The nurseries were located at Oak Tree/Underwood West, The Brooks and Monks Coppenhall.

Councillor D Flude declared a non-pecuniary interest on the basis that one of the nurseries was located at the site of a school where she was the chairman of governors.

### **RESOLVED**

That Cabinet

1. approves the re-procurement of the three Nurseries on their current sites and that the requirement for crèche facilities within the specification be extended beyond the three Crewe Nursery sites to support the programme of activities across Cheshire East;
2. authorises the Executive Director People and Deputy Chief Executive, in consultation with the Portfolio Holder for Children and Families, to undertake the procurement process, award contracts and take all necessary steps to mobilise the contract; and
3. authorises the Director of Legal Services to enter in to the contract with the successful bidder together with any ancillary legal documentation required including the granting or taking of leases, underleases and licence agreements (after having consulted with the Head of Assets in respect of any property agreements).



**86 REVISING THE COUNCIL'S CODE OF CORPORATE GOVERNANCE**

Cabinet considered a report on the revision of the Council's Code of Corporate Governance to ensure compliance with updated best practice guidance from the Chartered Institute of Public Finance Accountants and Society of Local Authority Chief Executives.

The revised Code had been considered by the Audit and Governance Committee at its meeting on 8<sup>th</sup> December 2016 and the Committee had recommended that Cabinet adopt the revised Code subject to an amendment to Core Principle E; the amendment had been included in the report to Cabinet. The Chairman of the Audit and Governance Committee, Councillor G Baxendale, attended the Cabinet meeting and spoke on the matter.

**RESOLVED**

That subject to the revisions shown as track changes in Appendix A to the report, Cabinet notes the recommendation and associated comments of the Audit and Governance Committee and:

1. adopts the revised Code of Corporate Governance (Appendix A, as amended) to ensure that the Council adheres to best practice in its governance arrangements;
2. notes that the Annual Governance Statement will be used to report publically on the extent to which the Council has complied with its adopted Code; and
3. notes that the Code will be reviewed and updated as necessary in the light of operational experience.

**87 APPOINTMENT OF CHAIRMAN**

The Chairman, having declared an interest at the beginning of the meeting, vacated the chair and left the meeting, it having been proposed and seconded that Councillor J P Findlow be appointed Chairman for the remainder of the meeting.

**RESOLVED**

That Councillor J P Findlow be appointed Chairman for the remainder of the meeting.

Councillor J P Findlow in the chair



**88 SALE OF FORMER CHILDREN'S HOME, REDSANDS, NANTWICH**

Cabinet considered a report on the sale Redsands, Nantwich, a former children's home which was now surplus to requirements and had been vacant since 2009.

The Property had been marketed for sale by Engine of the North on behalf of the Council and it was proposed that the Council accept an offer by Richmond Care Villages Holdings Limited to develop the property as a specialist centre of excellence for dementia care which would operate as a satellite campus to their existing care village in Nantwich.

**RESOLVED**

That the Executive Director Place be authorised to advertise the intention to dispose of the land in accordance with the Local Government Act should any of the land be identified as open space and the consultations be considered by the Portfolio Holder for Regeneration and approve the freehold disposal of the former Redsands Children's Home, Nantwich as shown edged red on the plan attached to the report to Richmond Care Villages Holdings Limited, or to a group company, on terms to be agreed by the Executive Director Place in consultation with the Director of Legal Services, the Chief Operating Officer, the Cabinet Member for Finance and the Cabinet Member for Regeneration.

The meeting commenced at 2.00 pm and concluded at 2.40 pm

Councillor Rachel Bailey (Chairman)



## Cheshire East Council

### Cabinet

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<b>Date of Meeting:</b>	7 <sup>th</sup> February 2017
<b>Report of:</b>	Steph Cordon, Head of Communities
<b>Subject/Title:</b>	Connected Communities - Connected to Neighbourhoods
<b>Portfolio Holder:</b>	Cllr Paul Bates, Communities and Health

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#### 1. Report Summary

- 1.1. The purpose of this report is to set out in more detail the ambition of our Connected to Neighbourhoods theme which is part of our Connected Communities Strategy agreed by Cabinet on 6 December 2016. Each theme is programmed to come to Cabinet over the next few months and we are keen to demonstrate our commitment to joint working with communities by co-producing them and presenting them together.
- 1.2 One element of our Connected to Neighbourhoods approach is our work with the Town Partnerships. The Chair of the original 5 Towns Partnership will be presenting to Cabinet as part of this item to demonstrate their excellent work in their respective areas and to show how working together with the Council can achieve a shared outcome of strong and supportive communities. Equally, examples are provided through this report which show the vibrant community networks and neighbourhood partnerships that exist in both our urban and rural communities and how we plan to develop more networks in areas where they currently need more support.
- 1.3 What does Connected to Neighbourhoods mean? It's about having really strong diverse networks at a local level, connecting together a wide range of people who are doers. These vibrant networks include people and organisations who range from making their community look clean and safe, to those that provide early intervention and prevention activities working with some of our most vulnerable communities. By having strong equal relationships with these networks we can ensure that we enable local community groups within the networks to get on and do things that we can no longer afford to do, or are we not best placed to deliver. These very local partnerships and networks, provide community insight into what needs doing and by who, which is critical to us in terms of co-production in our integrated commissioning approach.
- 1.4 Cheshire East is a diverse area and so different types of partnerships and networks have developed across the borough, to meet particular local needs.



Each of the networks has their own unique sense of identity and their own way of making a difference.

- 1.5 We facilitate or are active partners in Neighbourhood Partnerships in our most deprived areas, who bring people together to address the needs of local people and work collaboratively to improve their shared offer.
- 1.6 There are now 8 Town Partnerships established which each receive £8,000 per year from the Council as a financial contribution.
- 1.7 Our Community Networks have gone from strength to strength, connecting organisations in local areas together, so they can share resources, apply for funding as part of consortia and not duplicate activities. A good example is two organisations in Crewe were both supporting homeless people, but not aware of the services provided at each others centres. As part of the Crewe Community Network, they are now working closely together and with other local organisations to provide vital services cross the town for homeless and other vulnerable people.
- 1.8 Town and Parish Councils also play a key role in neighbourhoods, representing their local community, delivering services to meet local needs and striving to improve quality of life in their parish. The Council provides an annual grant to Cheshire Association of Local Councils to provide support to local councils across the borough.

## **2 Recommendation**

- 2.1 That Cabinet approve:
  - (i) Our approach to Connecting Neighbourhoods as part of our Connected Communities Strategy.
  - (ii) Delegate to the Head of Communities, in consultation with the Portfolio Holder for Communities and Health, to award grant funding between the Town Partnerships from a maximum fund of £72,000 per annum with the Town Partnerships for 3 years from April 2017.
  - (iii) Delegate to the Head of Communities, in consultation with the Portfolio Holder for Communities and Health, to agree grant funding up to £14,213 with Cheshire Association of Local Councils for 2017/18.

## **3 Other Options Considered**

- 3.1 The Connected Communities Strategy was approved in December 2016, setting out our approach to working with communities. The purpose of this report is to provide more detail regarding the Connected to Neighbourhoods theme.



## 4 Reasons for Recommendation

- 4.1 To update on progress and agree a corporate approach to Connected to Neighbourhoods, developing our approach to partnership working with local communities at a local level.

## 5 Background/Chronology

- 5.1 Community work happens at a very local level, in different neighbourhoods, parishes or towns. We are strengthening our local networks and partnerships, ensuring community activity and locally identified needs have clear links into strategic partnerships. The networks and partnerships below are key to our place-based commissioning and provide vital information on local needs, identified through community led plans.

### Neighbourhood Partnerships

- 5.2 Our Connected Communities Strategy recognises the importance of our joint work being led by community need, working together to increase community involvement and to make the best use of our shared resources and community intelligence. Our work in communities includes redefining the role of public services and engaging users in co-production, involving communities in the challenges of reduced public expenditure and increasing customer demand. Neighbourhood Partnerships provide a mechanism to explore new local delivery models at a neighbourhood level, which can provide modern services that are affordable, efficient and meet the needs and expectations of service users.
- 5.3 Neighbourhood Partnerships use Asset Based Community Development to develop strength based community initiatives. They build social capital, recognising the importance of relationships; developing local networks and connections, including targeted interventions to build social relationships amongst isolated groups; and interventions that encourage social connections between people with similar experiences to provide peer support; and helping residents to confront and cope with life's challenges, so that they maintain their wellbeing in the face of adversity.
- 5.4 Neighbourhood Partnerships give support to local community groups, to deliver activities and services in their communities, building community resilience, and promoting health and well-being. We will facilitate or are active partners in Neighbourhood Partnerships, who bring people together to address the needs of local people and work collaboratively to improve their shared offer. They cover our most disadvantaged neighbourhoods, which are in the worst 25% nationally (Index of Multiple Deprivation) in terms of overall deprivation and include:
- Wilmslow - Colshaw Farm and Lacey Green; Spath Lane
  - Knutsford - Longridge
  - Congleton - Bromley Farm
  - Alsager – Radway



- Macclesfield - Hurdsfield Community Group, Moss Rose Partnership, Weston Partnership, FAR UP (Upton Priory)
- Crewe - North and East, West and South, St Barnabas and Central.

- 5.5 Radway Partnership started as a resident led community group in November 2015. In their first year, they have held a number of family events on the estate, increased police presence and organised regular attendance at drop ins, are working with CEC services to improve the estate, and have the National Careers Service delivering once a month on the estate. They have also set up a community speed watch, carried out clean-ups, set up a group to improve the local park, established a knit, natter and crafting group, regular I-Tea and chat sessions, functional English and Maths classes. The Partnership have established a Facebook page which includes 230 people and recently decided to use crowd-funding to put on a pantomime for residents this Christmas, and quickly raised the funds required through this and sponsorship from local businesses.
- 5.6 Over the last 12 months, the 4 Macclesfield partnerships have focused on Participatory Budgeting, both in promoting it widely within their communities and also working to create bids from partnership members. All 4 partnerships now use Knowledgehub, as a digital platform, to share documents and information on what is happening locally. An example of how the partnerships develop and make local links is the Weston Partnership. This is now chaired by vicar of one of the churches on the estate, and that church is now open as a community venue and used by a range of groups to deliver early intervention and prevention services. The vicar is also part of the Macclesfield Community Network and sits on the Cheshire East wide Participatory Budgeting Core Group.

### Town and Community Partnerships

- 5.7 We support and work with Town Partnerships as they are a key part of the Cheshire East Partnership Framework, as they are independent constituted 'can do' groups, which are established and led by the local community. They vary to meet local needs, but their overall purpose is to improve the social, economic and environmental well-being of their area. Town Partnerships are active in:
- Wilmslow
  - Poynton
  - Congleton
  - Holmes Chapel
  - Middlewich
  - Sandbach
  - Alsager
  - Nantwich
- 5.8 The Town Partnerships are attending Cabinet, to verbally present some of their excellent work in their communities and how we work together to achieve shared outcomes. A recent example is the 2Gs Challenge, led by Holmes



Chapel Partnership, in collaboration with Everybody Sport & Recreation and Active Cheshire, to increase activity levels within families by way of a 12 week challenge across two generations. Each family set their own activity goals and health questionnaires were completed at the start and end of the challenge with record sheets provided to record daily activities. Participants were also given pedometers to encourage increasing daily steps, seen as the easiest activity for everyone to improve. 101 participants signed up to the challenge, with ages ranging from 3 to 80 years. Of these participants, 29 completed 12 weeks of exercise, providing records and feedback. For those individuals who embraced the challenge, it gave them the incentive to increase their physical activity and most have reported both physical and mental benefits as a result of taking part.

### Community Networks

- 5.9 We facilitate community networks in localities/towns, bringing a wide range of community organisations together, which focus on collaborative working and peer networking to share knowledge and skills. They engage with a wide range of partners who deliver community activities and services in their area, clearly focussed on redesigning services, so that together we provide the right services, in the right places and at the right times. Community Networks understand the needs of their communities and are linked into partnership work to ensure it is led by community need, and increases community involvement, to make the best use of our shared resources and community intelligence.
- 5.10 Community Networks play a key role in community commissioning, influencing local public service funding. During 2016, they have led the local delivery of our Participatory Budgeting pilot. They organised their local Decision Days, delivered local 'Drop In Information and Support Sessions', sifted initial applications to ensure they met the criteria, and invited those who did meet the criteria to present their project proposals to the PB Decision Days. They are now carrying out local monitoring and evaluation of the projects funded, and critically providing local mentors for groups, keeping the local links and focussing on continual networking.
- 5.11 Our Community Networks are still new and are establishing themselves, but have already gone from strength to strength and by connecting organisations together, they are sharing resources and applying for funding as part of a consortia and not duplicating activities. A good example is two organisations in Crewe were both supporting homeless people, who weren't aware of the services provided at each other's centres. The Communities Team built up a relationship with both centres and has established good links between the two, so they support each other and between them can maximise the support available.
- 5.12 The Community Networks provide a networking mechanism both for local organisations, and for service providers to work closely with local groups. As an example, in Crewe a local group was looking to establish new work clubs, and



through the network, have established links with DWP who have enabled them to target the support to the areas with most need and now they have established the links with DWP, their officers are aware of the services and can signpost people to them. The December meeting of the Crewe Community Network, includes presentations from 2 local voluntary sector groups and 2 statutory sector organisations, all wishing to make wider links. One of the presenters is from the Skills and Growth Company, who are keen to link with the Community Networks, to promote their events and activities for Digital Champions.

- 5.13 Community Networks exist at different geographical levels, covering both towns and rural areas. In the south of the borough, we engage with our rural parishes through rural cluster meetings and very local networking events.
- 5.14 A recent example of a rural community networking event is the one held in October 2016, in the rural village hall of Marbury. A variety of agencies were in attendance to advise, assist and signpost residents in a variety of matters, such as finance, health and household fuel costs, all things which impact on daily lives in such a rural locality. Being off the 'main grid' for energy supplies, a number of residents were delighted to find they could make considerable savings by signing up to a non-profit-making community fuel-buying scheme. The Communities Team conducted a consultation with local residents to find out more about life in Marbury, what is good, what is not so good and what services and social activities are missing from their village. Work is now underway to address any issues to encourage a strong and resilient community.
- 5.15 Town and Parish Councils play a key role in neighbourhoods, representing their local community, delivering services to meet local needs and striving to improve quality of life in their parish. The Council provides an annual grant to Cheshire Association of Local Councils, as the sole provider of infrastructure support to local councils in the area, to provide support to local councils across the borough.

### Summary

- 5.16 Our Community Networks, Town and Neighbourhood Partnerships are important elements of the Council's approach to place based commissioning and it is important that our services engage effectively with these mechanisms to work with our local communities to co-produce services which meet local needs. Community Networks exist at different geographical levels depending on the local need. We now have successful Town Partnerships established in 8 of our market Towns and neighbourhood partnerships working across those neighbourhoods which feature in the most disadvantaged neighbourhoods, which are in the worst 25% nationally (IMD) in terms of overall deprivation.

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

- 6.1 The Strategy applies across the whole borough.



## **7 Implications of Recommendation**

### **7.1 Policy Implications**

- 7.1.1 The Connected Communities Strategy sets out ways to meet Outcome 1, Our Communities are Strong and Supportive. It underpins the Sustainable Community Strategy, Ambition for All and support the delivery of many other policies.

### **7.2 Legal Implications**

- 7.2.1 The report to Cabinet in December 2016, to approve the adoption of the Connected Communities Strategy did not contain proposals to grant fund organisations and consequently grant funding was not specifically addressed in the legal implications contained in that report.
- 7.2.2 The Council has the power to directly award grants using its general power of competence in Section 1 of the Localism Act 2011. In exercising this power the Council must satisfy its public law duties. In essence this means that in making the decision the Council must have taken into account only relevant considerations, followed procedural requirements, acted for proper motives and not acted unreasonably.
- 7.2.3 The Council has developed a Grant Funding Protocol which sets out guidance on grant funding, consideration of state aid implications, the process for allocation and the limited conditions that should apply to any grant funding (Constitution Finance Procedure Rules E.26).
- 7.2.4 In deciding whether to directly award a grant Cabinet should consider the facts and circumstances in which a direct grant award is being proposed and be satisfied that in making a direct award the Council is meeting its public law duties.
- 7.2.5 In awarding a grant the Council cannot exhibit the same amount of control over the organisation as is commensurate with a contract. Essentially the terms of the grant should set out what the purpose of the grant is for and only claim claw back provisions in the case of the grant funding being used for other purposes or otherwise improperly. The Council will not be able to assess the quality of the services that are being provided and determine to withdraw grant funding on that basis (except at the end of the period of the grant funding).
- 7.2.6 Consideration must be given to State Aid implications of directly awarding a grant. State Aid rules apply where:
- State resources are involved
  - The beneficiary is involved in economic activity
  - The beneficiary could get an advantage that they cannot normally get from the market



- The services are theoretically tradable across the Member states.

A scheme must meet all four of the above criteria in order to be considered to be State Aid.

- 7.2.7 Payments which are less than the State Aid De Minimis threshold (200,000 euros in any rolling three year period) can be made lawfully in any event. However, all sums received by a recipient in a three year rolling period are taken into account.
- 7.2.8 This report proposes that the Head of Communities be delegated authority, in consultation with the Portfolio Holder, to make decisions to award grant funding to Town Partnerships and so the ultimate decisions as to who is awarded grant funding, how much and on what basis. A competitive procedure/clear set of criteria for allocation grant funding following a bidding process would enable the Council to resist potential challenges (either from existing organisations who feel that they have been treated fairly depending on the outcome or from any new organisations who may want to be funded and recognised as Town Partnerships) and negate State Aid issues.
- 7.2.9 The Service has determined that ChALC receive grant funding to support local councils. They state that no other organisations operating within the Cheshire East area are able to meet this need. In the event of a challenge the Council would need to provide evidence to support the view that the beneficiaries are not being given an advantage (on the basis there is no market) and that the grant award is not State Aid.

### **7.3 Financial Implications**

- 7.3.1 The paper requests delegation to grant fund Town Partnerships and Cheshire Association of Local Councils, and the funding for this is within the existing Partnerships and Communities Budget. There are currently 8 partnerships with a maximum of 9 possible town partnerships in the Borough. There is an annual revenue budget of £48,000 pa, plus a Community Investment Reserve of £24,000 per annum up to 2019/20. Funding of £14,213 per annum is in the revenue budget for the ChALC grant.

### **7.4 Equality Implications**

- 7.4.1 There are no specific equality implications and regard has been taken to our Equality Duty and an EIA completed for the Connected to Communities Strategy.

### **7.5 Rural Community Implications**

- 7.5.1 There is a strong focus around working and developing community networks in our rural communities and a gap has been identified in the



Macclesfield rural localities in particular. This will be an area that will be focussed on engaging with communities in that area. Marbury is given example of how a community network in a rural area can support local people in an area access services and reduce costs. Another example, is community transport initiatives whereby we know that many people may be socially isolated in rural communities and need support to access shops and getting to the doctor. Developing community networks in our more rural communities will support our corporate outcomes of strong communities and people living well and for longer.

- 7.5.2 Work covers all of Cheshire East and will develop new services and activities in rural communities to meet specific local needs.

#### **7.6 Human Resources Implications**

- 7.6.1 There are no specific HR implications.

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

- 7.7.1 The actions in the Connected Communities strategy strongly support the delivery of Public Health Outcomes. In particular it supports outcomes related to empowerment and wellbeing. Connected to Neighbourhoods provides mechanisms to support the delivery of Public Health outcomes.

#### **7.8 Implications for Children and Young People**

- 7.8.1 The work in neighbourhoods delivers a range of initiatives which positively support local children and young people.

#### **7.9 Other Implications (Please Specify)**

- 7.9.1 Connected to Neighbourhoods is part of the Connected to Communities Strategy which pulls together a number of different initiatives, which this report summarises to show how they all work together.

### **8 Risk Management**

- 8.1 Risks are identified through the Partnerships and Communities Business Planning process and are logged, reviewed and monitored.

### **9 Access to Information/Bibliography**

- 9.1 Connected to Communities Strategy.



## 10 Contact Information

Contact details for this report are as follows:

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## Cheshire East Council

### Cabinet

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<b>Date of Meeting:</b>	07 February 2017
<b>Report of:</b>	Chief Operating Officer (Section 151 Officer)
<b>Subject/Title:</b>	2016/17 Third Quarter Review of Performance
<b>Portfolio Holder:</b>	Cllr Peter Groves, Finance and Assets Cllr Paul Findlow, Corporate Policy and Legal Services

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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 evidencing how the Council is working well with the community and its partners to achieve the outcomes of the Corporate Plan 2016 to 2020.
- 1.2. Local authorities within the UK 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 number of people over 65 years is already higher than national averages and is expected to increase faster than average too. 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 seen increased satisfaction levels for key services and improved value for money overall. The Third Quarter Review of Performance provides evidence of how the Council engages with residents, businesses and its partners 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 £1.7m (0.7%) 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 and demand for Adult Social Care services. The Council has demonstrated excellent financial management over the last three years



and this experience will be used to achieve as close to a balanced outturn position as possible by the end of the financial year.

1.5. In quarter three, a few examples of good performance were:

- The new national indicator of pupils achieving English and Maths at grade A\* - C saw Cheshire East ranked first against its statistical neighbours
- The new Crewe Lifestyle Centre is on target to achieve over 700,000 individual attendances in its first year
- Seven of Cheshire East's Olympic heroes were honoured with freedom of the borough status at a special meeting of Cheshire East Council held at Crewe Lifestyle Centre.

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: service budgets, grants, council tax and 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. Recommendations

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

- 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 158 to 168 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 7**);
- treasury management investments and performance (**Appendix 8**);
- management of invoiced debt (**Appendix 10**);
- use of earmarked reserves (**Appendix 11**);



- update on workforce development and staffing (**Section 3**).
- 2.2. Cabinet is asked to approve:
- 2.2.1. A Supplementary Capital Estimate of £300,000 for Hough Bridge and viement to Tatton Vision as detailed in **Appendix 6**; and
  - 2.2.2. The allocation of additional grant funding totalling £14,000, as shown in **Appendix 9**.

### **3. Other Options Considered**

- 3.1. None.

### **4. Reasons for Recommendations**

- 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 £720.0m, with a balanced net budget for 2016/17 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 third quarter year stage, the Council's reserves strategy remains effective with a potential overspend of £1.7m (0.7%) against a net revenue budget of £247.9m. Forecast capital expenditure in the year is £92.9m.

### **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 third 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 governed by the Finance Procedure Rules.
- 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 within 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 three 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 within 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 three 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 within 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 three 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 within the individual reports to Members or Officer Decision Records that relate.

**7.8. Implications for Children and Young People**

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

**7.9. Other Implications (Please Specify)**

7.9.1. 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

9.1. The following are links to key background documents:

[Budget Book 2016/17](#)

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

[First Quarter Review of Performance 2016/17](#)

[Mid Year Review of Performance 2016/17](#)

## 10. Contact Information

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

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**February 2017**



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

**Anyone wanting to comment can contact the Council at:**

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



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# Introduction

Financial and 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 three, the Council's reserves strategy remains effective, with a modest reported overspend of £1.7 (0.7%) against a budget of £247.9m.

To support openness and transparency the report has three main sections, to provide background and context, and then eleven 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 Six 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 Budget changes since Mid Year Review.
- **Appendix 3** shows the latest position for Corporate Grants.
- **Appendix 4** shows the revised Capital Programme expenditure.
- **Appendix 5** lists approved Supplementary Capital Estimates and Virements up to £250,000.
- **Appendix 6** lists requests for Supplementary Capital Estimates and Virements over £250,000 for Cabinet approval.
- **Appendix 7** lists Capital Budget reductions.
- **Appendix 8** provides details of Treasury Management investments.
- **Appendix 9** lists requests for allocation of additional Grant funding.
- **Appendix 10** analyses the position on Outstanding Debt.
- **Appendix 11** 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 Third Quarter Review - Financial Position

2016/17 Third Quarter Review (GROSS Revenue Budget £583.4m)	Revised Budget (NET)  £m	Forecast Actual Outturn  £m	Forecast Over / (Underspend)  £m	For further information please see the following sections
<b>SERVICE DIRECTORATES</b>				
People	143.9	148.5	4.6	Section 1 - Paragraphs 44-53, 124-127
Place	32.3	33.3	1.0	Section 1 - Paragraphs 32-36
Corporate	74.6	72.2	-2.4	Section 1 - Paragraphs 71-75, 92, 129
<b>Total Services Net Budget</b>	<b>250.8</b>	<b>254.0</b>	<b>3.2</b>	
<b>CENTRAL BUDGETS</b>				
Specific Grants	-20.6	-20.6	0.0	Section 2 - Paragraphs 138-140
Capital Financing	14.0	12.8	-1.2	Section 2 - Paragraphs 169-173
Transfer to Earmarked Reserves	2.8	2.8	0.0	Section 2 - Paragraph 188
Corporate Contributions / Central Budgets	0.9	0.6	-0.3	Section 2 - Paragraph 179
<b>Total Central Budgets</b>	<b>-2.9</b>	<b>-4.4</b>	<b>-1.5</b>	
<b>TOTAL NET BUDGET</b>	<b>247.9</b>	<b>249.6</b>	<b>1.7</b>	
	Planned Contribution 2016/17 £m	Forecast Variance Quarter 3 £m	Impact on Reserves Quarter 3 Forecast £m	
Impact on Reserves	-1.0	-1.7	-2.7	
General Reserves Balance	2016/17 Budget (estimated) £m		Quarter 3 Forecast	
Opening Balance April 2016	12.8	Actual	13.0	
2016/17 Impact on Reserves (see above)	-1.0	Forecast	-2.7	Section 2 - Paragraphs 183 - 187
Closing Balance March 2017	11.8	Forecast	10.3	



# 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

- Participatory Budgeting (PB) has been rolled out into 12 towns
- 19 voluntary, community and faith sector organisations were awarded a total of £47,387 in the third round of Community Grants
- The 'Knock Knock' project presented to over 800 pupils in 2016, helping to raise awareness of doorstep safety and doorstep crime

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

- The number of young people not in education, employment or training (NEET) stands at 281 (2.6%), outperforming local and national figures
- Cheshire East Youth Support Service held their yearly 'Night of the Stars Awards' to celebrate National Youth Work Week
- Regeneration have developed a programme of initiatives to support Crewe town centre in collaboration with the Town Centre Working Group

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

- The new national indicator of pupils achieving English and Maths at grade A\* - C saw Cheshire East ranked first against its statistical neighbours
- A new Education and Skills Board was established
- Children from across Cheshire East celebrated one year of our 'Emotionally Healthy Schools' project

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

- Turnaround of planning applications exceeded targets across Major, Minor and Other applications
- Recommendations on main modifications to the Local Plan were published on 15th December
- The Council collected around 22,000 tonnes of waste for recycling through its silver and green bin schemes and Household Waste Recycling Centres

### 5 ~ People live well and for longer

- The Housing Options Team has worked with the national charity Centrepont to identify ways to prevent youth homelessness
- The new Crewe Lifestyle Centre is on target to achieve over 700,000 individual attendances in its first year
- Council staff and partners, along with The Children's Society, took part in a number of activities to support November Children's Rights Month
- In-year Leisure facilities attendance is 7.5% above target at 2.25m

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

- The Assets Service has disposed of 10 surplus Council buildings so far this year



## 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 three a potential overspend of **£1.7m** is being reported compared with budget.
- The potential overspend represents only 0.7% 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 £3.2m is reported.
- **Central Budgets** – are currently forecast to be underspent by £1.5m due mainly 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 £162,000 higher than budget at quarter three. 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 £1.7m is within the original forecast risks. Further mitigation of the forecast overspend is expected to be achieved.
- **Capital Programme** – total capital expenditure of £92.9m is forecast in 2016/17, which is a reduction of £23.0m since mid year review following a review of in-year forecasts.
- For monitoring purposes, the in-year capital budget for schemes committed or in progress is £93.3m, against which an underspend of £19.7m is currently forecast. Again the Council has forecast that there will be no requirement for additional external borrowing this financial year.
- Outstanding **Debt** (excluding local taxation) is £7.7m. Debt over 6 months old is £4.5m (around 6% 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 East £	Rural East Riding of Yorkshire £	Urban Liverpool £
Grants	207	266	593
Council Tax	469	411	295
Total	676	677	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 mostly in the period October 2016 to December 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. Cheshire East's Connected Communities Strategy was approved by Cabinet in December 2016. This sets out the Council's ambition to engage effectively with the voluntary, community and faith sector to increase wellbeing and resilience. Each key theme within it will be presented to Cabinet over the next few months. Increasing community cohesion is a key element of this and several cultural events have been delivered to raise awareness of Crewe's multi-cultural community as well as recruit to 'connectors'. These are key community representatives who volunteer in their respective communities to enable people to access and be signposted to services. This will be officially launched in January 2017, but there has been strong interest in this already with 12 signed up.
5. Support has been given to the launch of the South Cheshire Multi-Cultural Forum (SCMCF). A teaching resource pack TRUST (Teaching Respect Uniting Schools Together) has been developed and was launched at a school conference in December 2016 that 19 of the Crewe primary and high schools attended. The pack provides



suggestions for activities to deliver cohesion awareness at all key stages.

6. Hate Crime training, targeting community venues and their safeguarding officers, took place in December 2016 with over 40 attendees. Further training will take place in 2017.
7. Plans for three Cultural Competency workshops are being developed to deliver to Council frontline staff, frontline workers from the Police and Fire Services and teachers in spring 2017, in partnership with the SCMCF.
8. Participatory Budgeting (PB) has been a great success so far and feedback from local community groups and people has been very positive. We delivered training in PB to voluntary and community groups in order to support applications, presentations and future funding bids. A total of 30+ drop-in sessions have taken place, including pre and post decision day events and two presentation training workshops.
9. Participatory Budgeting (PB) has been rolled out into 12 towns. Four decision days have taken place giving out £260,000, with eight decision days planned for January – March 2017 giving out a further £110,000.
10. Development of the community networks in Crewe and Macclesfield has been strengthened from the engagement of groups via PB and we will encourage this development with the other towns. We now have 87 venues across eight localities with community development support currently active in 44 venues. These are strongly linked to PB and a safeguarding and franchise conference will be held in each locality area in the next quarter. The Crewe Community Network meeting in December had over 50

groups represented and future monthly meetings are planned to include partners sharing best practice.

11. There are currently 18 Expressions of Interests being developed by community venues wishing to apply for a Cheshire East franchise.
12. A total of 19 voluntary, community and faith sector organisations were awarded a total of £47,387 in the third round of Community Grants. The final round for this financial year closed on 31st December. Typically each £1 invested by Cheshire East returns £9 in investment.
13. Six new resident-led services have been implemented through Delivering Differently in Macclesfield. Based on two of those programmes using Cost Benefit Analysis for every £1 invested £7 will be saved with a return on investment in the first year. Our Communities service lead officer for this area won our Making a Difference Members' Choice Award for his work on this and PB.
14. The tender for commissioning Voluntary, Community and Faith sector was issued in November 2016. This set out our intent to work with the sector and make sure that they had a voice, and would work with the sector to enable them to be commissioning ready. A contract offer has been made for three years starting on 1 April 2017 and we are awaiting acceptance of that.

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

15. Cheshire East continues to tackle serious and organised crime through the Community Safety Partnership. Organised crime groups have been identified by the police and partners work with them to ensure that a programme of disruption and prevention is in place.



16. A Stay Safe operation completed in Congleton, ensuring children and their parents are educated and aware of the impact of their actions from a young age, and how they can play a big part in helping to reduce anti-social behaviour. An Action Plan has also been developed which may include a Public Space Protection Order for hotspot areas and youth provision is being planned for the Easter holidays. Consultation is live on a Public Space Protection Order in Poynton which closes on 25th January 2017.
17. The Prevent Action Plan is progressing well, and the multi-agency Channel Panel is also making good progress, with 35 referrals to date. There is a local strategy in place for sharing training, two safeguarding board websites have been set up and our self-assessment developed and will be completed in January.
18. The Licensing service issued two formal cautions to taxi drivers during the third quarter. These related to making a false statement on an application form and unauthorised use of a Hackney Carriage rank. Officers continue to undertake out of hours work around taxi licensing to encourage compliance.
19. A full review was undertaken of previous instructions and procedures for Community Enforcement Officers (CEOs), the legislative framework being used to tackle environmental crime, historical processes and also included issues raised by CEOs. This review also included consultation with our legal team who have agreed the changes within this report to ensure consistent enforcement, confidence for our enforcers and legal alike and to bring the CEOs in line with other enforcement services with high standards of enforcement.
20. Procurement of an Environmental Enforcement service to supplement and support existing resources for all Cheshire East was completed and 'Kingdom' began on 5th October. Since then the service has had between four and seven officers on the streets each day enforcing against environmental crime. 966 Fixed Penalty Notices (FPN) have been issued in October 2016, 609 of which are in Crewe. The FPNs issued by Kingdom are mainly for littering in town centres. 892 FPN's have been issued in November. Total for the two months is 1,858 FPN's issued, 1078 have paid to date (58% payment rate). As Kingdom have been in place for two months, non payment of fines is now at a stage whereby reminders have been sent, yet payment has not been received and progression to legal files for prosecution is the next step for positive action.
21. Due to a rise in alcohol related Anti-social Behaviour (ASB) an underage sales operation for alcohol in Congleton was undertaken in quarter three. Four premises were tested on 28th October and all passed. The premises were sent a letter advising of the test and outcome for further awareness.
22. Trading Standards officers from Cheshire East Council seized cigarettes, vodka and tobacco worth more than £17,000 during a swoop on illegal sellers. More than 25,000 illegal cigarettes, about 800 bottles of vodka and 5.5kg of hand-rolling tobacco were uncovered during raids on properties in Crewe (on Wednesday, December 7th). Officers and sniffer dogs discovered concealed stashes of tobacco at nine premises with products hidden in various places, including under floorboards and in storage units in shops. Operation 'Ignite' follows on from the intelligence-led 'Operation Henry 2', which seized illegal tobacco products valued at more than £9,000 in March this year.
23. The 'Knock Knock' project has concluded for 2016, with over 800 pupils presented to and judging for the 203 submissions (top 50) was undertaken during this period by colleagues and partners. Those chosen as winners and runners up were placed onto a 2017 calendar and provided to the schools for presentations during



assemblies. The calendars are then used by the pupils as Christmas presents for elderly neighbours or relatives to raise awareness of doorstep crime.

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

### Business Growth and Tourism

24. Latest figures released in quarter three show that Tourism spending hit a new record in Cheshire East during 2015. Income generated by the visitor economy rose to £842m in 2015, a rise of 4.4% on the previous year and nearly 55% up on 2009 figures.
25. The number of visitors to Cheshire East also performed strongly, increasing by 4.2% in 2015 to over 15m visitors and this growth has resulted in the visitor economy sector now employing 11,100 full time equivalents. This is a rise of almost 30% since Cheshire East Council was formed in 2009.
26. Cheshire East also welcomed Stage 3 of the Tour of Britain in 2016 where 300,000 spectators (the highest stage attendance alongside London) generated a net economic benefit direct to Cheshire East of £3.5m. The success of stage 3 was shown on TV where 1.23m viewers watched on ITV4 (the 2nd highest stage viewing figures).

### Jobs and Skills

27. Cheshire East Youth Support Service held their yearly 'Night of the Stars Awards' in quarter three to celebrate National Youth Work Week. The events, one in the north and the other in the south of the Borough, were recognition of the importance of young people and their achievements, and involved young people from across the area coming together. The events celebrated the achievements of the young people that have been involved with the Youth

Support Service and the projects that have been running, including youth clubs, painting projects, summer canoeing trips and residential stays. As at quarter three, the number of young people not in education, employment or training (NEET) stood at 281 (2.6%); Cheshire East continues to outperform in this area when compared both locally and nationally.

28. Cheshire East's Lifelong Learning Service continues to support residents some distance from the labour market. Current courses delivered by the in-house team, and focusing on Maths and English, are supporting 64 residents, whilst the range of local organisations Cheshire East commissions, who have great knowledge of and access to the community, has collectively enrolled 64 residents, with many entering a formal education environment for the first time in years.

### Inward Investment

29. Terms have been agreed with Ask Real Estate for the sale of Churchill Way car park to enable the development of a new cinema-led development to enhance the town centre's leisure offer as part of the Macclesfield Town Centre Regeneration Programme, representing total investment of circa £20m in the Town Centre.
30. Cheshire East Regeneration Team have developed a programme of short-term initiatives to support Crewe town centre, undertaken in collaboration with the recently-established partnership-based Town Centre Working Group. Recent initiatives include 'deep clean' of town squares and pedestrianised areas, vinyls for vacant shop units, and 'Shop of the Week' promotions. New initiatives will include upgrading some existing street furniture, temporary use of a major vacant unit and measure to improve pedestrian



connectivity between the Grand Junction Retail Park and the town centre.

31. The Regeneration Team were part of the 'CEC Team of the Year for Collaboration' in relation to their role in the delivery of the Lifestyle Centre project which opened earlier this year. More recently the team continued input into development of the emerging Crewe Masterplan Framework, and their engagement and dialogue with key landowners and investors in Crewe. Detailed dialogue is also underway with tenderers in relation to the selection of a development partner for the Royal Arcade scheme in Crewe town centre.
32. The Place Directorate is reporting a pressure of £1.0m against the 2016/17 full year net budget of £32.3m at third quarter.
33. The most significant variance is within the Infrastructure & Highways service and relates to the contract with TSSL which is currently facing a £1.0m pressure. In particular, increased costs have arisen due to the requirement to replace local bus services. As at Mid-Year, one-off corporate support is needed to mitigate this pressure.
34. Other pressures include higher costs with respect to the Skills & Growth Company and a lower expectation of income for Building Control, Land Charges and Planning Support which are leading to a combined pressure of £134,000. Some of this pressure will be reduced by the profit sharing arrangements which are held centrally.
35. The remaining £91,000 pressure is predominantly due to additional costs needed to respond to an increasing number of planning appeals and the need to engage the services of a number of external consultants, particularly legal advisors.

36. Excluding the TSSL budget, the Place Directorate is committed to achieving a balanced budget by the year end.

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

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

37. Our Ofsted profile shows that our schools continue to perform extremely strongly; 96% of providers were rated good or outstanding in Cheshire East, with over 48,000 pupils attending these schools.
38. In quarter three, the Schools Catering Service was shortlisted for a prestigious award relating to their exciting menus in promoting the best quality and nutritious lunches for pupils in our schools. Being shortlisted was recognition for Cheshire East having high quality ingredients and increasing choice of creative meals that provide many of our primary school children with the best start in life in terms of a balanced and nutritional lunch.

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

39. Provisional end of Key Stage 4 data shows that in terms of the new national indicator of pupils achieving English and Maths at grade A\* - C, Cheshire East was ranked first against its statistical neighbours for this new indicator. However, the progress made by some pupils remains an issue and focus area for improvement.
40. Quarter three saw the establishment of a new Education and Skills Board, which has the strategic role to agree key priority workstreams and monitoring arrangements to best support all schools in delivering the highest quality provision for our learners.



Increased involvement of school leaders will bring added expertise to this key group promoting effective partnership working.

41. There has been a structured programme of consultation events with school leaders and governors in sharing the latest pupil place planning forecasts and funding arrangements. These sessions have been well received and promote the revised methodologies and commitment to work closely with school leaders in planning the future expansion of schools to meet the growing demand, especially across the primary sector.

### **Inclusion**

42. Work to improve outcomes for children and young people with special educational needs and disabilities (SEND) has been ongoing in quarter three. This includes reshaping the team supporting these families to better meet their needs, the development of a policy and procedure around preparing for adulthood and transition and a procedure for placement at an Independent Specialist Provider (ISP). The Council also submitted an expression of interest to the Department for Education as part of a newly announced free school proposal route for local authorities. If approved, this could see the opening of a new special school in Crewe. There has been significant engagement with key stakeholders in quarter three, including six sessions with parents/carers and a conference for Special Educational Needs Coordinators in schools (SENCOs). Work in quarter four will continue, including the development of a new directory to improve access to the Local Offer for families with SEND.
43. In quarter three school children from across Cheshire East celebrated one year of our 'Emotionally Healthy Schools' project, supporting the health and wellbeing of young people across the borough. The pilot project, set up last year, has worked to improve

emotional health at a number of local schools. Students at Middlewich High School, along with Ruskin High and Oakfield Lodge in Crewe, Eaton Bank Academy in Congleton, The Macclesfield Academy and Poynton High, have all benefitted from work that has taken place over the last 12 months. Local charities, Visyon and Just Drop In, have worked alongside The Children's Society and Cheshire and Wirral Partnership NHS Trust (CWP) to improve links between schools and health services for young people. The project has focussed on improving resilience, reflection and mental health awareness training and has improved confidence in schools when responding to the emotional health of children and young people.

44. Children and Families is forecasting an overspend of £1.5m at the third quarter review stage. 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.
45. 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.
46. At March 2015 there were 357 children in care. The numbers increased by 30 (8.5%) to 387 in March 2016 and have reached 412 at November 2016. Increasing gatekeeping has resulted in the cases which are coming through being more complex and therefore cost more. Although children in care numbers have continued to rise they are still below the average level for similar authority areas.
47. 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). The end result is that the overspend has been reduced but the increase in client numbers and complexity has limited the impact.

48. 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.
49. The service has a pressure of £0.4m from a shortfall in adoption income plus other pressures of £0.6m across care in relation to: travel spend for visits; extra costs of allowances and direct payments; and extending project work on different methods of care. It is expected these pressures can be managed.
50. In terms of the Directorate generally there are £0.3m 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.
51. The service could also face pressures 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.
52. 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 88% of posts covered by permanent social workers.

53. The service is also working hard to manage vacancies to offset the pressures being faced.

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

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

54. The Local Plan Examination hearings concluded on 20 October – a day earlier than the anticipated programme. The Inspector commented that the Plan was the "most complex and challenging" Local Plan he had ever examined. Recommendations on main modifications on the Plan were published on 15 December and the Inspector endorsed all of the revisions to the Local Plan aside from two minor alterations. This is a significant stepping stone towards finalising the Plan.
55. Turnaround of planning applications across the board has continued to strongly increase in the third quarter demonstrating the hard work and commitment from the team with all targets exceeded.
56. Turnaround of planning applications within timescales during the third quarter has maintained very strong performance of 80% for Major planning applications within 13 weeks. This significantly exceeds the target of 60%, reflecting the continued work of new Principal Planning Officers in working with developers to deliver to agreed timeframes.
57. Turnaround of Minor applications within eight weeks has continued to increase with 79% (above the target of 65%). This again reflects on the continued effort from staff to both deal with



new applications effectively while reducing any remaining applications in the backlog.

58. The volume of "Other" planning applications within eight weeks also reflects continued increases from previous quarters to 94% which significantly exceeds the target (of 80%). There has been significant work on the backlog which means recent staff recruitment is able to focus on delivery of new applications well within the statutory timeframes giving a more accurate reflection of turnover.

### Waste Management

59. **Waste & Landfill** – In quarter three, the Authority continued to utilise landfill for just over half of residual waste; this goes to Maw Green Landfill in Crewe. The remaining black bin waste goes to the Stoke-on-Trent waste-to-energy plant.
60. Work is underway to provide permanent transfer facilities for all of the authority's waste from summer 2017 at the central Environmental Hub currently under construction outside Middlesbrough. This will allow greater use of waste-to-energy plants outside the Borough as we seek to meet the Waste Strategy objective of ceasing to use landfill as a primary disposal route.
61. **Reuse and Recycling** – During the third quarter the Council anticipates collecting around 22,000 tonnes of waste for recycling through its silver and green bin schemes and from the nine Household Waste Recycling Centres (HWRC). Around 350 tonnes of this material is reused through charitable partnerships and the HWRC.
62. Indicative estimated Waste, Recycling & Reuse tonnages for quarter three are as follows:

Residual		
Landfill	Waste to Energy	
10,000	11,000	
Recycling		
Household	HWRC	Reuse
10,000	3,000	350
Green Garden		
Household	HWRC	
8,000	1,400	

63. **Fly Tipping** - There were an estimated 650 reported incidents of fly-tipping/side waste in the third quarter; a similar figure to the third quarter last year.
64. A full review of Cheshire East Community Enforcement Officers (CEO) (wardens) has led to recent changes in enforcement processes and procedures in particular around the investigation standards and legislative framework. This will ensure that standards are met when investigating and the whole scope of enforcement tactics and disposals are used moving forwards.
65. The use of directed surveillance is also a consideration in tackling large scale fly tipping but all relevant tests must be applied (proportionality, necessity, reduce collateral damage, human rights considerations, six month threshold for the offence) as well as authority being gained internally and by a Justice of the Peace as per Council policy. The Council carried out its first covert surveillance (overnight for two nights) and further ongoing investigations in a known hot spot for fly tipping, following complaints from local residents. This resulted in a dramatic decrease in the issue.



## Environment

66. **Parks Strategy Delivery** – Feasibility reports are being prepared to consider the options available for major park restoration projects. These reports will be assessed and used to guide activity going forward. The Coronation Valley Restoration Project design phase is complete and the project will move onto site at the start of January 2017, completed by end of quarter four.
67. **Playing Pitches** – Playing Pitch Strategy (PPS) Assessments. To date the PPS team has completed the refresh of data in the assessment report. Next, they will work with national bodies to develop the strategy and action plans in 2017 with the aim of completing the report for April 2017. The report will then form part of the Local Plan with the indoor strategy also on schedule to be completed by April.
68. **S106** – Cheshire East, in partnership with ANSA Environmental Services, is engaged in the delivery of over 20 park improvement projects funded from S106 developer contributions. They are working with local members and local community groups (Friends of Parks) to deliver schemes across the Borough.
69. It is envisaged that the recovery will continue throughout the remainder of the year and into 2017/18 when the lost business associated with the recent improvement works will be fully recovered. At this point, it is anticipated that any remaining shortfall in income will be relatively minor and can be addressed through minimal adjustments in the future charging strategy.
70. As part of Macclesfield Town Centre Regeneration programme, creative public realm enhancement projects have been delivered at Sparrow Park, the Middlewood Way and the Silk Road underpass to enhance quality of place and perceptions of the town centre and to celebrate Macclesfield's creative identity.
71. Overall, Environmental Operations, including Bereavement Services, is currently reporting a £259,000 overspend for 2016/17 against a net £27.3m budget.
72. There is a pressure of £150,000 relating to non-achievable savings related to the suspension of services at the Arclid Household Waste Recycling Centre (HWRC). The suspension of services was initially deferred from April to October 2016 and then revoked.
73. There is a forecasted shortfall in markets income for the year of £90,000, which primarily relates to a continued reduction in trader occupancy levels in Macclesfield. In addition, as a result of ongoing remedial building works at Crewe Market, a period of rent relief has been offered to market traders.
74. Orbitas is forecasting a £75,000 income shortfall position for the year that takes into account a number of variants. It is envisaged that the recovery will continue throughout the remainder of the year and into 2017/18 when the lost business associated with the recent improvement works will be fully recovered.
75. Bereavement income has increased by £192,000 compared to the same period in 2015/16, a 14% increase in income. This is largely attributable to Crewe Crematorium being fully operational from May 2016 after an extensive refurbishment programme and an increase in fees and charges. There has been a 8.41% increase in units recorded compared to April-November 2015/16.



## 5 ~ People live well and for longer

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

76. The Council is ahead of target at quarter three with the number of home adaptations for older and/or disabled residents; by the end of December, 1,369 adaptations had been completed, ahead of the in-year target of 1,275. These adaptations comprise: 192 Disabled Facilities Grants (Strategic Housing), 1,114 Local Authority funded minor adaptations (Orbitas), 19 self-funded major adaptations (Strategic Housing) and 64 self-funded minor adaptations (Orbitas).
77. The Strategic Housing Service has collectively worked with colleagues from Mental Health, Cheshire and Warrington Partnership (NHS Foundation Trust) and Adults Commissioning to improve the pathway between services and reduce the level of unplanned discharges from hospital. As a result it has developed a working protocol and secured funding to employ two Link Workers and emergency bed provision.
78. The Housing Options Team has helped residents to claim nearly £500,000 in grants and charity funding over the last 14 months. This money has been used to repair or replace boilers and fit central heating for people who've always had to manage without, and another £200,000 to trial innovative renewable energy technology and insulate park homes and caravans in rural areas.
79. The Housing Options Team has been working with the national charity Centrepont to identify what works for preventing youth homelessness. They were named in their research document which was launched at Westminster on October 24th and will be continuing to work alongside their research staff to evidence what we are doing well. The Team has also submitted two bids with Cheshire West and Chester and Warrington Local Authorities for a share of the £40m Homeless Trailblazer funding from the Department for Communities and Local Government. The bids are innovative, and partners are working upstream to carry out early identification and intervention work to prevent people from getting to crisis point with their housing situation. Further, the Team has hosted a Homeless Prevention Good Practice Event which was attended by 10 Local Authorities including Staffordshire, Trafford, Flintshire and High Peak to name a few. The authorities came together to share hints, tips and best practice on how to tackle and alleviate homelessness. The Housing Options Team organised the event to ensure that Cheshire East is at the fore front of new learning and development in the sector whilst being conscious of trying to be cost efficient. The event was well regarded by those who attended who committed to getting together every six months. Cheshire East has already considered implementing some of the ideas gained from the event.
80. Self-directed support reflects the principles of the Care Act 2014 to maximise the independence and wellbeing of the residents of Cheshire East. Consistent and transparent systems are being introduced within Adult Social Care to ensure individuals with care and support needs have their own personal budget. A resource allocation system has been procured and will be implemented early in 2017/18 to enable a move away from time and task care provision to the allocation of individual indicative care budgets for individuals to direct their care and support in a different way. This requires a diverse care market delivering different outcome based care and support.
81. A care review team was established in 2016/17 to apply self directed support to priority groups of social care customers. This has been driven forward through professional lead officers



delivering practice guidance to front line workers and a strength-based approach to social care assessment.

82. The Stepping Stones Service (Cheshire East Substance Misuse Service) is performing well in terms of service users who have successfully completed and not re-presented (within six months) to drug and alcohol treatment. Data indicates that the Cheshire East Substance Misuse Service is performing well in comparison to national local authority benchmarks. However there needs to be an improvement in terms of individuals who are in treatment and have remained in treatment for six years plus.
83. The 'Change the Conversation' training is now being commissioned making use of the Better Care Fund allocation. A specification is being developed prior to going out to tender. The staff who make up the Integrated Teams in Caring Together and Connecting Care will be the target audience for the first phase of training. This is a new approach to facilitate 'asset based' conversations with people, focused upon the strengths of an individual, their families, networks and communities.
84. **Crewe Lifestyle Centre** – The £15.1m centre from being fully operational from 1st April has seen its services including libraries, leisure, adult social care and family services continue to develop in the new building. The building is on target to achieve over 700,000 individual attendances in its first year.
85. The new gym was recently shortlisted as a finalist for "Newcomer of the Year" at the National Fitness Awards. The Centre continues to be visited by a number of local authorities to share the learning around co-located services.
86. **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. Following a first stage qualification process the Council will shortly be commencing a "competitive dialogue" with a number of suppliers who will be asked to supply an outline solution of their proposals.

87. The Everybody Sport & Recreation (ESAR) Trust have recently opened a significant new leisure facility, the Holmes Chapel Community Centre in partnership with Holmes Chapel Parish Council. This along with the Council's facilities will be used to deliver the "One You Cheshire East" health and well being programme having being launched recently at the Community Centre along with a range of other partners.
88. Performance for ESAR again showed some excellent results including an increase in attendances at leisure facilities of 2.25m against the quarter three in-year target of 2.09 million. An increase of 7.5% against target. Even if we attendances for Holmes Chapel Community Centre (a non-Council building) are excluded, this is still a 5.5% increase (2.2m). This includes increases against target in the key user groups of: adults (17%), people over 60 (4%) and those with a disability (13%).
89. There was a reduction of 1.5% in attendances by young people under 16. This was primarily due to a month-long closure at Nantwich pool and a week's closure at Knutsford Leisure Centre to undertake capital improvements and repair works including the pools. Whilst alternative temporary water spaces were found for some users such as swimming clubs, the closures resulted in a reduction in attendances from young people on the Learn to Swim Scheme lessons and school swims.



90. Performance on the Bikeability indicator has remained strong with 4,173 young people being trained against the quarter three in-year target of 3,361.
91. There has also been a considerable increase in leisure volunteer hours; 4,702 hours against the quarter three in-year target of 3,720 hours.
92. The Leisure commissioning service is currently forecasting a net nil position against a net £2.3m budget.

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

93. In quarter three the Council hosted two events highlighting how commissioning for outcomes can support people to live well for longer. Adult Social Care and Health hold 42 contracts with local voluntary community faith sector organisations for the provision of Information, Advice & Guidance, Prevention and Early Intervention.
94. All of these services can be universally accessed by citizens of Cheshire East. Approximately 13,000 people per year have been supported in order to prevent or delay their care and support needs.
95. The new Information and Advice Hub – Information and Advice Cheshire East (IACE) went live on 1st September 2016 and is available to all citizens of Cheshire East who may develop care needs or need some extra support. The service is delivered by a consortium led by Cheshire East CAB Ltd. Their delivery partners are Age UK Cheshire East, Age UK Cheshire, Disability Information Bureau (DIB), Citizens Advice Cheshire East North and Deafness Support Network.
96. CEC also hosted an 'Early Intervention & Prevention in Cheshire East' for North West Elected Member Older People's Champion's Workshop on Thursday 17th November 2016 at Beechmere Extra Care Housing, Crewe. Good practice examples include:
  - Community Agents - support people to live independently and link them into a network of support and services which they may not otherwise be aware of or have physical access to.
  - Local Area Coordinators - supporting people deemed eligible for statutory adult social care services and individuals with non-eligible needs to access community support.
  - Dementia Reablement Service - provides flexible, intensive support to individuals and their families and carers who are living with early stage dementia.
  - Wishing Well, Crewe runs a programme of community events and activities designed to support and empower individuals and promote well-being in the community. This includes training in food hygiene and first aid and work with Nantwich Food Bank to identify individuals needing food parcels and winter warmth equipment and distribute these to those people in need.
97. Adult Social Care have assisted 72 people who had debt to the Council for over one year for social care services and reduced historic debt held in the accounts for over one year by £450,000.
98. Public Health England has recently published (2nd December 2016) their 'Burden of Alcohol and the Effectiveness and Cost Effectiveness of Alcohol Control Policies'. This will be reviewed and will inform the post consultation review of the Alcohol Harm Reduction Position statement and Forward Plan. This will take place in quarter four with adoption of the Plan being completed by 1st April 2017.
99. The Alcohol Identification and Brief Advice (IBA) element of the One You programme is due to go live in January 2017. There is



strong evidence to suggest that providing brief advice and information for alcohol has an impact on preventing alcohol harm and addiction. Individuals who are assessed (identified) as needing specialist advice or treatment will be referred to Stepping Stones (Cheshire East Substance Misuse Service).

100. A programme of training for Drug and Alcohol aimed at health and social care practitioners was piloted during the summer 2016 via the Local Safeguarding Children's Board (LSCB). This programme will now be rolled out from January 2017. The aim is to give practitioners the confidence and knowledge to identify needs for individuals and families affected by drugs and alcohol. It provides information and tools for identification and advice, as well as pathways and referrals for specialist services.

#### **Accessible high quality services, Information & Advice**

101. Cheshire East Council is engaged in the health and social care transformation programmes Connecting Care for the South and Caring Together in the East of the Borough. A programme of change has been proposed to transform the patient/customer journey through the health and social care system, to ensure no-one is admitted to hospital unless absolutely necessary and that their discharge to the community is swift and effective. To support this work, Adult Social Care have provided social workers with a primary focus on safe hospital discharge.
102. The Pioneer Programme is currently leading work on 'The Cheshire Offer' which will encourage residents across the footprint to become more independent and self-supporting within their own communities. The needs, resources and opportunities within each locality are being mapped to identify areas of further development.
103. Quarter three has seen the establishment of the Lifestyle services – 'One You Cheshire East' (Provider Plus - assessment, marketing, health promotion, lifestyle support workers and specialist Stop Smoking Services; Community Stop Smoking and Alcohol Service; NHS Health Checks; Sexual Health Testing and Contraception; Weight Management; Physical Activity; Healthy Eating and Falls prevention). An official stakeholders' launch has taken place and further marketing and promotion is now underway to continue over the next few months. The web site is in place - <http://oneyoucheshireeast.org/>
104. **Healthy Child Programme** – The Family Nurse Partnership (FNP) has recruited a part time supervisor, 2.6 family nurses and a Quality Support Assistant, to be based in Crewe. The nurses' residential course is mid-January and the supervisor training is in May. FNP has a Moodle platform with a distant learning pack so the nurses are able learn and to recruit new clients sooner. The site will be starting programme personalisation and the ADAPT project in the New Year and this is also supported on the Moodle platform. There are 96 clients engaged with the FNP programme at the moment.
105. A programme of early engagement has progressed to support the re-commissioning of Substance Misuse Services. This has included: one to one market engagement sessions with Providers; Market Engagement Survey; Provider, Service User and wider Stakeholder Engagement Events; and Service User Journey developments including interviews, focus groups and group visits. Plans are also being developed for the co-assessment of Tenders with service users.
106. The Alcohol and Drugs Joint Strategic Needs Assessment (JSNA) update is currently being finalised for publication January 2017.



107. The JSNA work programme, excess weight in children and all age autism spectrum JSNA sections were published in November 2016. A summary report from community JSNA perinatal mental health peer support project was published, and key findings are being shared with stakeholders for them to agree an action plan in response to the opportunities for improvement.

108. The Cheshire and Merseyside Sustainability and Transformation Plan was published on 16th November. Officers from the Council continue to be involved in system-wide planning with colleagues from the NHS, building upon our work with Eastern Cheshire and South Cheshire's CCGs transformation programmes (Caring Together and Connecting Care respectively) and the work of the Cheshire Pioneer Programme.

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

109. The Environmental health team has issued three formal cautions during the quarter. Two of these related to food safety offences and the third was linked to an ongoing investigation into the illegal dumping of waste on land which is also scheduled for court in the New Year.

110. The Air Quality team have identified the need for the declaration of a number of new Air Quality Management Areas across Cheshire East. This includes sites in Sandbach, Middlewich and Macclesfield. Public consultation and engagement in this process will run from 12th December 2016 and 5th February 2017.

111. 2016 sees the renewal of Scrap Metal Dealers Licences following the introduction of new legislation in 2013. Renewal applications are low at the current time so it will be necessary to follow up non applications with compliance checks to ensure that operators are adequately licensed.

112. The Animal Health and Welfare Service are currently ensuring that controls relating to the recent declaration of the Avian Influenza Prevention Zone in Europe are being communicated amongst the poultry farming community.

113. **Health Protection** – To support the promotion of the flu vaccination programme a number of additional activities are underway:

- Small cards have been purchased and sent to community pharmacies to be added to prescription bags, reminding everyone of the eligibility criteria for a free flu vaccine
- Posters and leaflets about the vaccine have been distributed to children's and family centres, libraries and leisure centres, with electronic information to all early years providers including nurseries and childminders
- Leaflets have been distributed via the Reablement Shared Lives service, and Plus Dane Housing
- All Care Homes have been sent an electronic copy of a leaflet regarding vaccination for their residents and staff
- Community pharmacies across Cheshire East have vaccinated over 6,000 people so far this winter, via a scheme to increase availability. The current provisional uptake for GP patients across Cheshire East, to the end of November, is slightly higher for eligible adults than in the previous two years. However as the vaccination programme starts in September and will continue until the end of January, uptake at this stage can vary from year to year.

114. The Winter Wellbeing Partnership continues its preparations for colder weather with a media campaign now underway advising residents how to stay safe warm and well during winter.

115. A Head of Safeguarding Adults is now in post. A review in practice to better manage the volume of Deprivation of Liberty



Safeguarding cases is underway, and a peer review of safeguarding within the Council will take place during February. The ADASS Peer Review challenge toolkit has been completed and submitted. The job description for social care workers now includes requirements for them to undertake 'Best Interest' assessments for those individuals who lack capacity. There is a recognised need to support our care market to report consistently and accurately on their concerns and the work to improve this area is underway.

116. An e-learning package to raise basic awareness on safeguarding issues has been circulated for all adult social care staff in December.
117. An event was held in October to promote awareness of disability hate crime. A spoken word piece put together by service users and staff with assistance from Manchester Metropolitan University has been completed, and the clip can be viewed at: <http://www.stopadultabuse.org.uk/home.aspx> This spoken word piece was nominated for a Council recognition award in December, and has been widely viewed and shared locally and nationally to promote awareness of disability hate crime.
118. Cheshire East's Social Worker recruitment and retention campaign 'Where social work works' was highly commended in the national Children and Young People Now Awards under the category of Recruitment and Professional Development. These awards are the gold standard for everyone working with children, young people and families and provide a great source of pride and recognition for all those who work hard day in, day out, to improve the lives of others. The judges were impressed with the Council's submission that focussed on how young people are involved in the recruitment process and the development of a brand new website <http://cheshireeastjobs.co.uk>.
119. Cheshire East Children's Services has been successful in getting through to the next stage of the Department for Education's innovation projects shortlisting process. The local authority is one of up to 30 local authorities partnering with Munro, Turnell and Murphy to adopt the 'Signs of Safety' approach as our way of working with children, young people and families. 'Signs of Safety' is widely recognised internationally as the leading approach to child protection casework. There is a solid evidence base which demonstrates this approach improves outcomes for children and young people, and effectively supports families to develop their own sustainable solutions to keeping their children safe. The project will involve many changes and will ensure that Cheshire East puts children and young people first in everything we do.
120. The process of redesigning the borough's residential homes for children in care has continued over quarter three. The aim is to provide a more flexible range of children homes and to increase the capacity to care for more of our children within the borough. The Council has tendered for a supplier to provide five separate homes within Cheshire East; two of the homes currently within the Macclesfield locality and a further three homes based within Crewe, including the existing home in Crewe. The two new two bed properties in the Crewe area will provide the flexibility to meet the needs of children with more complex needs.
121. The Council continues to meet its commitments to take unaccompanied children and young people from the various Home Office resettlement programmes and we have now received a total of 8 young people. The Council has a good track record over many years of receiving unaccompanied children, and we now care for and support a total of 22 children and young people. The rise in the number of cared for children now stands at 420 and consequently is placing considerable strain on existing budgets. However the Council has approved a proposal for additional funding for 2017/18



and beyond to meet the increase demand and to ensure our cared for children and care leavers achieve the best possible outcomes.

122. For the third year running Cheshire East has dedicated the whole month of November to raising awareness of children and young people's rights and making it clear to them that we value their opinions and rights. During November Children's Rights Month (NCRM) staff from across the council and our partners, supported by The Children's Society, took part in a number of activities, including raising their hands for children's rights and taking up the offer of a 'takeover takeaway' where young people from Cheshire East Youth Council challenged adults to experience what it is like to be a young person today, including sitting an exam, living on a budget etc. The month included the 'Star Awards', an event to celebrate the achievements of our cared for children and care leavers.
123. Friday 25th November was International White Ribbon Day - a day of action to eradicate violence against women. This year Cheshire East's Domestic Abuse Partnership hosted an event called 'Getting it right together' where partners, service providers, staff, councillors and women who have suffered domestic abuse came together to celebrate what's working, learn about new services, shape future practice and hear from experts by experience. Senior managers and councillors were also asked to make a pledge to support children's rights to live free from fear in their homes and relationships.
124. The Adult Social Care and Public Health budget remains under continued pressure not only here in Cheshire East but across the country. The pressure here in Cheshire East comes from a combination of factors which all relate to meeting the needs of our most vulnerable residents. Demand for services creates pressure at the front line teams which, in turn, means staff time assessing

needs in order to provide the appropriate response becomes stretched. There has been a 4% rise in the number of residents receiving care and support. For example there are now 1,431 people being funded to live in residential care, compared to 1,380 this time last year. Sometimes we are able to offer information and advice which enables people to access the right services but on other occasions we are duty bound to provide services which meet our residents' eligible needs. The care market itself also contributes to the existing pressure as despite the recent increase in fee levels providers are struggling to both recruit and retain staff. This means that some providers are struggling to respond and making placements and providing care packages remains a daily challenge.

125. The department has commenced work on a number of actions aimed at reducing the extent of any adverse pressure to the budget and continue to meet the outcome. The projection overspend is currently £3.1m against a base budget of £98.5m, meaning a variance of 3.1%. Further measures are also being considered to deliver savings based on service redesign with the resident always in mind whilst ensuring a safe service is maintained. A further financial risk at the present time relates to the current financial position of the Council's largest partner the local NHS who are already reducing direct funding to both the Council and key partners in the sector which can further add to the Council's financial pressure. These actions which are being implemented in order to produce a balanced position are only likely to increase during the winter period when demand for Health services has repeatedly been evidenced to rise.
126. It should be recognised that savings and better outcomes have been successfully delivered in a number of areas but there is much more to do.



127. Adult Social Care and Health, with support from colleagues in Finance and Performance, are working together to support the service to develop more detailed information using new systems, in order to help identify trends and enable appropriate action to be implemented earlier. This work involves a deep examination of the underlying position, which whilst positive over the last three years, contains inherent pressure which has been masked by temporary mitigations. Any growth in costs will also be identified through this exercise. This will lead to increased transparency and setting of clear outcomes going forward.

## 6 ~ A Responsible, Effective and Efficient Organisation

128. The Assets Service has disposed of ten surplus Council buildings so far this year, bringing in £6.5m in capital receipts. The estimated capital receipts target for this financial year is £10.3m, and work is well advanced to achieve this. In addition to this they have completed 12 academy transfers, one of its statutory responsibilities, while resolving over 500 property transaction queries received in to the service, reducing the number of priority cases still 'live' to less than 50. This financial year will also see the close of rating appeals against the 2010 listing issued by the Valuation Office Agency, with the review and challenge process saving Cheshire operational budgets in the region of £3.0m revenue for their occupation of corporate and service buildings. On the projects front, the Assets Service has supported the delivery of a number of capital projects in the current financial year valued at over £14.8m including the design and enabling works for the ongoing Environmental Services Hub as well as various refurbishment and demolition projects, and school extensions. It has also just completed an Official Journal of the European Union (OJEU) procurement process for the replacement framework for low value construction services, due to be concluded in final quarter to replace the current framework.

129. At third quarter, the overall budget for Corporate Services (excluding Client Commissioning) is forecast to be underspent by £2.6m (£1.2m underspend at mid-year). Customer Operations is forecasting an underspend of £1.2m mainly due to a change to the methodology for calculating the Benefits Bad Debts Provision, this is an overall improvement of £1.4m from the position reported by Customer Operations at Mid-Year. There is a high risk that the benefits payments position could deteriorate, a £140,000 pressure has been built into these numbers for a lower subsidy percentage but this has been mitigated by savings elsewhere in the service. Professional and Commercial Services is forecasting an underspend of £762,000, with the majority of this relating to an underspend on energy budgets due to low energy prices and greater savings than expected on the combined heat and power unit at Crewe Lifestyle Centre. Further savings relate to posts which have been vacant for periods of time. Underspends against budget are also being reported across Corporate Services including: Legal & Democratic Services (£100,000); Finance and Performance (£237,000); and Human Resources (£230,000). ICT are reporting a net nil position.



## 2. Financial Stability

### Introduction

130. 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.
131. 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.
132. **Table 1** provides a service summary of financial performance at quarter three. For further details please see Section 1 and the notes below the table. Changes to service net budgets since the First Quarter Review are analysed in **Appendix 2**.
133. The impact of the projected service outturn position is to decrease balances by £3.2m. 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 Third Quarter Review (GROSS Revenue Budget £583.4m)	Revised Budget (NET) £m	Forecast Actual Outturn £m	Forecast Over / (Underspend) £m
<b>SERVICE DIRECTORATES</b>			
Directorate	0.8	0.8	0.0
Children's Social Care	32.0	33.5	1.5
Education & 14-19 Skills	2.4	2.4	0.0
Prevention & Support	10.4	10.4	0.0
Adult Social Care	94.0	97.2	3.2
Public Health	0.0	0.0	0.0
Community & Partnerships	4.3	4.2	-0.1
<b>People</b>	<b>143.9</b>	<b>148.5</b>	<b>4.6</b>
Directorate	0.4	0.4	0.0
Planning & Sustainable Development	-1.2	-1.2	0.0
Infrastructure & Highways (incl Car Parking)	7.9	7.9	0.0
Growth & Regeneration	4.4	4.4	0.0
Rural & Green Infrastructure	2.8	2.8	0.0
Client Commissioning			
Building Control	1.8	1.8	0.0
Skills & Growth	1.7	1.7	0.0
Transport	14.5	15.5	1.0
<b>Place</b>	<b>32.3</b>	<b>33.3</b>	<b>1.0</b>
Directorate	0.4	0.3	-0.1
Client Commissioning			
Leisure	2.3	2.3	0.0
Environmental & Bereavement	27.3	27.5	0.2
Customer Operations	9.1	7.9	-1.2
Legal Services	4.4	4.4	0.0
Democratic Services	4.0	3.9	-0.1
Human Resources	2.7	2.5	-0.2
Finance & Performance	3.2	3.0	-0.2
Professional Services	13.9	13.1	-0.8
ICT	6.7	6.7	0.0
Communications	0.6	0.6	0.0
<b>Corporate</b>	<b>74.6</b>	<b>72.2</b>	<b>-2.4</b>
<b>Total Services Net Budget</b>	<b>250.8</b>	<b>254.0</b>	<b>3.2</b>



## Government Grant Funding of Local Expenditure

134. 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.
135. 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. This figure was revised down at the third quarter to £244.5m (a reduction of £3.1m).
136. The third quarter has seen a further decrease in grant of £3.2m. This is due to a £2.7m reduction in schools related grants as a result of academy conversions; seven schools have converted during September and October. Housing Benefit Subsidy payments have reduced by £0.4m.
137. Spending in relation to specific use grants must be in line with the purpose for which it is provided.
138. General purpose grants were originally budgeted to be £45.2m, but further in-year grant announcements increased this figure to £46.7m at third quarter review.
139. Additional general purpose grants of £27,071 have been received during the third quarter of 2016/17. Requests for the allocation of additional grants received are detailed in **Appendix 9**.
140. **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 Revised Forecast MYR £m	2016/17 Revised Forecast TQR £m	2016/17 Change £m
<b>SPECIFIC USE</b>			
Held within Services	<b>247.6</b>	<b>244.5</b>	<b>-3.1</b>
<b>GENERAL PURPOSE</b>			
Central Funding	26.3	26.3	0.0
<u>Service Funding:</u>			
People - Children and Families	1.3	1.3	0.0
People - Adult Social Care and Independent Living	1.2	1.2	0.0
Place	0.9	0.9	0.0
Corporate – Customer Operations	1.9	1.9	0.0
Corporate – Chief Operating Officer	15.2	15.1	-0.1
Sub Total	20.5	20.4	-0.1
Total General Purpose	<b>46.8</b>	<b>46.7</b>	<b>-0.1</b>
<b>Total Grant Funding</b>	<b>294.4</b>	<b>291.2</b>	<b>-3.2</b>



## Collecting Local Taxes for Local Expenditure

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

### Council Tax

142. 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.
143. 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.
144. 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>

145. 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.
146. 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 £222.5m.
147. **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	*98.8
After 3 years	99.3	*99.2	**

\* year to date

\*\*data not yet available

148. The Council Tax in-year collection rate for 2016/17 is 76.8%, identical to the equivalent period last year.
149. Council Tax support payments (including Police and Fire) were budgeted at £16.7m for 2016/17 and at the end of the second quarter the total council tax support awarded was £14.5m. 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.
150. 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.
151. Council Tax discounts awarded are £20m which is broadly in line with the same period in 2015/16.
152. Council Tax exemptions currently awarded total £4m which is broadly in line with the same period in 2015/16.

### Non-Domestic Rates (NDR)

153. 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.
154. 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.
155. 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.
156. 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.
157. **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	*98.6
After 3 years	99.6	*99.5	**

\* year to date

\*\*data not yet available

The business rates in-year collection rate for 2016/17 has decreased to 73.3% compared to 74.7% for the same period in 2015/16.

## Capital Programme 2016/20

158. Since reporting the Capital Programme at the Mid Year Review stage the overall forecast expenditure for the next three years has decreased by £2.6m as shown in **Table 6**.

**Table 6 – Summary Capital Programme**

	Revised Total Forecast Budget MYR 2016/20 £m	Amendments to TQR Forecast Budget 2016/20 £m	Amended TQR Forecast Budget 2016/20 £m	Budget Reductions £m	SCE's £m	Revised Total Forecast Budget 2016/20 £m
People Directorate	48.7	0.1	48.8	-0.9	0.0	47.9
Place Directorate	359.4	0.0	359.4	0.0	0.3	359.7
Corporate Directorate	92.3	0.3	92.6	-2.0	0.0	90.6
	<b>500.4</b>	<b>0.4</b>	<b>500.8</b>	<b>-2.9</b>	<b>0.3</b>	<b>498.2</b>

159. There has been a small change in the overall forecast budget for the period 2016/17 to 2019/20 mainly due to the capital challenge sessions that have taken place in November and December 2016. This has seen a reduction in both the ICT and Facilities Management forecast budgets of £2m. The redesign of Children's Residential Social Care at £0.8m has also been removed from the Capital Programme as the project is no going ahead.
160. There are also a number of Supplementary Capital Estimates totalling £0.3m that requires Members to note as listed in Appendix 5 or to approve as detailed in Appendix 6 of this report.
161. 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**

	MYR Total Forecast Budget £m	TQR Total Forecast Budget £m	Change £m
Grants	194.8	198.8	4.0
External Contributions	69.6	66.2	-3.4
Cheshire East Resources	236.0	233.2	-2.8
	<b>500.4</b>	<b>498.2</b>	<b>-2.2</b>

**Capital Budget 2016/17**

162. At the Third Quarter Review stage the Council is forecasting actual expenditure of £92.9m. This shows further slippage of £23.0m in to future years as Senior Responsible Officers and Project Officers have been asked to review and re-profile forecasts to reflect a more realistic capital outturn position. The figure reported at Mid Year Review was £115.9m.
163. 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 7**.
164. **Table 8** below shows the actual expenditure incurred on those schemes against the revised Outturn Budget.

**Table 8: Changes to the 2016/17 Capital Budget**

Committed Schemes	Revised MYR Budget £m	Revised TQR Budget £m	Forecast Expenditure £m	Current Forecast Over / Underspend £m
People Directorate	4.9	4.9	4.3	-0.6
Place Directorate	47.3	48.9	41.2	-7.7
Corporate Directorate	42.5	39.5	28.1	-11.4
<b>Total Committed Schemes</b>	<b>94.7</b>	<b>93.3</b>	<b>73.6</b>	<b>-19.7</b>

165. At the Third Quarter Review Stage we have revised the in-year forecast and slipped £19.7m to future years.
166. **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.
167. **Appendix 6** details requests for a supplementary capital estimate of £300,000 for works to be carried out on Hough Bridge to be funded by a contribution from Highways England.
168. **Appendix 7** 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

169. 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.

170. Investment income to November 2016 is £375,000 which is higher than the budgeted income of £213,000 for the period. The level of cash balances has remained high, although market interest rates have reduced since the Bank of England Base Rate was reduced in July. Investments in the CCLA Investment Management Ltd property fund and use of corporate bonds and fixed term investments prior to the base rate reduction has contributed to higher rates of interest earned on investments. Rates achievable on Investments are slowly reducing as the current fixed rate investments mature.

- The average lend position (the 'cash balance') including managed funds up to the end of November 2016 is £75.2m.
- The average annualised interest rate received on in-house investments up to the end of November 2016 is 0.67%.
- The average annualised interest rate received on the externally managed property fund up to the end of November 2016 is 4.78%.

171. The Council's total average interest rate for the period April to November is 1.08%. The returns continue to exceed our

benchmark, the London Inter-bank Bid Rate for 7 days at 0.33%, and our own performance target of 0.75% (Base Rate + 0.50%).

**Table 9 – Interest Rate Comparison**

Comparator	Average Rate to 30/11/2016
Cheshire East	1.08%
LIBID 7 Day Rate	0.33%
LIBID 3 Month Rate	0.51%
Base Rate	0.25%
Target Rate	0.75%

172. 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.

173. A contributory factor of not exceeding the £14m budget and maintaining the underspend position, is the assumed reliance of achieving capital receipts of £10m in 2016/17 to finance capital expenditure. To date, ten assets have been sold generating total receipts of £6.5m.

174. 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 8**.

175. The Council has £7.5m invested in the CCLA managed property fund. Following the referendum decision to leave the EU (Brexit) the capital value of the fund has been devalued by 4%. The current value of the units in the fund if sold is £7.4m which is slightly lower



than the invested amount. However, the fund continues to generate income of 4.8% which has exceeded any unrealised capital losses arising from the devaluation of the fund.

176. The aim has been to increase investments which fall outside of bank bail-in regulations, typically covered bond, corporate bonds and Government investments. 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 remainder of 2016/17. Most bonds are issued for longer periods which has limited the availability of suitable bonds.
177. Covered Bonds provide security as they are backed up by collateral and still provide a good level of return. The Council has one investments in covered bonds for £2.5m due to mature in March 2017.
178. More recently opportunities have been taken to place investments with other Local Authorities which are exempt from bail in. Full details are shown in **Appendix 8**.

### Central Contingencies and Contributions

179. A budget of £0.8m is held centrally to meet past service Employer Pension contributions relating to staff transferred to the new supplier companies. At quarter three it is forecast that spend will be in line with budget. Net unallocated savings budgets of £0.2m are also currently held centrally. Within this it is anticipated that an underspend of £0.2m on unallocated expenditure budgets will arise.

## Debt Management

180. The balance of outstanding debt has decreased by £0.1m since the end of quarter two, mainly due to settlement of invoices raised against Clinical Commissioning Groups. Balances remain within forecast levels and adequate provisions have been made. Details of the Council's invoiced debt position are contained in **Appendix 10**.

## Outturn Impact

181. The impact of the projected service outturn position is to decrease balances by £3.2m as reported above (**para 133**).
182. Taken into account with the central budget items detailed above and the approved use of general reserves below (**para 189**), the financial impact described in this report could result in a reduction in balances of £2.7m as summarised in **Table 10**.

**Table 10 – Impact on Balances**

	£m
Service Net Budget Outturn	-3.2
Central Budgets Outturn	1.5
Use of Reserves approved by Council	-1.0
<b>Total</b>	<b>-2.7</b>



## Management of Council Reserves

183. 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 currently £11.8m.
184. 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 Audited Statement of Accounts for 2015/16.
185. 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.
186. The overall impact of service budgets, central budgets and Council decisions is identified in **Table 10** above. **Table 11** shows how this impacts on the forecast closing balance of general reserves.

**Table 11 – Change in Reserves Position**

	£m
Opening Balance at 1 <sup>st</sup> April 2016	13.0
Impact on Balances at Quarter 3	-2.7
<b>Forecast Closing Balance at March 2017</b>	<b>10.3</b>

187. The projected balance of £10.3m reflects the current forecast that risks associated with budget achievement in 2016/17 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.

188. The Council also maintains Earmarked Revenue reserves for specific purposes. At 31st 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.
189. Together with approved transfer of £1.0m from general reserves into earmarked reserves for planning costs (**para 185**), these items brought the earmarked reserves balance available in 2016/17 to £57.1m.
190. During 2016/17, an estimated £13.1m will be drawn down and applied to fund service expenditure specifically provided for. Service outturn forecasts take account of this expenditure and funding.
191. A full list of earmarked reserves at 1st April 2016 and estimated movement in 2016/17 is contained in **Appendix 11**.



# 3. Workforce Development

192. 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 third quarter 2016/17.

## Culture and Values

193. Following the feedback from the recent staff survey, action plans have been developed by all senior management teams, working with colleagues across the services. A Corporate Governance Group has been established to review progress of the action plans at regular intervals and update communications to staff will commence in the new year.
194. The Making a Difference employee recognition scheme has continued to be very popular this year with the following nominations during 2016:
- Made my Day – 664
  - Making a Difference monthly awards – 122
  - Making a Difference Annual Awards – 53

The Annual Awards Event took place on 14th December to celebrate and recognise the outstanding achievements of colleagues with 130 people from across the Council in attendance.

## Building Capability and Capacity

195. 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.



196. Over 570 CEC employees attended a range of regulatory and mandatory learning and development opportunities during the third quarter of 2016/17. A further 15 employees successfully secured funding approval via the Learning and Development Panel for role specific development, seeing £16,500 investment.
197. Developing management capability at all levels has continued with 16 managers and supervisors across the Council currently being supported to complete ILM qualifications through an external commissioning arrangement. Nine staff have completed their qualifications. Leadership and Management training continues with a suite of courses for managers at different levels available on the Corporate Training Programme and a bespoke course in place for Team Managers in Children’s Social Care.
198. 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 Further Education colleges too. We continue to support external students in postgraduate research studies through data collection at



Cheshire East. 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. Two external reviews of qualifications this quarter have reported high quality service.

### **Resourcing and Talent**

199. The Council has provided more than 10 work experience sessions for young adults and school children during quarter three. Programmes continue to enable undergraduate and postgraduate students the opportunity to undertake placements within service areas of the Council, with 17 social work student placements organised in partnership with universities and internal initiatives. Placements are also in place within Educational Psychology and Development Management to support course requirements and skill development.
200. The Council's apprenticeship scheme continues to expand, extending the range and levels of qualifications offered with a range of preferred suppliers. During quarter three, five new apprentices have entered the Council's apprenticeship scheme and six apprentices have completed their qualifications and moved into either temporary or permanent contracts with Cheshire East Council or the wider employment market. An officer working group has been established to ensure the Council is ready to respond to the changes being brought in by the Government around apprenticeships and is overseeing the development of processes and procedures to ensure Cheshire East Council is compliant with these Government changes from April 2017.
201. The Council continues to offer opportunities for Graduate and Staff Development. Progression pathways are under development

across several services to offer development from entry to management roles, offering a clear career route and tailored opportunities for existing staff, recent graduates and apprentices.

202. This recognises the importance of early and ongoing career development by providing opportunities to build networks, gain skills and obtain wider insights into a large organisation with a view to development careers within the Council. This also recognises the value of developing and retaining talented staff within the Council service areas. This recognises the importance of early career development by providing opportunities to build networks, gain skills and obtain wider insights into a large organisation with a view to development careers within the Council.

### **Reward and Recognition**

203. To enhance the range of employee benefits an online "Rewards Centre" was launched in September with more than 1,245 staff (32%) already signed up. The Rewards Centre provides staff with over 6,000 different discounts and offers for well known high street retailers, days out, holidays, etc, including discounts at over 120,000 stores. Currently the most popular retailers for staff are Sainsbury's, Tesco, Argos, Boots, M&S, Morrison's, Costa Coffee, Ikea and discounted cinema tickets. 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**

204. The Education HR consultancy have continued to offer and provide two levels of service, Gold and Silver, with the Silver Service having no on-site support to schools and academies. Buy back from September 2016 remains positive.



### Health and Safety

205. Feedback from users of the new Occupational Health service - People Asset Management Ltd (PAM) - has been positive. Reports are produced quickly, usually on the same day as the appointment. Managers are offered the opportunity for a brief pre and post discussion with the Occupational Health Adviser / Doctor and this has proved to be a popular option. It is anticipated that comparable KPI statistics will be available from February 2017.
206. Biannual reviews of the Corporate Health and Safety Policy, and Fire Policy are due in May 2017. A consultation process has been undertaken involving Managers and Trade Union Safety Representatives. Approval by the Portfolio Holder will be sought during Quarter 4.

### Staffing Changes

207. As shown in **Table 12**, Cheshire East's headcount and FTE of employees remained largely unchanged overall between September and December 2016.



**Table 12: Cheshire East Council employee headcount and FTE figures**

Directorate / Service	Employee FTE Sep-16	Employee FTE Nec-16	Employee Headcount Sep-16	Employee Headcount Dec-16
Corporate	853.1	844.9	1,022	1,005
Customer Services	274.6	278.9	351	353
Finance and Performance	76.9	77.1	80	80
Human Resources	41.5	39.1	47	45
ICT	185.2	182.3	192	189
Legal and Democratic Services	112.7	113.1	146	144
Communications and Media	13.7	12.7	14	13
Professional Services	119.4	119.8	161	159
Apprentices	27.2	20.0	29	20
People	1,721.8	1,731.4	2,330	2,323
Adult Social Care and Health	828.7	833.7	1,051	1,046
Children's Services	784.1	787.0	1,162	1,159
Community and Partnerships	107.1	109.7	115	117
Place	300.9	297.1	379	373
Growth and Regeneration	79.6	78.6	86	85
Infrastructure and Transport	41.1	41.0	43	43
Lifelong Learning	10.2	9.2	12	10
Planning and Sustainable Development	71.0	74.0	73	76
Rural and Green Infrastructure	97.1	92.3	163	157
<b>Cheshire East Council Total</b>	<b>2,876.9</b>	<b>2,874.3</b>	<b>3,721*</b>	<b>3,690*</b>

**\*Note:** 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 and "Business Managers" will not appear in the "Service" totals but will appear in the overall "Directorate" figures. Employees with multiple assignments across services will appear in the headcount figures for each service, but will only be counted once in the total CEC headcount figure; where an employee has multiple assignments in the same service they will appear in the overall headcount figure only once.



## Absence

208. As indicated in **Table 13**, absence levels were slightly higher at the end of quarter three in 2016/17 than the same period in 2015/16 but lower than 2014/15.

**Table 13: Cumulative average days lost to sickness (per FTE employee) at the end of Quarter 3, by financial year since, 2013/14**

	2013/14	2014/15	2015/16	2016/17
Cheshire East (excluding Schools)	8.34	8.87	8.02	8.32

## Voluntary Redundancies

209. 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.
210. Two people have left the Council under voluntary redundancy terms in quarter three, one of whom held a post within the management grades (Grade 10 or above). The total severance cost for both employees was £54,720 inclusive of redundancy and actuarial costs. Over the next five years, these reductions are estimated to save the Council over £160,000 (which is the combined accumulated costs of the deleted posts).



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

**February 2017**



# Appendix 1 Cheshire East Council Residents First Outcomes





# Appendix 2 Changes to Revenue Budget 2016/17 since Mid Year Review

	Quarter 2 Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Quarter 3 Net Budget £000
<b>PEOPLE</b>				
Children & Families	45,158	0	50	45,208
Adult Social Care & Independent Living	92,714	0	1,480	94,194
Public Health	0	0	0	0
Community & Partnerships	4,462	0	0	4,462
	142,334	0	1,530	143,864
<b>PLACE</b>				
Directorate	365	0	0	365
Planning & Sustainable Development	-1,383	150	0	-1,233
Infrastructure & Highways	7,915	0	42	7,957
Growth & Regeneration	4,321	184	-119	4,386
Rural & Green infrastructure	2,745	0	0	2,745
Client Commissioning :				
Building Control, Land Charges and Planning Support	1,814	0	0	1,814
Skills & Growth	1,750	0	26	1,776
Transport	14,486	0	14	14,500
	32,013	334	-37	32,310



	Quarter 2 Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Quarter 3 Net Budget £000
<b>CORPORATE</b>				
Directorate	0	0	422	422
Client Commissioning :				
Leisure	2,260	0	0	2,260
Environmental	27,327	0	-42	27,285
Customer Operations	9,139	0	0	9,139
Legal Services	0	0	4,401	4,401
Democratic Services	0	0	3,962	3,962
Human Resources	0	0	2,708	2,708
Finance & Performance	0	0	3,204	3,204
Professional Services	0	0	13,922	13,922
ICT	0	0	6,740	6,740
Communications	0	0	625	625
Chief Operating Officer - Other (e.g Finance, ICT, Legal, Facilities)	37,779	0	-37,779	0
	76,505	0	-1,837	74,668
<b>TOTAL SERVICE BUDGET</b>	<b>250,852</b>	<b>334</b>	<b>-344</b>	<b>250,842</b>
Central Budgets				
Specific Grants	-20,321	-334	0	-20,655
Capital Financing	14,000	0	0	14,000
Corporate Unallocated	-329	0	69	-260
Corporate Contributions	889	0	275	1,164
Contribution to / from Reserves	2,811	0	0	2,811
	-2,950	-334	344	-2,940
<b>TOTAL BUDGET</b>	<b>247,902</b>	<b>0</b>	<b>0</b>	<b>247,902</b>

**Note** - £320,000 additional grant funding was approved at outturn 2015/16



# Appendix 3 Corporate Grants Register

Corporate Grants Register 2016/17		Revised Forecast	Revised Forecast	Change from	SRE / Balances
		MYR	TQR	MYR	(Note 2)
		2016/17	2016/17	2016/17	
	Note	£000	£000	£000	
<b>SPECIFIC USE (Held within Services)</b>					
<b>Schools</b>					
Dedicated Schools Grant	1	142,201	139,552	-2,649	
Pupil Premium Grant	1	5,354	5,280	-74	
Sixth Forms Grant	1	4,230	4,230	0	
<b>Total Schools Grant</b>		<b>151,785</b>	<b>149,062</b>	<b>-2,723</b>	
Housing Benefit Subsidy		78,566	78,150	-416	
Public Health Funding		17,258	17,258	0	
<b>TOTAL SPECIFIC USE</b>		<b>247,609</b>	<b>244,470</b>	<b>-3,139</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	Revised Forecast		Change from	SRE / Balances (Note 2)
	MYR	TQR		
	2016/17	2016/17		
	£000	£000		
Note			2016/17 £000	
<b>People - Children &amp; Families</b>				
Troubled Families	875	875	0	
Youth Justice (YOT)	264	264	0	
Youth Justice Grant for Junior Attendance Centres	35	35	0	
Staying Put Implementation Grant	109	109	0	
Remand Funding	19	19	0	
<b>People - Adult Social Care &amp; Independent Living</b>				
Independent Living Fund	948	948	0	
Local Reform and Community Voices	198	198	0	
Social Care in Prisons	73	73	0	
<b>Place</b>				
Adult Skills (Lifelong Learning)	749	763	14	SRE
Property Search Fees New Burdens	22	22	0	
Extended Rights to Free Transport	118	118	0	
Capacity Support for Self Build & Custom House Building Register	6	6	0	
Lead Local Flood Authorities	1	1	0	
<b>Corporate - Customer Operations</b>				
Housing Benefit and Council Tax Administration	1,335	1,335	0	
NNDR Administration Grant	562	562	0	
Business Rates Revaluation 2017: S31 Grant Reimbursement	1	1	0	



Corporate Grants Register 2016/17		Revised Forecast	Revised Forecast	Change from	SRE / Balances
		MYR	TQR	MYR	(Note 2)
		2016/17	2016/17	2016/17	
	Note	£000	£000	£000	
Corporate - Chief Operating Officer					
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	
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		90	90	0	
Education Services Grant		2,778	2,689	-89	Balances
Transitional Funding		2,973	2,973	0	
Electoral Register Transfer Programme Resource Grant 2016/17		58	58	0	
Additional Election Funding		37	37	0	
Additional Election Funding: N West Deadline Extension Funding		9	9	0	
Local Government Transparency Code 2016		0	13	13	Balances
Total Service Funding		20,463	20,401	-62	
TOTAL GENERAL PURPOSE		46,803	46,741	-62	
TOTAL GRANT FUNDING		294,412	291,211	-3,201	

## 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			
	TQR	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>People Directorate</b>							
<b>Adults, Public Health and Communities</b>							
Committed Schemes - In Progress	544	0	-1	543	477	66	0
New Schemes and Option Developments	0	0	0	0	0	0	0
Recurring Programmes	680	0	0	680	0	680	0
Longer Term Proposals	0	0	0	0	0	0	0
<b>Children's Social Care (Incl. Directorate)</b>							
Committed Schemes - In Progress	203	65	-3	265	165	387	0
New Schemes and Option Developments	0	0	0	0	0	0	0
Recurring Programmes	0	0	0	0	0	0	0
Longer Term Proposals	0	0	0	0	0	0	0
<b>Education and 14-19 Skills</b>							
Committed Schemes - In Progress	3,681	0	-104	3,577	3,376	3,122	1,083
New Schemes and Option Developments	2,733	0	0	2,733	1,933	6,191	2,000
Recurring Programmes	129	0	-37	92	180	7,164	10,363
Longer Term Proposals	350	0	0	350	350	150	9,250
<b>Prevention and Support</b>							
Committed Schemes - In Progress	510	0	-10	500	312	689	0
New Schemes and Option Developments	0	0	0	0	0	0	0
Recurring Programmes	0	0	0	0	0	0	0
Longer Term Proposals	0	0	0	0	0	0	0
<b>Total People Directorate</b>	<b>8,830</b>	<b>65</b>	<b>-155</b>	<b>8,740</b>	<b>6,793</b>	<b>18,449</b>	<b>22,696</b>



Service	In-Year	SCE's	SCE's	Revised	Forecast Expenditure		
	Budget	Virements	Virements	In-Year			
	TQR	Reductions	Reductions	Budget	2016/17	2017/18	2018/19 and
	2016/17	During Quarter	2016/17	2016/17	2016/17	2017/18	Future Years
	£000	£000	£000	£000	£000	£000	£000
<b>Place Directorate</b>							
<b>Infrastructure and Highways (inc Car Parking)</b>							
Committed Schemes - In Progress	37,148	92	-46	37,194	32,963	15,128	121,564
New Schemes and Option Developments	2,683	-100	300	2,883	2,883	800	300
Recurring Programmes	2,240	0	0	2,240	2,240	14,717	2,270
Longer Term Proposals	11,905	-10,397	0	1,508	1,509	17,898	31,241
<b>Growth and Regeneration</b>							
Committed Schemes - In Progress	10,232	0	0	10,232	7,161	25,422	19,962
New Schemes and Option Developments	4,050	0	0	4,050	1,072	6,457	11,480
Recurring Programmes	2,853	0	0	2,853	2,128	3,437	1,650
Longer Term Proposals	5,000	0	0	5,000	0	6,900	10,700
<b>Rural and Green Infrastructure</b>							
Committed Schemes - In Progress	1,160	0	331	1,491	1,033	1,189	199
New Schemes and Option Developments	205	-94	0	111	111	218	125
Recurring Programmes	582	-200	0	382	382	1,435	2,154
Longer Term Proposals	0	0	0	0	0	0	13,000
<b>Total Place Directorate</b>	<b>78,058</b>	<b>-10,699</b>	<b>585</b>	<b>67,944</b>	<b>51,482</b>	<b>93,601</b>	<b>214,645</b>



Service	In-Year	SCE's	SCE's	Revised	Forecast Expenditure		
	Budget	Virements	Virements	In-Year			
	TQR	During Quarter	Reductions	TQR	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>Corporate Directorate</b>							
<b>Customer Operations</b>							
Committed Schemes - In Progress	141	0	-4	137	137	0	0
New Schemes and Option Developments	178	0	4	182	182	144	30
Recurring Programmes	0	0	0	0	0	0	0
Longer Term Proposals	0	0	0	0	0	0	0
<b>Finance and Performance</b>							
Committed Schemes - In Progress	5,000	-4,200	0	800	800	4,200	0
New Schemes and Option Developments	0	0	0	0	0	0	0
Recurring Programmes	0	0	0	0	0	0	0
Longer Term Proposals	0	0	0	0	0	0	0
<b>Professional Services</b>							
Committed Schemes - In Progress	822	0	0	822	636	864	0
New Schemes and Option Developments	0	0	0	0	0	0	0
Recurring Programmes	4,306	0	0	4,306	3,464	4,517	3,000
Longer Term Proposals	0	0	0	0	0	0	0
<b>ICT</b>							
Committed Schemes - In Progress	15,401	0	0	15,401	7,310	8,546	857
New Schemes and Option Developments	775	-75	-200	500	500	2,550	2,837
Recurring Programmes	1,697	0	0	1,697	1,659	2,949	1,036
Longer Term Proposals	0	0	0	0	0	0	0
<b>Client Commissioning - Environmental</b>							
Committed Schemes - In Progress	19,421	222	3	19,646	16,733	2,930	0
New Schemes and Option Developments	360	-35	0	325	325	340	12,120
Recurring Programmes	448	0	0	448	380	220	68
Longer Term Proposals	0	0	0	0	0	0	0



Service	In-Year Budget TQR	SCE's Virements Reductions During Quarter	SCE's Virements Reductions TQR	Revised In-Year Budget TQR	Forecast Expenditure		
	2016/17 £000	2016/17 £000	2016/17 £000	2016/17 £000	2016/17 £000	2017/18 £000	2018/19 and Future Years £000
<b>Corporate Directorate - Continued</b>							
<b>Client Commissioning - Leisure</b>							
Committed Schemes - In Progress	2,690	1	-31	2,660	2,510	3,226	5,481
New Schemes and Option Developments	0	0	0	0	0	0	0
Recurring Programmes	0	0	0	0	0	0	0
Longer Term Proposals	0	0	0	0	0	0	0
<b>Total Corporate Directorate</b>	<b>51,239</b>	<b>-4,087</b>	<b>-228</b>	<b>46,924</b>	<b>34,636</b>	<b>30,486</b>	<b>25,429</b>
<b>Committed Schemes - In Progress</b>	<b>96,953</b>	<b>-3,820</b>	<b>135</b>	<b>93,268</b>	<b>73,613</b>	<b>65,769</b>	<b>149,146</b>
<b>New Schemes and Option Developments</b>	<b>10,984</b>	<b>-304</b>	<b>104</b>	<b>10,784</b>	<b>7,006</b>	<b>16,700</b>	<b>28,892</b>
<b>Recurring Programmes</b>	<b>12,935</b>	<b>-200</b>	<b>-37</b>	<b>12,698</b>	<b>10,433</b>	<b>35,119</b>	<b>20,541</b>
<b>Longer Term Proposals</b>	<b>17,255</b>	<b>-10,397</b>	<b>0</b>	<b>6,858</b>	<b>1,859</b>	<b>24,948</b>	<b>64,191</b>
<b>Total Net Position</b>	<b>138,127</b>	<b>-14,721</b>	<b>202</b>	<b>123,608</b>	<b>92,911</b>	<b>142,536</b>	<b>262,770</b>

Funding Sources	2016/17 £000	2017/18 £000	2018/19 and Future Years £000
Grants	26,695	47,576	124,499
External Contributions	7,416	8,796	49,972
Cheshire East Council Resources	58,800	86,164	88,299
<b>Total</b>	<b>92,911</b>	<b>142,536</b>	<b>262,770</b>



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

Capital Scheme	Amount Requested £	Reason and Funding Source
<b>Summary of Supplementary Capital Estimates and Capital Virements that have been made up to £250,000</b>		
<b>Supplementary Capital Estimates</b>		
<b>Client Commissioning - Environmental</b>		
The Carrs, Wilmslow - Outdoor Gym Equipment	6,000	Contributions from Wilmslow Town Council and The Rotary Club to contribute to the outdoor gym at The Carrs
<b>Total Supplementary Capital Estimates</b>	<b>6,000</b>	



Capital Scheme	Amount Requested £	Reason and Funding Source
Summary of Supplementary Capital Estimates and Capital Virements that have been made up to £250,000		
Capital Budget Virements		
Education and 14-19 Skills		
Puss Bank Primary School	12,000	Virement from school condition grant to meet additional cost of mobile classroom demolition due to poor ground conditions. Works from 2015-16 School Managed Schemes programme have now been completed, surplus fund vired back to Schools Condition Capital Grant for re-allocation.
The Dingle Primary School	25,000	
Schools Condition Capital Grant	29,310	
Growth and Regeneration		
Regeneration & Development Programme	51	To transfer the remaining budget from Waters Green funded by S106 to the Regeneration and Development Programme.
Rural and Green Infrastructure		
ROWIP Cycle/Walking Schemes	20,562	Virement from residual project Connect 2 to fund future Rights Of Way Improvement Plans programme.
Customer Operations		
Sustainable Libraries	13,287	Virement from the Customer Access project, that is now complete, residual budget is to be transferred to the Sustainable Libraries and Next Generation Self Serve projects to support improvements to customer access in other libraries.
Next Generation - Self Service	4,337	
Total Capital Budget Virements Approved	104,547	
Total Supplementary Capital Estimates and Virements	110,547	



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

Capital Scheme	Amount Requested £	Reason and Funding Source
Cabinet are asked to approve the Supplementary Capital Estimates and Virements above £250,000 up to and including £1,000,000		
<b>Supplementary Capital Estimates</b>		
<b>Infrastructure and Highways (inc Car Parking)</b>		
Hough Bridge	300,000	To set up budget to the value of the consent order, to be fully funded by Highways England.
<b>Total Supplementary Capital Estimates Requested</b>	<b>300,000</b>	
<b>Capital Budget Virements</b>		
<b>Rural and Green Infrastructure</b>		
Tatton Vision 1	311,000	Transfer funding from Tatton Vision phase 2 to complete planned additional work in phase 1.
<b>Total Capital Budget Virements Requested</b>	<b>311,000</b>	
<b>Total Supplementary Capital Estimates and Virements</b>	<b>611,000</b>	



# Appendix 7 Capital Budget Reductions

Capital Scheme	Approved Budget £	Revised Approval £	Reduction £	Reason and Funding Source
<b>Cabinet are asked to note the reductions in Approved Budgets</b>				
<b>Adults, Public Health and Communities</b>				
CCTV - Infrastructure Rationalisation	169,000	168,283	-717	Project Complete
<b>Children's Social Care (Incl. Directorate)</b>				
Redesign of Children's Residential Social Care	800,000	0	-800,000	Removal of scheme from capital programme it has been decided not to pursue this scheme at this time
Children's Financials	170,000	167,025	-2,975	Project complete
<b>Education and 14-19 Skills</b>				
Devolved Formula Capital - delegated funding to school	5,994,420	5,913,390	-81,030	Reduction due to Gorsey Bank Primary PS, Adlington PS, Acton PS, Calveley PS and St Johns Wood SS converting to academy status
Suitability, Minor Works and Accessibility block	1,441,639	1,435,548	-6,091	Works from 2015-16 School Managed Schemes programme have now been completed, this reduction relates to return of the surplus contributions from School
<b>Prevention and Support</b>				
Tribal Procurement	15,000	4,800	-10,200	Project complete



Capital Scheme	Approved Budget £	Revised Approval £	Reduction Reason and Funding Source £
<b>Cabinet are asked to note the reductions in Approved Budgets</b>			
<b>Infrastructure and Highways (inc Car Parking)</b>			
Lanterns - Salix Investment	3,321,000	3,320,832	-168 Project complete
Carbon Initiatives	2,462,500	2,461,048	-1,452 Project complete
Altrincham Rd Footway/Cycleway	152,000	132,815	-19,185 Project complete
S106 - Jackson Ave, Nantwich	5,000	366	-4,634 Project complete
<b>Professional Services</b>			
Premises Capital (FM)	21,011,845	20,011,845	-1,000,000 Budget reduction as a result from the Facilities Management Capital Challenge.
<b>ICT</b>			
Core Financials	8,289,000	7,289,000	-1,000,000 Budget reduction as a result from the ICT Capital Challenge.
<b>Client Commissioning - Environmental</b>			
Mortmer Drive Play area	48,194	47,600	-594 Project complete
Development of Elworth Park	138,031	136,057	-1,974 Project complete
Milton Park Project	41,931	41,192	-739 Project complete
Odd Rode Footpath No. 22 S106	18,756	18,702	-54 Project complete
<b>Client Commissioning - Leisure</b>			
Sandbach Utd Football Cx	2,282,378	2,251,538	-30,840 Project Complete
<b>Total Capital Budget Reductions</b>	<b>46,360,694</b>	<b>43,400,041</b>	<b>-2,960,653</b>



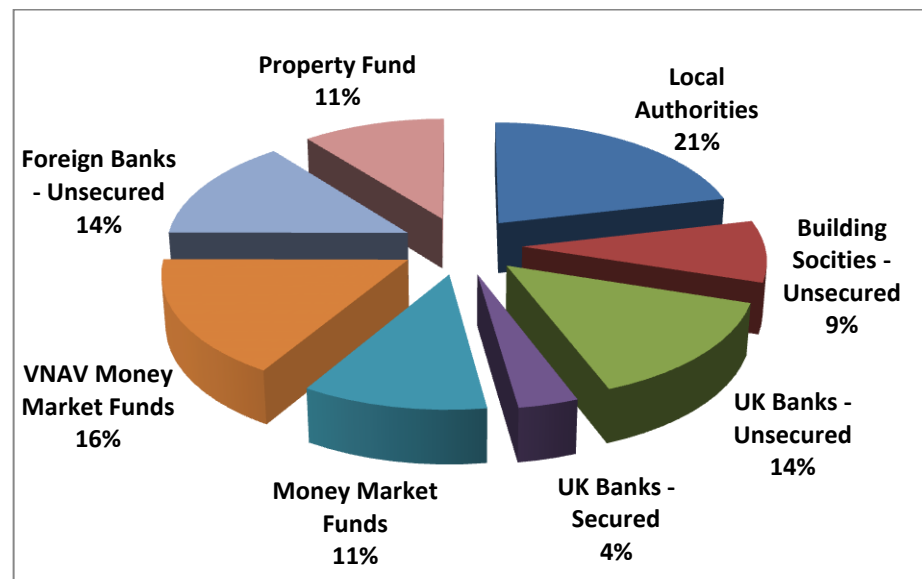
# Appendix 8 Treasury Management

## 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 with a limit of £12m per country. Foreign investments held at 30th November 2016 total £10.0m with Canadian and Swedish Banks.
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. In the last 3 months these have returned 0.63% with some underlying capital growth.
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 and the Government / Local Authority sector.
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. The Council is looking to invest in shorter periods than most of the currently available bonds which has limited their use.
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	-	-
Money Market Funds	0.33	7.7

Notice Accounts	Notice Period	Average Rate %	£m
Money Market Funds (VNAV)	2 days	0.69	11.5
Lloyds Bank	175 days	0.67	1.0
Santander (UK)	180 days	1.15	5.0
Svenska Handelsbanken	35 days	0.30	6.0

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	4.0
Nationwide Building Society	11/07/2016	11/01/2017	0.53	1.0
Nationwide Building Society	11/10/2016	23/03/2017	0.38	3.0
Leeds City Council	04/11/2016	17/02/2017	0.30	5.0
National Counties Building Society	14/11/2016	20/02/2017	0.34	1.0
Nationwide Building Society	16/11/2016	17/03/2017	0.32	1.0
Lloyds Bank	16/11/2016	17/02/2017	0.45	2.0
Lloyds Bank	16/11/2016	20/02/2017	0.45	2.0
Telford & Wrekin Council	22/11/2016	22/02/2017	0.29	3.0
Thurrock Council	30/11/2016	28/02/2017	0.28	5.0

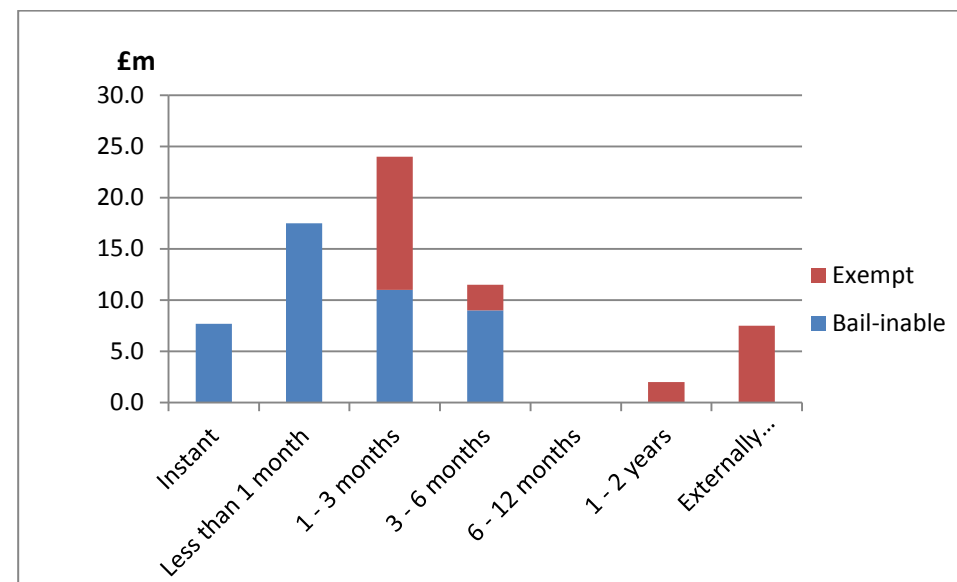


Secured Deposits	Start	Maturity	Rate %	£m
Lloyds Bank	26/08/2016	22/03/2017	0.48	2.5

Externally Managed Funds	£m
Property Fund	7.5

Summary of Current Investments	£m
<b>TOTAL</b>	<b>70.2</b>

**Chart 2 – Maturity Profile of Investments**





# Appendix 9 Requests for Allocation of Additional Grant Funding

Service	Type of Grant	£000	Details
Place	Adult Skills (Lifelong Learning)  (General Purpose)	14	Additional funding for learners attending Skills Funding Agency courses. The funding contributes towards the Council's priority area of responding to the changing education and learning environment. The grant is in part awarded subject to achievement of performance measures stipulated in the grant conditions and therefore partial repayment of the grant may be required for underperformance.
<b>Total</b>		<b>14</b>	



# Appendix 10 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 quarter three was £7.7m.

This is a reduction of £0.1m since August 2016 due to settlement of invoices raised to Clinical Commissioning Groups.

6. The total amount of service debt over 6 months old is £4.5m; provision of £3.5m has been made to cover doubtful debt in the event that it needs to be written off.

	Outstanding Debt £000	Over 6 months old £000	Debt Provision £000
<b>People</b>			
Adults, Public Health and Communities	4,847	3,446	2,417
Children's Social Care (Incl. Directorate)	321	19	19
Education and 14-19 Skills	123	7	7
Prevention and Support	2	0	0
Schools	59	26	27
<b>Place</b>			
Planning and Sustainable Development	98	22	22
Infrastructure and Highways (inc Car Parking)	531	280	280
Growth and Regeneration	479	204	204
Rural and Green Infrastructure	54	5	5
<b>Corporate</b>			
Customer Operations	4	3	3
Legal Services	3	1	1
Democratic Services	1	0	0
Human Resources	61	8	8
Finance and Performance	20	20	19
Professional Services	586	251	251
ICT	171	0	0
Communications	1	1	0
Client Commissioning - Environmental	345	191	191
Client Commissioning - Leisure	11	11	11
	<b>7,717</b>	<b>4,495</b>	<b>3,465</b>



# Appendix 11 Earmarked Reserves

Name of Reserve	Opening Balance 1 <sup>st</sup> April 2016 £000	Forecast Movement in 2016/17 £000	Forecast Balance 31 <sup>st</sup> March 2017 £000	Notes
<b>People</b>				
<b>Adults, Public Health and Communities</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.
Provider Investment & Fees	450		450	Linked to the S256 contribution towards backdated fees, to be used for provider training.
NHS Section 256	3,391	-3,391	0	To support adult social care which also has a health benefit, as agreed with Eastern Cheshire and South Cheshire Clinical Commissioning Groups and governed by Cheshire East Health and Wellbeing Board.
Public Health	1,942	-1,685	257	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.
Communities Investment	586	-207	379	Amalgamation of promoting local delivery; grant support; new initiatives and additional funding from outturn to support community investment.
<b>Children's Social Care</b>	<b>377</b>	<b>-377</b>	<b>0</b>	To support implementation of Children's Social Care bill.



Name of Reserve	Opening Balance 1 <sup>st</sup> April 2016 £000	Forecast Movement in 2016/17 £000	Forecast Balance 31 <sup>st</sup> March 2017 £000	Notes
<b>Place</b>				
<b>Planning and Sustainable Development</b>				
Planning Costs and Investment Service Structure	358	-358	0	To meet potential costs within the Planning Service and Investment Service Structure.
<b>Infrastructure and Highways</b>				
Severe Weather	360	-130	230	To provide for future adverse winter weather expenditure.
<b>Growth and Regeneration</b>				
Royal Arcade Crewe	500	-150	350	To provide for future costs relating to the Royal Arcade including repairs and maintenance.
<b>Rural and Green Structure</b>				
Tatton Park	202	-52	150	Ring-fenced surplus on Tatton Park trading account.
<b>Corporate</b>				
<b>Legal Services</b>				
Insurance & Risk	4,581	-592	3,989	To settle insurance claims and manage excess costs.
<b>Democratic Services</b>				
Elections	12	140	152	To provide funds for Election costs every 4 years.
<b>Customer Operations</b>				
Emergency Assistance	569	-400	169	Carry forward of underspend on previous years' schemes to provide for future hardship payments.
<b>Finance and Performance</b>				
Investment (Sustainability)	2,744	-1,881	863	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	-200	11,340	To provide for financing of capital schemes, other projects and initiatives.
Transforming Services	3,345	-1,008	2,337	Funding for costs associated with service transformation; particularly in relation to staffing related expenditure.
Transitional Funding	0	1,021	1,021	To provide financial support to services or projects during a period of transition to a lower overall cost base.



Name of Reserve	Opening Balance 1 <sup>st</sup> April 2016 £000	Forecast Movement in 2016/17 £000	Forecast Balance 31 <sup>st</sup> March 2017 £000	Notes
<b>Cross Service</b>				
Trading Reserve	<b>1,178</b>	0	<b>1,178</b>	The Authority's share of ASDVs net surplus to be spent in furtherance of the ASDV's objectives.
Service Manager carry forward	<b>3,187</b>	-2,306	<b>881</b>	Allocations for Cost of Investment or grant funded expenditure.
Revenue Grants - Dedicated Schools Grant	<b>5,158</b>	-1,000	<b>4,158</b>	Unspent specific use grant carried forward into 2016/17.
Revenue Grants - Other	<b>2,403</b>	-1,009	<b>1,394</b>	Unspent specific use grant carried forward into 2016/17.
<b>TOTAL</b>	<b>53,332</b>	<b>-13,085</b>	<b>40,247</b>	

**Notes:**

1. Figures exclude Schools balances of £8.058m at 1<sup>st</sup> April 2016.

2. 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>



## Cheshire East Council

### Cabinet

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<b>Date of Meeting:</b>	7 <sup>th</sup> February 2017
<b>Report of:</b>	Peter Bates, Chief Operating Officer
<b>Subject/Title:</b>	The Council's Corporate Plan and Medium Term Financial Strategy 2017/20
<b>Portfolio Holder:</b>	Cllr P Groves Groves, Cabinet Member, Finance and Assets Cllr C Andrew, Deputy Cabinet Member, Finance and Assets

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#### 1. Report Summary

- 1.1 This report presents the Corporate Plan and Medium Term Financial Strategy for Cheshire East Council for the years 2017/18 to 2019/20.
- 1.2 Cheshire East Council arranges the delivery of over 500 local services every day. The Council's achievements in making Cheshire East such a great place to live are reflected in a range of local indicators, some headlines include:
  - Latest estimates show that Cheshire East's economic output (Gross Added Value) stands at £10.6bn; a GVA growth averaging 2.7% per annum since 2012.
  - 93% of Cheshire East primary schools and 86% of secondary schools are ranked as good or outstanding.
  - Over 97% of young people are in education, employment and training; those whose destination is 'not known' remains the lowest and therefore the best in the North West at only 0.2%.
- 1.3 The provisional funding announcements of 15<sup>th</sup> December 2016 confirmed that local government spending will continue to reduce through to 2019/20. Central Government's approach continues to rely on local tax raising powers to fund services and this has been supported by allowing further increases and flexibility in the council tax charge to support Adult Social Care of up to 6% over the coming three years. The reduction in central government grant that was reported in the Council's [Pre-Budget Consultation](#) (November 2016) has also been confirmed. This level was guaranteed by the completion of a [4-Year Efficiency Plan](#) (submitted to Government in October 2016)
- 1.4 Cheshire East is the third largest council in the Northwest of England, providing services for a population of over 370,000 local people. Following extensive consultation the proposed revenue budget is balanced for 2017/18 with net revenue spending of £263.8m and total capital investment aspirations of £535.6m is identified over the next three financial years. The individual status of schemes within this ambitious programme is summarised within Appendix D, Annex 12.



- 1.5 In proposing a balanced budget for the period 2017/18 to 2019/20 the Council has recognised the requirement to respond to both cost and demand pressures in Adult Social Care Services. Central government grant reductions of £14.8m in 2017/18, were based on an assumption, by the Government, that the Council's ability to raise Council Tax levels could go some way to replace this reduction in grant. The clear local, regional and national pressure within the overall Health and Social Care system led to the introduction of additional flexibility to increase Council Tax levels within the Local Government Settlement in December 2016.
- 1.6 In response to these issues and assumptions from Central Government the Council is proposing to increase the Adult Social Care Precept to 3% in 2017/18. This is designed to not only protect Adult Social Care investment, but can also fund a net increase in spending in this area. The Adult Social Care precept is in addition to a general Council Tax increase of 1.99%. This means an overall Council Tax increase of 4.99% in 2017/18 is proposed which equates to a £1.21 increase per week for an average Band D property.
- 1.7 The Medium Term Financial Strategy 2017/18 to 2019/20 is currently balanced on an assumption that the Council Tax could also increase by a further 4.99% in 2018/19 and up to 1.99% in 2019/20. These planning forecasts may be subject to change when Council is asked to set the annual budget in February each year.
- 1.8 This report is based on the Provisional Settlement, which therefore still requires parliamentary approval, and includes the following headlines:
- Overall net revenue spending on services is being reduced by £2.9m to deliver a balanced position in 2017/18.
  - Value for money will continue to be supported through prudent management of Council investments. This will include the further reduction of external loans by £6.8m, bringing the total repayment to £34.8m since 2009.
  - Central Government grants will reduce by £14.8m.
  - Funding for essential local services will require a proposed Council tax increase of 4.99% from £1,261.95 to £1,324.92 for a Band D property.
  - £197m is estimated to be spent over the next three years on improving our highways network.
- 1.9 This report sets out how the Council will approach the financial challenges over the medium term and forecasts a balanced budget in each of the three years from 2017/18 to 2019/20.

### **Corporate Plan 2017/20**

- 1.10 This report also includes the updated Corporate Plan for the period 2017/18 to 2019/20.



- 1.11 During the summer of 2016 the Council's Cabinet Members re-considered the priorities and outcomes contained within the Corporate Plan (2016-20). The review concluded that the outcomes in that plan continue to be hugely relevant to the way the Council can meet the needs of local residents and businesses, but more emphasis could be placed on the priorities of the Council in the Medium Term. The Six Outcomes have been maintained for the Corporate Plan 2017 to 2020.
- 1.12 The updated Corporate Plan has formed the basis for developing proposals within the Medium Term Financial Strategy. Progress against the Corporate Plan will be monitored through quarterly reporting to Cabinet and Overview and Scrutiny Committees. The quarterly reports will also identify up to date financial and operational performance of the Council and show how the latest priorities are being managed to achieve the best outcomes for local residents.

### **Budget 2017/20**

- 1.13 Following months of development and consultation, the budget change proposals contained in this report are robust and provide a balanced budget for consideration.
- 1.14 Like most local authorities the Council had significant budget deficits to tackle over the medium term, caused by major grant reductions in local government funding. This is Central Government's clear strategy to try to deal with the scale of the national deficit. Our local response to these pressures continues to focus on innovation and creativity with a clear emphasis on improving efficiency, productivity and establishing more effective local service delivery arrangements.
- 1.15 Our ability to create the best conditions for private sector investment, economic growth and prosperity will be critical to the continued success of the Borough as the Council's reliance on locally generated income increases.
- 1.16 This report summarises the resolutions that Cabinet are requested to recommend to Council at **Appendix A**.
- 1.17 This report provides the Medium Term Financial Strategy (MTFS) Report (containing the Budget) for the period 2017/18 to 2019/20 at **Appendix D**.
- 1.18 The document is the result of the Business Planning Process led by the Council from May 2016 to February 2017, which included regular review from the Council's Scrutiny Committees, concluding with a final review by the Corporate Overview and Scrutiny Committee on 2<sup>nd</sup> February 2017. The MTFS Report is being submitted to Cabinet on 7<sup>th</sup> February 2017 for recommendation to Council for approval.
- 1.19 The business planning process involved engagement with local people and organisations and details of how this process was managed is included within



**Appendix D, Annex 2** and a summary of the results is provided in **Appendix C**.

## 2. Recommendations

- 2.1. That Cabinet recommend to Council the items at **Appendix A**.
- 2.2. That Cabinet notes:
  - a) The summary results of the Budget Consultation, attached at **Appendix C** and the Budget Engagement exercise undertaken by the Council, as set out in the attached (**Appendix D, Annex 2**).
  - b) The comments of the Council's Chief Operating Officer (Section 151 Officer), contained within the MTFS Report, regarding the robustness of estimates and level of reserves held by the Council based on these budget proposals (**Appendix D, Comment from the Chief Operating Officer**).
  - c) The risk assessment detailed in the MTFS Report (**Appendix D, Annex 5**).
  - d) That the estimates and profiling contained within the proposed Capital Programme 2017/18 to 2019/20 reflect the scale of ambition and future investment plans of the Council. The programme may vary to take advantage of external funding opportunities, maximise private sector investment, prudential borrowing considerations, operational capacity and to ensure optimal delivery of the overall programme (**Appendix D, Annex 12**).
  - e) That projects will be robustly governed through the Executive Monitoring Board. The Council's Finance Procedure Rules will always apply should any changes in spending requirements be identified (**Appendix D, Annex 12**).

## 3. Other Options Considered

- 3.1. The Business Planning Process enables the Council to develop options, consider the best approach, produce Business Cases and share these options via the [Pre-Budget Consultation](#) 2017/20.
- 3.2. The engagement process and feedback on the [Pre-Budget Consultation](#) plus funding announcements and on-going refinement, informs the set of proposals in this report. For the first time the Council included options that were considered during the preparation of the consultation material, but were not currently being proposed for inclusion in the balanced medium term forecasts. This increased level of transparency allowed stakeholders to comment on a wider set of considerations.



#### 4. Reasons for Recommendation

- 4.1. A copy of the Corporate Plan 2017/20, is attached at **Appendix B**.
- 4.2. The Council's Budget (as contained in the MTFS Report) requires Council approval. A copy of the MTFS Report is attached at **Appendix D**.
- 4.3. In accordance with the Budget and Policy Framework Rules of Procedure, Cabinet is requested to recommend this report to Council to approve the MTFS Report for 2017/20.
- 4.4. The Council's Chief Operating Officer (Section 151 Officer) reports that, in accordance with Section 25 of the Local Government Act 2003 and Sections 32 and 43 of the Local Government Finance Act 1992, as amended by the Localism Act 2011, he is satisfied with the robustness of the estimates making up the Council Tax Requirement of £191,055,465. This is based on a total 4.99% Band D increase, which includes a 3% precept specifically for Adult Social Care (based on the Provisional Finance Settlement and subject to change from the Final Settlement) and he is satisfied with the adequacy of the financial reserves for the Council.
- 4.5. Further to the above statement it can be reported that the Medium Term Financial Strategy Report 2017/18 to 2019/20 (**Appendix D**) is based on sound financial principles and reflects sufficiently detailed plans that can maintain the financial resilience and viability of the Council in the medium term.

#### 5. Background / Chronology

- 5.1. The Budget Setting Process 2017/20 was developed and endorsed by the Cabinet and Corporate Leadership Team in May 2016.
- 5.2. This has enabled a set of proposals to be developed and challenged through a managed process that considered service changes, the Capital Programme and the supporting financial planning assumptions relating to funding levels.
- 5.3. There have been a series of distinct stages of the Budget Setting Process with reports in relation to the Council's financial position being taken to Cabinet in July, September, November, December 2016 and February 2017. Overview and Scrutiny Committees were briefed in July and November 2016, and January 2017 with final consideration of the package of proposals presented to the Corporate Overview and Scrutiny Committee on 2<sup>nd</sup> February 2017. All Members were invited to a finance briefing on 12<sup>th</sup> January 2017.



- 5.4. This exercise has been undertaken against a background of significant reductions in funding levels from Central Government, implementing the new Corporate Plan and the Authority continuing to deliver against its commitment to become a commissioning council through its 'Best Fit' model of service delivery.
- 5.5. The MTFS Report provides financial background as well as setting out further details of the on-going approach to funding the Outcomes set out in the Corporate Plan. It highlights the spending plans and income targets for the financial year starting 1<sup>st</sup> April 2017, as well as forecast estimates for the 2018/19 and 2019/20 financial years.
- 5.6. The MTFS Report is based on the Provisional Local Government Finance Settlement for 2017/18. This was released on 15<sup>th</sup> December 2016. The final settlement is expected in early February 2017 with a debate by Members of Parliament in the House of Commons expected in mid February (after the publication date of this report to Cabinet) to agree the position. The Settlement included some changes to national policies which the Council has responded to.
- 5.7. Adding to or amending the change programmes has been an important focus of the budget setting process, ensuring that the Council focuses its energy and resources on those areas of change which will help build sustainable communities and a Council that remains fit for the future.
- 5.8. Progress in terms of delivery of the proposals has been monitored and reported at regular intervals during 2016/17 and this will continue during 2017/18.
- 5.9. The MTFS Report 2017/20 is attached at **Appendix D**.
- 5.10. The MTFS Report continues to include estimated grant allocations in relation to several Specific Grants (**Annex 8**). These will be refined as appropriate in due course.
- 5.11. Any resulting impact of these issues in terms of changes to funding will be managed through General Reserves. Therefore, a balanced budget position will be maintained. Should there be any changes these will be notified to Members at the earliest opportunity.
- 5.12. Any changes made as a result of the engagement process and further debate will be reported to Members at the Council meeting on 23<sup>rd</sup> February 2017.

## 6. Wards Affected and Local Ward Members

- 6.1. Not applicable.



## **7. Implications of Recommendation**

### **7.1. Policy Implications**

- 7.1.1. The report outlines policy and budget proposals which will impact on service delivery arrangements.

### **7.2. Legal Implications**

- 7.2.1. The Council should have robust processes so that it can meet statutory requirements and fulfil its fiduciary duty.

### **7.3. Financial Implications**

- 7.3.1. Please see Sections 1 and 5 of this report.

### **7.4. Equality Implications**

- 7.4.1. The Council has a statutory duty to understand the equality impacts of its decisions, policies, strategies and functions.
- 7.4.2. The Council needs to ensure that its budget decisions do not discriminate against any group and promote equality of opportunity and good community relations. The Council undertakes equality assessments where necessary, and continues to do so as projects develop across the lifetime of the Corporate Plan. This process helps us to understand if our budget proposals:
  - Have an adverse impact on any of the protected characteristics listed in the 2010 Equality Act.
  - Result in direct or indirect discrimination.
- 7.4.3. The process assists us to consider what actions could address or alleviate any adverse impact and help us to recognise where investment could alleviate an adverse impact from a saving.
- 7.4.4. Completed equality assessments form part of any detailed Business Cases.

### **7.5. Rural Community Implications**

- 7.5.1. The report outlines policy and budget proposals which will impact on service delivery across the Borough.

### **7.6. Human Resources Implications**

- 7.6.1. Please see Workforce Development Section – **Appendix D, Annex 4.**



## 7.7. Public Health Implications

7.7.1. Please see Section 1, Outcome 5 part of **Appendix D**.

## 7.8. Other Implications (Please Specify)

7.8.1. The Council has a statutory duty to consult with certain groups on its Budget Proposals and as part of the implementation of certain items. Further details are provided in **Appendix D, Annex 2**.

## 8. Risk Management

- 8.1. The steps outlined in this report mitigate the four main legal and financial risks to the Council's financial management arrangements:
- The Council must set a balanced Budget.
  - Setting the Council Tax for 2017/18 must follow a compliant process.
  - The Council should provide high quality evidence to support submissions for external assessment.
  - That Council borrowing will comply with the Treasury Management Strategy which is underpinned by the Prudential Code.
- 8.2. A risk assessment of the significant proposals being put forward has been carried out by each service and is included as part of the planning process.
- 8.3. It is important to note that the Council faces significant financial challenges in achieving its desired outcomes. Management of risk is embedded within the organisation to ensure the Council can seize opportunities, introduce new, innovative models of service delivery, focus on improving outcomes for residents and review its range of services whilst identifying and controlling any resulting risks. The approach to risk management will continue to be assessed as the Council's plans and financial strategy are implemented.

## 9. Access to Information / Bibliography

*Please see the following financial reports:*

[2015/16 Outturn Report](#)

[2016/17 First Quarter Review of Performance](#)

[2016/17 Mid-Year Review of Performance](#)

[2016/17 Pre-Budget Consultation](#) released 3<sup>rd</sup> November 2016

[Corporate Overview and Scrutiny Committee 3rd November 2016](#)

[Council 15th December 2016: Domestic and Non Domestic Rate Taxbase Reports](#)

[2016/17 Third Quarter Review of Performance](#)



## 10. Contact Information

Contact details for this report are as follows:-

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## Appendix A

### Recommendations to Council from Cabinet - February 2016

*That Council approve:*

- 1 The updated Corporate Plan 2017/20 as provided at **Appendix B**.
- 2 The Revenue estimates for the 2017/18 budget and the medium term Capital Programme estimates 2017/20, as detailed in the Medium Term Financial Strategy Report (MTFS) 2017/20 (**Appendix D**).
- 3 Band D Council Tax of £1,324.92 representing an increase of 4.99%. This is below the referendum limit and arises from the provisional finance settlement allowing up to a 3% additional charge to fund Adult Social Care pressures (**Appendix D, Section 2**).
- 4 The 2017/18 non ring-fenced Specific Grants, and that any amendments to particular grants will be reported to Council if further information is received from Government Departments or other funding bodies (**Appendix D, Annex 8**).
- 5 The 2017/18 Capital Grants, and that any amendments to particular grants will be reported to Council if further information is received from Government Departments or other funding bodies (**Appendix D, Annex 9**).
- 6 The relevant Portfolio Holder to agree the use of additional Specific Grants received in conjunction with the Finance Portfolio Holder as further updates to the 2017/18 funding position are received.
- 7 The recommended Prudential Indicators for Capital Financing (**Appendix D, Annex 11**).
- 8 The Children and Families Portfolio Holder to agree any necessary amendment to the 2017/18 Dedicated Schools Grant (DSG) of £143m and the associated policy proposals, in the light of further information received from DfE, pupil number changes, further academy transfers and the actual balance brought forward from 2016/17 (**Appendix D, Annex 8**).
- 9 The recommended Reserves Strategy (**Appendix D, Annex 13**).

*That Council recognises that Cabinet has noted:*

- 10 The Budget Engagement exercise undertaken by the Council, as set out in the attached (**Appendix D, Annex 2**).
- 11 The results of the Budget Consultation (**Appendix C**).
- 12 The comments of the Council's Chief Operating Officer (Section 151 Officer), contained within the MTFS Report, regarding the robustness of estimates and



level of reserves held by the Council based on these budget proposals  
(**Appendix D, Comment from the Chief Operating Officer**).

- 13 The risk assessment detailed in the MTFS Report (**Appendix D, Annex 5**).
- 14 That the estimates and profiling contained within the proposed Capital Programme 2017/18 to 2019/20 reflect the scale of ambition and future investment plans of the Council. The programme may vary to take advantage of external funding opportunities, maximise private sector investment, prudential borrowing considerations, operational capacity and to ensure optimal delivery of the overall programme (**Appendix D, Annex 12**).
- 15 That projects will be robustly governed through the Executive Monitoring Board. The Council's Finance Procedure Rules will always apply should any changes in spending requirements be identified (**Appendix D, Annex 12**).



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Cheshire East Council

# Corporate Plan

2017-2020

[www.cheshireeast.gov.uk](http://www.cheshireeast.gov.uk)





This document is an annual update of Cheshire East Council's Corporate Plan.

You can give feedback on the activities of the Council and its plans by speaking to your local Councillor – visit **'Find Your Local Councillor'** on the Cheshire East Council website for contact details.

You can also send comments to the email address below – responses will be shared with Cabinet Members and Council. When submitting a response or comment, please also include your name, organisation (if applicable) and contact details.

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

Date of approval:



# Foreword from the Leader of the Council

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## A Great Place to Live

**Cheshire East is a great place to live, work and visit - and this is as important to the Council as it is to our local residents. In addition, we have one of the strongest economies in the country which is made up of a vibrant mix of businesses across a wide range of sectors.**

The Council plays an integral part in the communities of this beautiful part of the Northwest of England and aims to deliver much needed services that deliver good value for money to our local residents.

This Corporate Plan for 2017 to 2020 highlights how the Council is striving to create sustainable growth in the local economy that will support the health and economic wellbeing of residents. We will continue to develop the skills of our local population which will help them secure meaningful long-term employment as well as supporting our local businesses to grow.

In addition, we will maintain a focus on the 'Quality of Place' in the Borough - providing a good quality transport and digital infrastructure system. This will support our economy to grow and support our local residents to

access employment, education and leisure opportunities. Furthermore, we will also ensure that the countryside and open spaces in Cheshire East are managed prudently and provide good quality front line services such as highways, waste collection and street cleaning to ensure that the quality of the environment in the Borough is maintained.

We will also continue to invest in supporting people to secure well-being and good health. Education achievement rates for pupils in Cheshire East remain as one of the highest in the country and social care for children and adults receive high levels of investment.

The costs associated with maintaining this level of quality in our services and environment are becoming increasingly challenging as national austerity measures continue to put pressure on

local government and as the costs of the health system continue to put all public services under severe financial pressure.

Nonetheless, the Council will continue to strive to provide services that are innovative, creative and deliver great value for money to our local residents.

**Councillor Rachel Bailey,  
Leader of Cheshire East Council**



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# The challenges we face

Like all local authorities, Cheshire East faces a significant financial challenge. A combination of reductions in the grant we receive from central government, alongside increasing demands on our services, and increased costs through inflation, mean we will need to find an additional £100 million by 2020, through a combination of savings and additional income. We will need to take tough decisions in order to make those savings whilst still continuing to provide high-quality services.

We must also recognise that Cheshire East has a maturing population. While young people often choose to move out of the Borough, it is a great place to raise a family, and many choose to stay once the children have flown the nest thanks to the enviable quality of life we provide.

This means that the average age of our population is skewed towards the older end of the spectrum. Inevitably, an aging population means that social care costs are continuing to rise. Furthermore, the increasing costs associated with the health system will continue to put all public services under severe financial pressure. However, there are also significant opportunities for economic growth on the horizon, and we must make sure that we are well-placed to make the most of these for local people. Cheshire East is a prosperous area, where residents have high expectations for good quality

services. There are however, still areas of significant need within our communities, but we have a real opportunity now, to grow that prosperity and use it to enable residents to change their lives for the better.

We must work hard to attract younger people to live and work in the borough as well as supporting our existing residents to get the skills they need to have a successful life. By doing this we will be able to sustain growth in our economy and create more jobs. If we are successful in achieving this we will be able to secure more funding for essential public services as well as seeing a reduced demand for high cost services like social care.

We will therefore aim to provide services that reflect the high aspirations of our residents, and the quality of the places we serve. We are an ambitious council, with the drive to meet the challenges we face head-on, and to continue to provide the high-quality services that we know our residents expect.





# Corporate objectives and outcomes

Cheshire East Council is an organisation with strong political and managerial leadership, and stable, well-managed finances. We are confident in the decisions we make and the values that underpin those decisions. We want to see Cheshire East Council build a national reputation for customer services and partnership working.

As a new unitary authority, formed in 2009, Cheshire East is a young organisation. This means we have been successful in innovating and taking a fresh approach to the way we deliver our services. We are flexible in our approach to service delivery, always seeking solutions that will offer quality and value for money, and working with delivery partners who share our values and commitment to the success of the area.

We are committed to supporting the most vulnerable residents, whilst enabling others to support themselves. We will empower individuals and communities to thrive independently in a supportive environment; working together with partners, with the voluntary sector, with business, and most importantly, with residents themselves. We are committed to ensuring that the growing economic prosperity of this area creates opportunities for everyone who lives here.

Protecting and enhancing the 'Quality of Place' in the Borough is a key aim of the Council and our partners. 'Quality of Place' is about the quality of our built and natural environment, its interaction with our residents and businesses and the ability of individuals to make a successful life here. It's about ensuring that growth is balanced with quality and that we continue to secure investment in the right areas to continue to make the place special.

Getting our 'Quality of Place' right it will mean that we:

- Need to deliver the right type of housing in the right places
- Support our existing businesses to grow as well as attracting more inward investment into the Borough
- Retain and attract highly skilled people; and support local residents to be as successful as possible
- Continue to invest in our digital and transport infrastructure
- Develop the heritage, cultural and leisure offer in the Borough
- Manage our countryside and green spaces prudently
- Regenerate our towns and villages

All of this will support the wellbeing of our local residents. This will enable Cheshire East to have high levels of employment with a skilled and motivated workforce that will result in reduced demand on public services. In turn this will free up more resources to focus on delivering more growth and prosperity and also ensure that the most vulnerable continue to be supported by the community, the Council and its partners.

We aim to be a lean and efficient organisation, which empowers staff at all levels to do the best job they can for local people, always putting residents first. We also aim to be an employer of choice, attracting the best of both local and national talent, to help us provide the very best services for local people.



# Corporate objectives and outcomes cont'd

Our five resident-focused outcomes are:

**Communities** – We will enable and empower individuals and communities to thrive independently in a supportive environment; working together, engaging and collaborating with partners, with the voluntary sector, with business, and most importantly, with residents themselves.

**Economy** – We are committed to ensuring that the growing economic prosperity of this area creates opportunities for everyone who lives here.

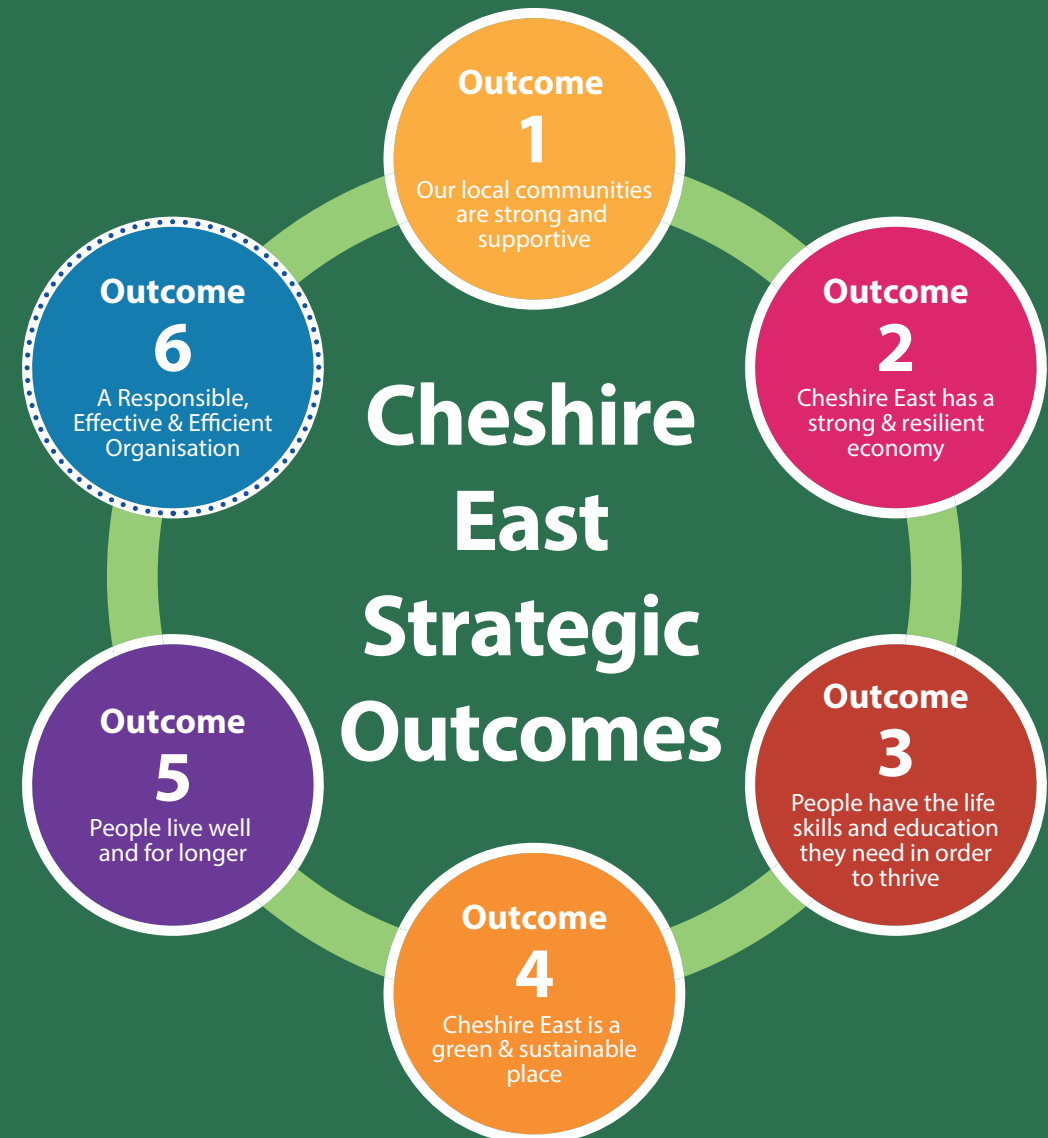
**Education** – Supporting residents early to provide a great start in life.

**Environment** – Protecting and enhancing the 'Quality of Place' in the Borough is a key aim of the Council and our partners. 'Quality of Place' is about the quality of our built and natural environment and how this relates to residents, visitors and business.

**Health** – We are committed to supporting the most vulnerable residents, whilst enabling others to support themselves and lead a prosperous and healthy life.

**These outcomes are underpinned by a sixth outcome based on a responsible and efficient way of working.**

The Council will demonstrate achievement of these outcomes through its quarterly performance management and monitoring arrangements.





# Our values - Putting Residents First

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This commitment is about delivering the best outcomes for the diverse range of people living and working in Cheshire East. Putting 'Residents First', rather than the individual resident, is about balancing the needs of individuals with the needs of the population; protecting the most vulnerable while enabling everyone to have access to services and facilities which reflect local circumstances in their communities and Cheshire East as a whole. It is about really listening and understanding what residents and businesses need and responding appropriately to put in place affordable services equitably and responsibly.

- This requires **Flexibility**, which means us all adapting quickly to changing circumstances and learning together from our experiences.
- We will put **Innovation** at the heart of our thinking and in the way we approach our work.
- Taking personal **Responsibility** is a key cornerstone of our values in delivering what we promise, and ensuring efficient use of resources, whether this is our people, funding, processes, information or technology.
- In addition to all of the above the Council will put residents first by setting and achieving clear standards of **Service** that residents can expect. We shall also aim to deliver our services through a 'right first time' approach where we meet appropriate customer demands in a professional and timely way.
- Bringing this together is **Teamwork**, respecting and working well with others to collectively achieve the best outcomes for local residents and communities.



# Achieving outcomes

Cheshire East wants to deliver public transformation across a range of public, private and third sector partners as it recognises that working together with other agencies like health, police, fire, probation, our town and parish councils, voluntary sector and faith-based groups, businesses and many others, will help deliver better and more responsive services to residents. The Council regularly reviews how local services can best meet the needs of residents in Cheshire East. The Council aims to help local people to be healthy and enjoy living in the Borough. The Council will work to create wealth from its approach to education, employment, housing and transport. The approach will lead to mental wellbeing, safe communities and overall economic prosperity.

This approach gives all our staff and partners a 'golden thread' linking everything they do on a daily basis for residents to these six clear outcomes and our organisational values. A summary of our performance management arrangements is set out on pages 11 and 12.

The overall structure of public sector services will adapt to improve public value, and the Council is at the forefront of such change. We are flexible in our approach to service delivery, always seeking

solutions that will offer quality and value for money, and working with delivery partners who share our values and commitment to the success of the area. As a commissioning organisation the Council recognises that it does not have a set ideology on how best to deliver services and instead will adopt the "best fit" on whatever mechanism is right to achieve its 6 outcomes – this 'best fit' approach is set out on page 8. The Council runs companies, enters into partnerships, takes on new burdens or devolves services to ensure the most appropriate service is provided at the right cost.

Underlying its approach is a commitment from the Council to transparency and good governance. Decisions of the Council will continue to be evidence based and subject to appropriate challenge, but free from unnecessary

bureaucracy. Public value will be achieved alongside public trust and the Council will continue to openly report progress and publish information that allows any interested party to see how the Council works within external and internal controls. The Cheshire East group of businesses will continue to be open to scrutiny and open for business.

Cheshire East Council has a reputation for being a low cost, high performing Council and the Corporate Plan 2017-2020 provides a further commitment to maintain that reputation.

**Mike Suarez, Chief Executive  
Cheshire East Council**





# The 'Best Fit' approach

The ultimate commissioners of services are the **Cheshire East Council Cabinet members**.

Executive Directors, Directors and Heads of Service work to establish the most appropriate provider of services.

We will also work with other local public services providers, both within the borough, sub-regionally and regionally to achieve the outcomes of the Corporate Plan for the residents of Cheshire East.





# Maintaining Financial Stability

## **Self Reliance** – funding local services with local resources

To maintain value for money the Council will demonstrate how local services will continue to be affordable.

The need to reduce the demands on central government funding means the Council will cease to receive many government grants by 2020. As such we aim to fund all local expenditure from local sources of income by this time. This means Council services will be self-reliant and only paid for from Council Tax payments, Business Rates and direct charges for services.

The Council has taken bold steps to significantly limit the burden on local taxpayers since becoming a unitary Council in 2009. However, we are acutely conscious that we have a maturing population and we also have a local health economy that is under both service and financial pressure, and we must act strategically to continue to innovate, develop and finance those services to those in greatest need.

Achieving self-reliance will be supported by creating economic growth in a way that efficiently spreads the cost of services.

We have outlined a clear set of financial measures and forecasts that show how the Council will remain financially strong in future. These measures focus on reducing bureaucracy, improving efficiency and productivity, Local Taxation, Capital Investment and Reserves.





# Local Taxation

## Council Tax

- **Growing the domestic tax base** – each new home brings additional Council Tax revenue, New Homes Bonus and, in the medium term, a Community Infrastructure Levy. But homes also bring additional costs, such as education, waste collection and highways. The Council will ensure that any subsidised services are carefully examined to achieve maximum value from any Council Tax payment.
- **Increasing employment opportunities** – high levels of employment with a skilled and motivated workforce will place reduced demand on public services, freeing up more resources to focus on delivering more growth and prosperity and also ensure that the most vulnerable continue to be supported by the community, the Council and its partners.
- **Maintaining strong collection rates** – this ensures fairness to all and helps the Council maximise local income for local use.

- **A responsible approach to changing Council Tax levels** – it will be important to manage Council Tax levels in response to the removal of reliance on government grant.

## Business Rates

- **Promoting Economic Growth** – business growth will result in additional income being retained for local investment. This supports the Council's approach to invest in economic growth through unlocking development land and supporting inward investment.
- **Working with Partners** – the Council will maximise the benefit of the business rates retention scheme by working with partners in the region.

# Capital investment

- The impact of financing capital expenditure will be restricted to ensure value for money is maintained. An annual cap on capital financing costs will be reviewed annually to ensure it remains appropriate in light of the expected return on the overall investment.
- The Council's strategic Capital Programme will continue to put emphasis on infrastructure which will generate local economic growth; investment in new service delivery models and improvements in the Council's asset base.
- The Capital Programme will reflect the Council's ambition, to pursue additional external funding, private sector investment and maximise receipts from asset development and sales.
- Borrowing will be appropriate based on the lifetime benefits of a scheme. All investments will be subject to strong control arrangements and analysis of risk.



# Workforce Planning

## Workforce priorities

The Corporate Plan links the work of staff and teams at Cheshire East Council to the longer term Sustainable Community Strategy and considerations in relation to workforce planning.





We aim to be an employer of choice, attracting the best of both local and national talent, to help us provide the very best services for local people.

### Key workforce priorities are:

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

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

### Headcount analysis and trend

Despite increasing demands on the services we deliver, headcount has reduced over time. This increased productivity is mainly attributable to innovating and transforming and, therefore, the restructuring of services. In addition, some staff have TUPE transferred to alternative service delivery vehicles to achieve greater value for money.

### Measuring success

Measuring the effectiveness of the workforce priorities will be tracked through the scrutiny of key performance indicators such as:

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

### Staff Reductions

Any change proposal with an impact on staffing numbers will be shared and consulted on with the relevant staff and trade union representatives at the appropriate time.



# Corporate Plan: Protecting against risk and supporting investment

- The Council's consideration and response to threats, and its ability and capacity to recognise and seize new opportunities, underpin its successful performance.
- Cheshire East's strong taxbase and greater independence provides financial stability and offers some 'local protection' from the impact of national economic fluctuations. In this context, it is also important to note that compared to neighbouring local authorities, total spending per head of population is below average. Given this national and local context its overall financial risk profile should continue to reduce.
- The Council's management framework is used to help it respond to changes. This strengthens the effectiveness of its overall governance, and provides a mechanism to ensure effective decision making. The internal control system allows the Council to respond appropriately to risks. This increases the likelihood of the Council achieving its strategic priorities and outcomes.
- Supporting the Council's budget with adequate reserves is a key element to creating financial resilience.
- The Council will be flexible in its approach to holding or transferring money from general and earmarked reserves to protect Council Tax payers against year-on-year fluctuations in expenditure.
- The Council will continue to be flexible about investing revenue funding in maintaining sustainable services and reflecting changes to the risks facing the Council. Budget reporting will include revised Reserves strategies to provide further detail on estimated balances and the application of reserves in the medium term.
- The Council will use reporting processes to monitor the achievement against budget that is so important to managing financial risks.
- The Council manages high-level risks through a Corporate Risk Register. This process is underpinned by a risk management framework that operates on strategic, operational and project levels. Risk registers will be maintained within Team Plans. Emerging risks are escalated to senior members and/or officers as appropriate and in line with the potential impact of the risk.



A stylized illustration of a community on a hill. In the foreground, a large green hill slopes upwards. On the left, a family of four (mother, father, and two children) is walking up the hill, holding hands. One child is in a wheelchair. To their right, a woman is walking with a small child. Further up the hill, there are trees, a lighthouse, and a small building. On the right side of the hill, a person is sitting on a bench, looking at a tablet. The background is a solid orange color with a few white clouds.

# Feedback

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

If you would like to be involved in consultations undertaken by Cheshire East Council, you can do so by registering for updates on the Consultation pages or joining the Digital Influence Panel. Please visit: **[cheshireeast.gov.uk/consultations](http://cheshireeast.gov.uk/consultations)**

If you would like to view the results of previous consultations undertaken by Cheshire East Council, please visit: **[cheshireeast.gov.uk/consultations](http://cheshireeast.gov.uk/consultations)**



Cheshire East Council

Budget Consultation

Summary of Results

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**Production date: 27/01/2017**

Report produced by:

Research and Consultation  
Business Intelligence  
Cheshire East Council  
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## Introduction

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### Background and methodology

Between November 2016 and January 2017 Cheshire East residents and other stakeholders were invited to provide their comments and views on the Councils pre-budget report. The following provides a summary of the responses received.

Respondents could submit their views via an online survey, postal survey or via a dedicated e-mail address. A workshop session was also held with members during the Town and Parish Conference on the 28<sup>th</sup> November 2016. Respondents were asked to read through the pre-budget report document before answering the survey questions/ submitting their views.

Efforts to engage with residents with regard to the Budget Consultation realised an increased level of engagement compared to previous years Budget Consultation activity. The engagement has been wide ranging and has resulted in responses which have allowed the Council to understand the opportunities and challenges associated with the budget setting process.

Details of engagement activity can be found at page 46 – efforts to understand opportunities for improved communication shall be analysed and introduced into subsequent budget setting activity.

The consultation activity has resulted in around 200 general or specific responses to proposals listed in the Budget Consultation being raised from a number of sources. A total of 47 valid responses were received for the online/postal survey, 14 further responses were received via the dedicated e-mail address and 32 participants took part in workshop during the Town & Parish Conference. Some of the responses were from elected representatives or from organised groups, although in all cases demographic information on the respondents was requested.



## Summary of Results

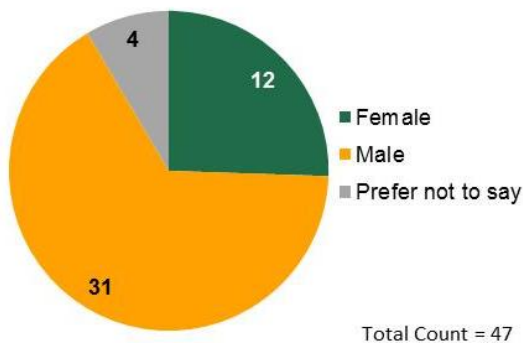
### Postal/Online Questionnaire responses

A total of 47 valid responses have been received for the online/postal survey.

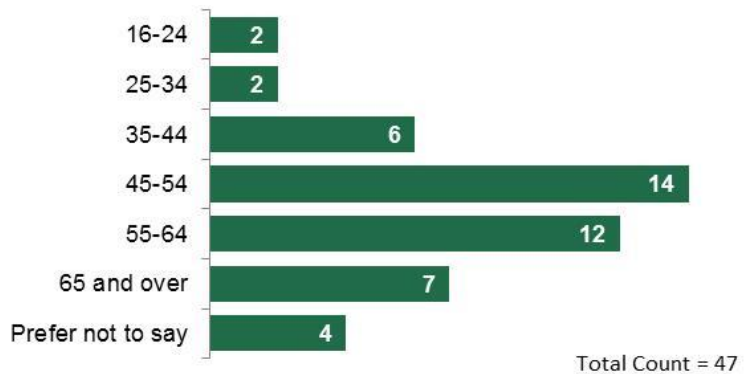
### Demographics

The majority of respondents to the online/postal survey (31 out of 47) were male and aged between 45-64 (26 out of 47). Figures 1 and 2 below show the breakdown by gender and age.

**Figure 1: Gender Breakdown**



**Figure 2: Age Breakdown**



4 out of the 47 respondents had a limiting illness/ disability that affected their day to day activities in some way.



## Question One:

The following tables summarise the comments received into each relatable outcome – please note that not all comments are written verbatim.

Table 1. Summarised comments in relation to Outcome 1. Our local communities are strong and supportive		
Responding as	Proposal 1. Review Environmental Enforcement Service Based on outcomes of Fly tipping pilot and procurement of patrol company pilot	
A local resident	In an ideal world I would agree but unfortunately this isn't the case - where I live a lot of the neighbours don't speak English so you get a breakdown in communication e.g. putting recycling into black bins and putting rubbish into the grey bins - plus we get the problem of mattresses etc. being dumped in the back entry.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
Responding as	Proposal 2. Cessation of Regulatory Services Out of Hours Service	
Town and Parish Council Conference	Do we need 24 hour out of hours service for regulatory services? Redirect calls if not completely ceasing.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
Alsager Town Council	Page 15, point 2 – That the Cessation of the Regulatory Services Out of Hour Service could result in a lack of service and is not supported.	
Responding as	Proposal 3. Development Control funding for Environmental health	
Town and Parish Council Conference	Can environmental health generate a revenue from their services Accepted cost – but look at more revenue streams through local council provision and businesses	Response is noted and will be brought to the attention of the relevant Portfolio Holder – proposal not being taken forward as part of 17/18 budget
Responding as	Proposal 4. Transfer of Cheshire East Council managed Community Centres to local management arrangements (Revenue Savings)	
A local resident	The proposal about Handforth Community Centre should be subject to consultation. If implemented proper funding required to reflect the virtual doubling of the population once all developments take place i.e. new Garden Village, Meriton Road, Little	Local consultation regarding any changes will take place. We will work with a wide range of local stakeholders to explore options.



	Stanneylands, developments to the North but linked to Handforth. All of which will add to demand for services -any proposals & funding should reflect the need for additional capital and revenue support- not just a means of dumping a loss making asset / liability onto someone else to deal with.	
Town and Parish Council Conference	Review pilot but look to continue with an outside organisation to reduce liability to the Council and keep staffing costs Transfer more community buildings to give local control and increase revenue – offer interest free loan	
<b>Responding as</b>	<b>Proposal 5. Increase Community Grants</b>	
Town and Parish Council Conference	Essential to increase Community Grants pot and support local organisations	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
Alsager town Council	Page 16, point 5 – That the increased Community Grants being four times oversubscribed could result in well deserving schemes not receiving any grant and concern is expressed.	
<b>Responding as</b>	<b>Proposal 7. CCTV Fibres (Revenues Investment)</b>	
A town/Parish Councillor	The wording at the end of 1.7 re courts re CCTV is unclear	Last sentence regarding court costs applies to section 1.8
A local resident	Instead of renewing CCTV, get rid of except in car parks. Home Office studies show it is less effective than street lighting except in car parks for reducing crime. Good for conviction rates, but that's not a CEC issue (let the courts/police pay)	Our CCTV camera network is instrumental in dealing with on average 1,200 incidents a month, which has a significant impact in reducing crime and anti-social behaviour across Cheshire East.
Town and Parish Council Conference	Move more to digital	
<b>Responding as</b>	<b>Proposal 10. Develop a Chargeable Pre-Application Checking Service</b>	



Town and Parish Council Conference	Agree if business cannot, need to consider if they are viable (need clarification – is this a new service being charged for or taking away). Would need guidelines, who makes decisions to charge or not?	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
<b>Responding as</b>	<b>Outcome 1. Specific proposal unknown</b>	
A member of a voluntary or community organisation	Should have much lower priority in funding - other more pressing & essential priorities such as services to the vulnerable & elderly. Much of the work, time and money spent on Communities staff & activities would happen anyway - can be found through free services. Senior staff in communities are hugely overpaid & deliver little of real value to the residents. If want communities to be resilient stop interfering - let people get on with it & spend money on the services really needed. You do not empower communities by employing civil servants to Head them up - controlling & patronising -not empowering and respect. Better management and accountability of senior staff is required, especially by Cabinet Members who seem out of control.	Cabinet approved our Connected Communities Strategy in November 2016, which sets out our vision, to have confident and connected communities who know how to engage with us and each other; and where communities do their bit and believe in themselves and their communities. We are committed to investing in community work and believe that by developing a clear and practical approach to engaging with and supporting community development can ensure we maximise potential and generate wealth, to help all of our communities become more enterprising and to enable more deprived areas to lift themselves out of dependence.



**Table 2: Summarised comments in relation to Outcome 2 – Cheshire East has a strong and resilient economy**

<b>Responding as</b>	<b>Proposal 15. Increased Parking Enforcement (Revenue Savings)</b>	
A local resident	Needs to be a wider review of parking enforcement & options- e.g. implementation of disc system as used in Carlisle - greatly reduces cost of enforcement by making time of arrival displayed on every car with no printing costs and transparent time of parking at all times.	The implementation of any new parking system is costly. Some systems are not compliant with the disability discrimination act. The introduction of new pay and display machines will also ensure that service users input their registration number so that tickets can not be passed on to other motorists. Revenue from Cheshire East Council's Pay and Display car parks is only used to support appropriate services. The revenue also goes towards the repairing and maintenance of Cheshire East Council's car parks. Surplus income from the issuing of Penalty Charge Notices in particular must only be used in accordance with Section 55 of the Road Traffic Regulation Act 1984 (as amended).
Town and Parish Council Conference	Parking income – the use and benefits from greater civil enforcement was understood and accepted as a basis to manage the parking and highway network to operate in a safer and more effective way – it was understood that parking charges were a sensitive issue and there would be difficulties in arriving at Borough wide approach to parking as the towns in the Borough are so varied – equally they agreed that any significant increase in revenue from parking should be used to support the Councils highways and transport services as a way of demonstrating to residents that there was a clear related benefit from this revenue income.	
<b>Responding as</b>	<b>Proposal 16. Increased Support for Bus Services</b>	
Alsager Town Council	Page 26, point 16 – That the increased support for Bus Services is welcomed, however, is the increase enough to cover the increased tender costs as otherwise this could lead to a reduction in service.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
<b>Responding as</b>	<b>Proposal 21. Create a new investment portfolio (Revenue Savings) &amp; Proposal 24. Create a new investment portfolio (Capital Investment)</b>	
A local resident	As a chartered surveyor I can assure you that commercial property investment isn't the easy option to wealth it appears- particularly to a bureaucratic organisation- it needs flair and imagination which by definition councils do not have - as demonstrated by the difference in returns achieved by energetic and dynamic companies who always outperform property funds- don't do it!	Response is noted and will be brought to the attention of the relevant Portfolio Holder.



Town and Parish Council Conference	Create new investment portfolio – The table understood the purpose of the budget line. They felt that the Council should be very clear about its objectives for any scheme and the level of funding invested. If the funding was in the £10ms level as proposed it was not worth pursuing unless the policy would be support schemes and sites within Cheshire East – otherwise the fund should be significantly higher and invested in the best UK related investment opportunities to generate a sensible revenue income return – the table were sceptical of the returns being quoted.	
<b>Responding as</b>	<b>Proposal 27. Changes to subsidised Bus Services</b>	
A local resident	School bus services reduced on the basis that there were alternative bus routes available - consider any cuts with reference to this- son is dependent on the Arriva Bus service to get to school.	The focus on any changes to subsidised bus services will be subject to further consultation, particularly with service users of any potentially affected routes
A local resident	A good reliable & frequent bus service is necessary in towns & villages - service received is bare minimum possible to allow travel to work/ attend hospital appointments - any reduction will impact on rural & town (Knutsford) residents - service already stops early evening with no service at all on a Sunday – request that service is increased to include Sunday rather than decreasing the service.	
A local resident	No point having token 'one a week' bus services - set the criteria as regular hourly or nothing - focus on a very few well funded routes and let rural locations develop other transport policies.	
Town and Parish Council Conference	Bus Service reduction proposal – The table felt that a radical approach to secure the levels of savings proposed was required – that services on the main corridors of movement should be prioritised – and in areas where gaps in network coverage arise that provision is made to support parish councils and local CVS groups to investigate and establish alternative transport or local service based solutions – the concept of more community based local service provision was also considered to be a way reducing the need for bus service provision by ensuring people needs can be met locally. Overall agreed that the review should work to achieve this proposed budget saving.	

OFFICIAL



Alsager Town Council	Page 31, point 27 – That the changes to subsidised bus service results in a funding reduction which could impact on reduced services in and around Alsager and concern is expressed.	
<b>Responding as</b>	<b>Proposal 34. Reduce highway tree maintenance (revenue savings)</b>	
A local Cllr	Not in favour - The treescape is an important element of the county and the trees in the control of CE need to be maintained to a high standard. Short term measures may affect the long term lives of the trees. You have a duty to protect trees in your care even if they are not protected by TPOs.	Although consideration was given to this proposal, savings in this area are not being proposed in the 2017/18 Budget.
Alsager Town Council	Page 33, point 33 & 34 – That the potential reduction in level of winter services and highway tree maintenance may adversely impact on highway services within Alsager.	
<b>Responding as</b>	<b>Proposal 39. Active Travel Investment (Capital Investment)</b>	
A local resident	Never heard of this initiative to increase walkways and cycle ways in Wilmslow - where are they?	Routes will be developed if bidding to the Local Growth Fund is successful.
Alsager town Council	Page 35, point 39 – That Alsager should be included as a scheme to promote walking and cycling.	
<b>Responding as</b>	<b>Outcome 2. Mixed proposal comment</b>	
A local resident	Agree with cut to tourist information centres - surely most can get such information from the internet anyway. - Increase parking enforcement even further - currently little enforcement in Knutsford if it can raise revenue go for it! - Bring in parking charges at all CEC car parks – why do some towns have none or - lower rates or free times and others don't? - Agree with support for bus services. - Make developers pay for northwest Crewe improvements. - Cut 'Cheshire east reflects' - should be funded by communities themselves. - Disagree with Poynton relief	Parking enforcement - The Civil Enforcement Officers undertake patrols of Knutsford and other main towns on a daily basis - sometimes 2 Officers are present. The implementation of any new parking system is costly. Some systems are not compliant with the disability discrimination act. The introduction of new pay and display machines will also ensure that service users input their registration number so that tickets can not be passed on to other motorists.

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	road - even more money being poured into an already wealthy village - make developers pay if it is to bring investment. - Agree with Crewe highways investment (an area that needs investment), not Poynton - Agree with investment in Congleton public realm, but what about 20 yr. promise to fix streets in Knutsford? CEC should fund such future public realm improvements from developers. - Agree with active travel - developers should be contributing.	Revenue from Cheshire East Council's Pay and Display car parks is ploughed back into the appropriate services. The revenue also goes towards the repairing and maintenance of Cheshire East Council's car parks. Surplus income from the issuing of Penalty Charge Notices in particular must only be used in accordance with Section 55 of the Road Traffic Regulation Act 1984 (as amended).
<b>Responding as</b>	<b>Outcome 2. Specific proposal unknown</b>	
A local resident	Haven't seen any sign of prosperity in Crewe	The recent investment in Crewe includes the Lifestyle Centre , Crewe UTC also opened in the Autumn of 2016. The ongoing success of the Retail Park has seen owners UBS attract new retailers to the retail park in recent years including TK Maxx, Boots, Costa, Frankie and Benny's, Nando's, Bella Italia and Chiquito. Bentley's £840m investment plan has continued in Crewe. Over £40m has recently been investment to improve the highway network in Crewe. Significant investment has also seen enhancements to Junctions 16 and 17 of the M6 and to the A500. Crewe Rail Station's new entrance project was completed in 2014 and in 2016 it was also confirmed that Crewe will have a Hub station which will open in 2027 on the new HS2 rail line.

Table 3: Summarised comments in relation to Outcome 3 – People have the life skills and education they need in order to thrive		
Responding as	General Comments	
Alsager Town Council	Page 42, point 40, 41, 42, 43, 44 & 45 – That concern is expressed at the reduction in children services with the money being withdrawn, this is totally unacceptable.	Response is noted and will be brought to the attention of the relevant Portfolio Holder. These proposals should be considered alongside Point 81 which provides an increase of £2.8m in services for Cared for Children and Care Leavers.



Town and Parish Council Conference	Welcomed the capital investment in schools and associated process. Acknowledgement that the national education funding changes will potentially have greater impact on schools that the proposed budget changes. Feeling that there should be a link to each saving on the impact it will have on children and young people.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
Alsager Town Council	Page 45, point 50 & 51 – That the investment is acknowledged and the actions in this provision should be undertaken as soon as possible.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
Alsager Town Council	Page 45, point 50 & 51 – That the investment is acknowledged and the actions in this provision should be undertaken as soon as possible.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.

**Table 4: Summarised comments in relation to Outcome 4- Cheshire East is a green and sustainable place**

Responding as	Proposal 57, 58 & 60 Changing the way we work / ANSA Environmental Services proposal	
A local Cllr	Not in favour of potential reduction in routine highways maintenance. These are the most visible parts of CEC work and poor maintenance - weeds, leaves edging of pavements all indicate poor service levels. We see it already and it gives a bad impression of how CEC serve the community. Will the reduction in the ANSA budget have similar implications - I fear so.	ANSA advise that the savings package is related to waste contractual changes and the reduction of waste to landfill so will not affect the quality of service.
A local resident	Proposal 57. Judging by the blocked gullies I see & pedestrians being soaked by passing cars I'd have been expecting an increase in expenditure please.	Although consideration was given to this proposal, savings in this area are not being proposed in the 2017/18 Budget.

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A member of a voluntary or community organisation	Proposal 57. Quite unrealistic - current approach is clearly not working. Practice of not responding to notification of blocked gullies has already resulted in a bad experience this year - large lake in the road came within 3 feet of my property. The highway contractor need to be logging all notifications of blocked gullies for action when most appropriate & emptying all gullies not just doing a proportion as is the current practice meaning that some gullies are never emptied. The flooding this year was far worse than anything experienced in 30 years - abnormal weather patterns are only part of the explanation. At least one gully in Merriden Road has been blocked for well over a year indicating that routine maintenance is not being done.	The Council adopts an asset management approach to gully emptying. This ensures that gullies are emptied when they are close to being full rather than emptying regardless of the levels of debris in the pot. This also ensures an efficient use of the budget and resources. To empty all gullies at set frequencies regardless of debris levels would be wasteful.
Town and Parish Council Conference	Street Lighting improvements - Agreed by all Planning reserve for Spatial Planning (Revenue Investment) - Very costly, Errors made, Not an option but at what cost, Agree with investment – need to ensure VFM	
Alsager Town Council	Page 54, points 57 & 58 - That we object strongly to the reduction in routine maintenance of the Highway network, gully cleansing and the reduction in Highways front line staff and community teams. Alsager is low lying.	
<b>Responding as</b>	<b>Proposal 59. Planning Reserve for Spatial Planning (Revenue Investment)</b>	
A local resident	Implement CIL regime Asap- why not done already in parallel with the local plan - danger that it will not be in place when the planning decisions are made for all the new development and developers will escape the liability - expedite this as a matter of urgency	Community Infrastructure Levy (CIL) regulations set out a detailed process which Councils must follow to establish an adopted CIL charge and a work programme is in place to adopt CIL as soon as possible after the Local Plan is adopted. CIL cannot be implemented before the adoption of the Local Plan.

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<b>Responding as</b>	<b>Proposal 60. Ansa Environmental Services proposal</b>	
Town and Parish Council Conference	Ansa Environmental Services proposal (Revenue Savings) - Agreed, if no worsening of service or increased cost	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
<b>Responding as</b>	<b>Proposal 61. Review of Cheshire East Household Waste Recycling Centre Provision</b>	
Town and Parish Council Conference	Review of Cheshire East Household Waste Recycling Centre Provision - Charging for rubble will result in fly tipping, Agree to accept trade waste Agree closure of Arclid and reduced hours, Other proposal – twice yearly garage clear out	HWRC Consultation will feed into the decision
Alsager Town Council	Page 56, points 61 – That concerns are expressed at the reduction in opening times.	
<b>Responding as</b>	<b>Proposal 62. Dry Recycling Contract</b>	
Town and Parish Council Conference	Dry Recycling Contract (Revenue Investment) - Silver bin scheme is great – keep it! Worth the investment	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
<b>Responding as</b>	<b>Proposal 63. Environmental commissioning – S106 income not achievable</b>	
Town and Parish Council Conference	Environment Commissioning – S106 income not achievable (Revenue Investment) - Why the need for more investment if there is no extra work – very dubious!	Response is noted and will be brought to the attention of the relevant Portfolio Holder.

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<b>Responding as</b>	<b>Proposal 64. Environmental commissioning – small growth items (Revenue Investment)</b>	
A local resident	More economic issues with council companies- close them and outsource to reputable dynamic private companies who know what they are	The Small Growth Items are related to Environmental Services expenditure rather than the companies' costs.
Town and Parish Council Conference	Environment Commissioning – small growth items (Revenue Investment) Yes, straightening the accounts	
<b>Responding as</b>	<b>Proposal 65. Review of Cheshire East Household Waste Recycling Centre Provision</b>	
Town and Parish Council Conference	Review of Cheshire East Household Waste Recycling Centre Provision (Capital Investment) - Allows the implementation of outcome 61	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
<b>Responding as</b>	<b>Proposal 67. Managing and Maintaining the Highways</b>	
Town and Parish Council Conference	Managing and Maintaining the Highways (Capital Investment) - Yes	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
<b>Responding as</b>	<b>Proposal 68. Winter Service facility - Middlewich</b>	
Town and Parish Council Conference	Winter Service Facility – Middlewich (Capital Investment) - We over-grit – is this needed? There must be other solutions that do not cost £3m	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
<b>Responding as</b>	<b>Proposal 69. Alderley Road Wilmslow, A34 Junction &amp; pedestrian access Improvements</b>	
A local resident	Need to look at funding improvements to old A34 Junctions with Stanneylands Road Wilmslow and Station Road Handforth to rectify existing problems which will become worse with new proposed developments	There are already proposals to make improvements to Station Road, Handforth as part of the planned marriage mitigation measures for the A6 MARR. W have noted the request regarding Stanneylands Road junction and will take this into



Town and Parish Council Conference	Alderley Road, Wilmslow- A34 junction and pedestrian access improvements (Capital Investment) - Developer should pay	account n assessing any proposed new developments.
<b>Responding as</b>	<b>Proposal 70. Household Bin Replacement</b>	
Town and Parish Council Conference	Household Bin Replacement (Capital Investment) - Agreed	Household bins have a defined life and a percentage require replacing each year as they wear out. A charge for new bins has been looked at in the past and may be revisited but is not being proposed as part of the 2017/18 budget setting process
A local resident	Why replace household bins – my bins are fine & assume most others are too. If residents have wrecked their bins, make them pay for a replacement.	
<b>Responding as</b>	<b>Proposal 71. Park Development Fund</b>	
Alsager Town Council	Page 60, points 71 & 72 – That we welcome investment into parks development and playing field improvements and request Alsager Projects, Wood Park and Milton Park are included.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
Town and Parish Council Conference	Park Development Fund (Capital Investment) - Not enough	
<b>Responding as</b>	<b>Proposal 72. Playing Fields Improvement Fund</b>	
Town and Parish Council Conference	Playing Fields Improvement Fund (Capital Investment) - Not enough	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
Alsager Town Council	Page 60, points 71 & 72 – That we welcome investment into parks development and playing field improvements and request Alsager Projects, Wood Park and Milton Park are included.	



Responding as	Outcome 4. Mixed proposal comment	
A local resident	Agree with highway maintenance increases, but not capital spending on Poynton bypass. Spent this saving on improved play provision in parks which is currently dire.	Poynton Bypass is majority funded by Central Government and will improve strategic highway links to Macclesfield to/from Manchester and the Motorway network. There is a well established business case for the scheme; not least the economic benefits for Macclesfield arising from improved transport links.
Responding as	Outcome 4. Specific proposal unknown	
A local resident	I totally disagree we haven't got that many green areas left that haven't been earmarked for development and some of the developments look an eyesore.	The vast majority of the borough is open countryside and within our towns and villages the local plan identifies and protects key areas of open space and leisure land that is protected from development. The Local Plan contains policies to ensure the quality of new development and a Borough wide design guide will be adopted as supplementary planning guidance following the adoption of the Local Plan

Table 5: Summarised comments in relation to Outcome 5 – People live well and for longer

Responding as	Proposal 73. Commissioning all services currently provided by our in house provider, Care4CE	
Not specified	False economy -services provided in-house enable an independent view of individual ability to self-care, temptation for private agencies not to reduce the level of need. Private care agencies/ care homes request payment at higher level than council expects or aren't able to meet current demand. Existing service can be more efficient - reduce duplication & unnecessary visits, only offering the service to clients who are eligible for help.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	I'd be expecting increased expenditure here.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
Alsager Town Council	Page 67, point 73 & 74 – That strong concern is expressed at the outcome being considered prior to any review.	

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<b>Responding as</b>	<b>Proposal 75. Strategic Commissioning</b>	
Alsager Town Council	Page 69, point 75 – That strong concern is expressed at the outcome being considered prior to any review.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
<b>Responding as</b>	<b>Proposal 81. Growth Bid cared for Children and Care Leavers</b>	
Alsager Town Council	Page 71, point 81 – That the growth bid is welcomed and hoped this improvement brings us up to national and local comparators.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
<b>Responding as</b>	<b>Proposal 86. Investing in new ways of working (Revenue Investment)</b>	
Not specified	Suggestion - divert some of the £3.5m to boost services that support disabled people into employment (especially transition ages). This will save on service input costs as it is not as expensive, the outcomes are usually long-standing, it creates independence, it harnesses an underused community asset (i.e. employers), each outcome increases Council tax and in many cases the Council generated outcome will attract external income in.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
Alsager Town Council	Page 73, point 86 – That we welcome the investment.	
<b>Responding as</b>	<b>Proposal 87. Care Act Phase 2 – Adults, Children's and Public Health information systems</b>	
Alsager Town Council	Page 74, point 87 – That we welcome the investment.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.



Responding as	Proposal 88 & 89. Alsager Leisure Centre – Gym and studio space conversions/ Sandbach Leisure Centre – Gym conversion	
A local resident	Conversion of the remaining court at Alsager reduces the options for players in the area. Conversion of squash courts into a gym at Sandbach deprives a growing area of a sports facility. Centre becomes a full community facility in April 2020 - opportunity to extend the building on the current flat roof creating a gym & women's dry change whilst retaining the squash courts - high school can build its own facilities or arrange paid access with the council. Known that there are relationship difficulties with the high school - unless conflict is resolved fear money is being spent in an inappropriate manner.	There will still remain two courts at Alsager Leisure Centre to support squash. Only one court is being use for the much needed gym extension and creation of new fitness studios, resulting from the recent planning approval on the former MMU site. The Centre at Sandbach is already a community asset managed by Everybody Sport & Recreation who are proposing the investment. A feasibility design study has identified the optimum use of the space to improve the offer to the current six hundred plus members with a financial business case to demonstrate the additional use that will be made by local residents. In addition the new gym, unlike the existing one on the first floor will be accessible for disabled users and also have supporting changing accommodation
A local resident	You cannot just convert the squash courts into gym spaces at both Alsager and Sandbach sites. I am a member of the Alsager squash team and internal leagues & train at Sandbach courts every week. If you want to remove the most inefficient use of space then maybe you should look at the swimming pool. Encourage more people to play rather than just converting the courts - once gone they won't be replaced. You are looking at converting squash courts to other uses when funding is available nationally to increase participation in the sport.	A feasibility study has identified the best use of the space to create the new gym. The leisure trust will be actively working with the users of the current squash courts in terms of an offer based on playing at courts in Alsager to ensure continued involvement in the sport. It is understood there are around thirty active squash users of the courts whilst the swimming pool attracts over 27,000 annual visits plus weekly swim club use and over 600 young people attending swimming lessons every week.
A local resident	Please don't close the squash courts - this is the only convenient courts with a great league and club - Alsager is too far.	A feasibility study has identified the best use of the space to create the new gym. The leisure trust will be actively working with the users of the current squash courts in terms of an offer based on playing at courts in Alsager to ensure continued involvement in the sport.

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A local resident	Refurbishment of the squash courts at Sandbach leisure centre rather than getting rid of them. There are gyms already both in Sandbach and local surrounding areas. There are not however enough squash courts. My concern that a move like this is not motivated for "public health" reasons, but instead to increase the revenue for Cheshire East - not in the public's interest.	A modern leisure centre needs to maximise both the number of users benefitting from the facilities whilst also generating income. The income to pay for the development will go to the trust as the operator not the council. The courts remain unused for the majority of the time that the centre is open. There is currently no equivalent gym in Sandbach to provide the offer for residents that is being proposed. There will still remain squash courts at Alsager and Congleton. The reason for the investment is to generate more use of the leisure centre and contribute to the health and wellbeing of local residents in Sandbach,
A local resident	The New Capital Investment should be used to improve the Squash Court & Changing Room facilities at Sandbach which are quite poor. Make them more attractive to members of the Squash Club & casual squash players - many players have become frustrated with the poor quality of the Courts & have moved to other courts (Winsford and Alsager) over the years.	The courts remain unused for the majority of the time that the centre is open. The new development will increase use of the leisure centre and improve the changing rooms for all users.
A local resident	The squash courts at Sandbach Leisure Centre are the only ones in the town. To remove them will deny a lot of people the chance to play or start to play squash. After a period of decline squash is now on the up again and will be in the Olympics in the near future, should be encouraging this activity and not removing it.	Through consultation it is understood that the trust will be meet with regular squash players in supporting their use at Alsager leisure Centre and therefore retain access to allow squash to still be played. There remains a good supply of squash courts around Cheshire East that can be accessed.
Alsager Town Council	Page 75, point 88 – That we welcome the investment but consider that the investment should be +0.495 £m in 2017-18.	
<b>Responding as</b>	<b>Proposal 90. Increase Income (Revenue Savings)</b>	
Not specified	Rather than simply seeing income generation as purely one of income from customers, develop a strategic approach to external income development (SFA, DWP, DoH etc)	Response is noted and will be brought to the attention of the relevant Portfolio Holder.

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Responding as	Outcome 5. Mixed proposal comment	
A local resident	Suggest cutting out jargon & number of programmes for a start – pathway redesign? liberty safeguards? Transitional funding? Huh?! Get developers to pay for improvements to local leisure centres. Both towns mentioned have many new houses being built in them. Why isn't CEC making developers contribute?	The Council continues to use national planning policy to achieve contributions from developers mostly recently in Alsager as part of the planning approval for the former MMU site. It is also developing both a Playing Pitch Strategy and Indoor Built Facility Strategy to support this further.
Responding as	Outcome 5. Specific proposal unknown	
A local resident	Since Cheshire East resident's life expectancy is higher than the North West and national average more money needs to be invested in Dementia services. Both information & advice care & support for those diagnosed but also Carers. Money needs to be invested in organisations that have the proven expertise to provide these services such as the Alzheimer's Society.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	There is not much sign of healthy lifestyles in Crewe and they've closed the baths in flag lane which in my opinion was a bad decision.	The Council has recently invested £15m in Crewe Lifestyle centre which has provided modern facilities including a replacement of the former Crewe baths built in the 1930's . The leisure trust through the "One You" project are focussing in the building on addressing a wide range of health issues in support of local residents.
Town and Parish Council Conference	How do we capture what is happening locally to address adult social care – need full mapping Need to clarify what adult social care means – local authority interpretation different to local interpretation Need to be innovative in how we start conversations with local councils and community groups so as not to scare people away – consider language used including acronyms. ICE very good way to feed in Services need to be offered in different ways: traditional, council-led →innovation → community based, customer/carers involvement	Response is noted and will be brought to the attention of the relevant Portfolio Holder.



Table 6: Summarised Comments in relation to Outcome 6 – A responsible effective and efficient organisation		
<b>Responding as</b>	<b>Proposal 104. Reduced library provision to principal towns and key service areas</b>	
A local resident	If this plan is implemented, Cheshire East will be directly contradicting many of its own aims and outcomes.	Although consideration was given to this proposal, savings in this area are not being proposed in the 2017/18 Budget.
<b>Responding as</b>	<b>Proposal 130. Budget reductions resulting from productivity/ staffing efficiencies</b>	
A local resident	Offer all staff voluntary redundancy as a starting point saving time & money when planning for future service offerings.	The Council offers voluntary redundancy to staff, in line with it's policy and during change programmes, based on specific restructure requirements and affordability.
<b>Responding as</b>	<b>Proposal 133. Pay and pensions allocation</b>	
A local resident	Review the pensions of senior staff, pension pots of millions are not acceptable - should be an additional review with a view to capping payments.	Pension contributions rates are split between employees and employers and are subject to frequent review. In response to past reviews. 'Employer' contributions have risen consistently but 'employee' contributions have diversified and are now much higher for senior staff at up to 12.5% deductions from their salary compared to 5.5% for 'employees' on lower annual salaries.
<b>Responding as</b>	<b>Outcome 6. Specific proposal unknown</b>	
A local resident	The proposed increases to Councillor and senior offices pay/allowances should be curbed to zero increase.	Senior pay scales are fixed, without annual pay wards being applied consistently. Member allowances were independently reviewed in 2016/17 and future uplifts being fixed to the results of national pay negotiations.
A local resident	Freeze all Councillors pay increases un-till they are affordable.	
A local resident	Review wages of councillors -significantly reducing these will have huge benefit to the budget.	
A local resident	Rather than these options save money by cutting management and their often 6 figure salaries.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	Spend less on yourselves and more on "Putting Residents First" as you pledge. See this: <a href="http://www.thisismoney.co.uk/money/news/article-3005730/Third-council-tax-spent-staff-pensions-warns-leading-council-finance-chief.html">http://www.thisismoney.co.uk/money/news/article-3005730/Third-council-tax-spent-staff-pensions-warns-leading-council-finance-chief.html</a>	Response is noted and will be brought to the attention of the relevant Portfolio Holder.

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A local resident	I don't agree as when the council tax was increased 2016 the first thing councillors did was to give themselves a rise which I don't think they deserved as there's not much evidence of anything being improved in Crewe visually it looks down and depressing.	The pay review for Councillors was independently assessed and recommendations were adopted where affordable. Investment in Crewe is ongoing.
Town and Parish Council Conference	ICT: Better broadband to help transport issues , Sharing costs with others, Necessary, Expensive, Better planning (don't replace all at once) Staff: Cost of redundancies, Using technology, Less travel, Mobile working Development: Invest in roads and town centres, More houses/more businesses, But need more services, Contradictions – more car parking costs?, Less town centre footfall Priorities: Statutory vs non-statutory, Regional devolution (Mayors powers/costs) Finance: Manage expectation of Council Tax increase, Taxation collection challenge if Council Tax goes up, Reduce borrowing costs Invest in poor roads, Sell waste	Response is noted and will be brought to the attention of the relevant Portfolio Holder.

Table 7: Summarised comments – Miscellaneous - relation to specific Outcome/ proposals unknown		
Responding as	Comment in relation to planning	
A local business	Much more money needed to fund planning - hugely inadequate quantity & quality of resources both for development control & spatial planning holding back economic growth & council revenue – a huge return on investment.	The planning service is one of the busiest in the country dealing with over 6,000 applications this year and producing one of the most complex local plans that the inspector has dealt with. The Council has put additional resources in place to address both Development Management and Spatial Planning issues and continues to provide additional resources to provide a good service. An additional £315k is proposed to be included in the base budget for the service and additional £1,775k is proposed for the next 2 years to support the delivery of CIL, the Allocations DPD and the Minerals & Waste Plan.

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<b>Responding as</b>	<b>Comment in relation to highways</b>	
A local resident	Need to add further funding to highways.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	The roads are in poor condition due to previous budget savings & with the increase in the number of cars on the roads it would be a false economy to reduce the budget and front line transport staff.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
<b>Responding as</b>	<b>General comment in relation to budgeting</b>	
A local Cllr	The budget is Crewe centric with substantial spends over many years in multiple places. If these were spread over e.g. four years instead of three it would greatly improve the spending pattern, council tax levels and the need for savings elsewhere many of which are potentially service impactful but individually financially minute in comparison.	The capital programme has been re-profiled to reflect revised estimates of medium term funding levels. Business Cases will be further developed to maximise the return on investment.
<b>Responding as</b>	<b>Comment in relation to Council Tax</b>	
A local resident	Imperative that whatever decisions are made the primary target is a freeze/ reduction of Council Tax. Current rate of tax is extremely high - main problem, for residents in Congleton, is the huge rate of tax levied by the Town Council. Should Cheshire East further reduce what they give the Town Council - must be assured that this will not result in an increase in charges from the Town Council.	The Council Tax Band D charge for Cheshire East Council is below the national average following 5 consecutive Council Tax freezes. Town & Parish Council's set their own budget requirements and may request devolution of services where they estimate a more local service is preferable and can offer similar of better value for money.



A local resident	Object to increase - have seen increases already as Sandbach town council has taken on services from CE. We pay salaries, sick pay and generous pensions to employees who have failed to produce a local plan resulting in the destruction of our town - paying out and wasting money on legal fees. Cheshire East is taking in increased amounts of council tax from new residents but is choosing what services it provides - most are paying maintenance fees on the new developments for services not provided. No infrastructure improvements apart from junction 17 improvement - poor planning in the design around local roads - constant congestion -Increased pollution and loss of green space. Our local M.P, councillors and council do not listen. CE is overseeing the destruction of our town & we're expected to pay more for the privilege. Councils are expensive - over generous pensions & uncontrolled/wasteful spending. Vast amounts have been wasted in legal fees in recent years - the social & care sector is a-bound with waste countrywide.	The Corporate Plan 2016 to 2020 is the basis of the Council performance framework and reflects previous public consultation on the needs and wants of local residents. Quarterly performance reports highlight the Council's achievement of the outcomes, using specific examples of local impacts for local residents, which supports the Council's externally reported Value for Money assessment. (also merge with the above two answers)
A local resident	The focus should be on not increasing the tax burden. The outcomes are tosh - meaningless words.	
<b>Responding as</b>	<b>General Comments – Other</b>	
A local resident	To free up funding get Middlewich Railway Station re-built and the passenger trains returned to Mid Cheshire's Link Line. If you're serious about economic growth & community wellbeing this should be a strategic priority.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	Children and families need additional support. The special educational needs department is incredibly under funded. I requested fair access to information showing a dramatic number of EHCPs behind deadlines. Failing children who are the neediest - where are the high needs special school places? The fact we are paying other local authorities to educate these children as we have no facilities locally is a complete failure of the council and is shocking. I have recently contacted Knutsford Guardian about this and my MP is liaising closely with me.	Services for Children with Special Education Needs and Disabilities (SEND) is currently a key priority for the Children and Families Department of the council. A full needs assessment of educational places for children identified as having SEND has recently been completed and is being used to plan for the development of more in-borough places. Additional investment and recruitment has been made into the council's SEND Statutory Assessment Monitoring Team in

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		recent months to ensure the EHCPs are completed in a timely fashion and are of good quality. As a result performance in this area is improving significantly.
A local resident	All non-statutory services should go. Money needs to be ploughed into Adult Social Care	The Council frequently challenges non-statutory services to see if changing the level of service can increase resources for other services such as Adult Social Care. As such the Council already spends a higher proportion of the revenue budget on Adults Social Care than similar local authorities.
A local resident	Why on earth is CEC funding new school places in areas that are or will see new housing built in them? This is absurd! Surely developers should be paying the full cost of new education provision in these areas. Strongly object to this, particularly as school budgets elsewhere are cut. Why no mention of improvements to the Academy in Knutsford? Has this project now been abandoned despite promises made previously?	The Council does request contributions for school expansions from developers through the planning process where the growth is linked to new housing. However, there is a time delay in actually receiving the funding, so the Council has to fund the places upfront from our Department for Education Capital until the funding is received.
A local resident	Give the Police budget more.	The Police & Crime Commissioner sets a precept, which is collected through the Council Tax Bill and provides funding for local Police services.
A local resident	I am concerned at the effect on council tax of Prestbury parish council's profligate spending. For the 2016/17 year PPC's increase on 2015/16 was 27.3%. For the forthcoming period (17/18) their increase will be over 50%. This is inevitable as they have admitted that their controversial project to demolish the only public toilets and replace them with a car park will entail and additional council tax per household of circa £22.	These comments will be referred anonymously to the Parish Council for comment.



## Question Two:

The following tables summarise the comments received into each relatable outcome – please note that not all comments are written verbatim.

**Table 8: Summarised comments in relation to Outcome 1**

Responding as	Proposal 5. Increase Community Grants (Revenue Investment)	
A local resident	Investing in the VCF sector to provide support to older people, carers and people with dementia will reap benefits in terms of reducing isolation, increasing carers ability to continue caring especially where they are themselves elderly, this in turn is likely to reduce hospital admissions and the strain on professional social care services.	Outcome 5 is that local people have healthy lifestyles and access to good cultural, leisure and recreational facilities. Care services focus on prevention, early intervention and physical and mental wellbeing. CEC is committed to working with local people, providers and partners to shape our local services. We acknowledge that to achieve outcome 5, we need to continue working with our voluntary, community and faith sector enabling us to tackle social isolation in a way that does not rely solely on care packages but on connected communities.

**Table 9: Summarised comments in relation to Outcome 5 – People live well and for longer**

Responding as	Proposal 89. Sandbach Leisure Centre – Gym conversion	
A local resident	Enter into meaningful conversation with the High School over access to the current Gym - replace low impact equipment with modern bikes rowers etc. Develop a plan to create a second floor over the reception area with lift, women's dry change & expanded gym. Retain squash courts results in more revenue.	The existing gym on the first floor is already managed by the leisure trust and not the school. The feasibility study has identified the optimum layout for the new gym on the ground floor providing disability access (currently not available in the existing provision). It will contain a full range of modern equipment that will increase both use by local residents and income and allow for a more cost effective delivery.
A local resident	I spend a load of money every week on playing squash. If the courts are removed then I will not spend any money at that leisure centre.	The leisure trust is through consultation with regular squash users at a meeting on the 19th January looking to provide an offer to encourage use at other trust sites with squash courts, in particular Alsager.

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A local resident	A refurbishment of the gym at Sandbach, modernising the equipment would be worthwhile - cheaper than demolishing and building a new gym.	The replacement gym will be a modern fit for purpose facility. The existing one isn't large enough (especially considering the local population growth), isn't accessible for disabled users and does not have dedicated changing.
A local resident	Try encouraging greater participation in squash rather than just writing it off for current users and all future generations.	There is no intention to "write off" squash as a sport and Cheshire East has a sufficient general supply in courts including recent improvements at Macclesfield and Wilmslow Leisure Centres with funding from England Squash.

Table 10: Summarised Comments in relation to Outcome 6 – A responsible effective and efficient organisation		
<b>Responding as</b>	<b>Proposal 93. Review of Council Supplier Contracts (Revenue Savings)</b>	
A local resident	Review all contracts - especially the council owned companies	The contract review will include all contracts, including Alternative Service Delivery Vehicles such as the Councils' wholly owned Companies.
Alsager Town Council	Page 84, point 93 – That we consider the savings to be unachievable without putting services at risk especially in rural areas.	
<b>Responding as</b>	<b>Proposal 104. Reduced library provision to principal towns and key service areas</b>	
A local resident	Rather than sacrificing entire professionally-run libraries, opening hours should be looked into, with the possibility of cutting down on late night openings.	Although consideration was given to this proposal, savings in this area are not being proposed in the 2017/18 Budget.
Alsager Town Council	Page 88, point 104 – That we strongly object to any reduction in service at Alsager Library.	
<b>Responding as</b>	<b>Proposal 118. Concerning General Government Grants</b>	
A local resident	A proportion of New Homes Grant should be allocated to local	Response is noted and will be brought to the attention of the



	communities who will bear the burden of the new developments- -- especially if the delayed CIL regime prevents them benefiting from the potential proceeds of that scheme	relevant Portfolio Holder.
Alsager town Council	Page 97, point 118 – That Cheshire East Council should have a policy on the allocation of the New Homes Bonus to fit in with the Governments vision to assist the Community where the new developments have been built.	
<b>Responding as</b>	<b>Proposal 124. Council Tax Increase</b>	
A local resident	Council tax should be increased- the council is there to provide services and these need to be paid for - there's no moral justification in stopping services simply to boast about keeping council tax down.	Council Tax increases are detailed in the main Budget Report and will reflect appropriate increases and the links to direct funding for Adult Social Care.
<b>Responding as</b>	<b>Proposal 130. Budget Reductions resulting from productivity / Staffing Reductions</b>	
Alsager Town Council	Page 107, point 130 – That concern is expressed at the level of staff cuts in so much that too many reductions could adversely impact on the service delivery.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
<b>Table 11: Summarised comments – Miscellaneous - relation to specific proposals unknown</b>		
<b>Responding as</b>	<b>General comment in relation to outcomes</b>	
A local resident	Outcomes mean nothing, just business speak for things everyone would want. Why do not need to pay more for things you can't deliver - failed to listen or do anything so far other than have residents pay for failed leadership/ failure to produce a local plan & legal expenses. Sandbach has uncontrolled development leading to congestion, pollution, loss of green space etc. Infrastructure; failed. Future health & Well being; failed. No doubt the local economy will suffer with lack of parking and gridlock to.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.



A member of voluntary/ community org.	We should highlight the loss of Central Funding.	The Budget Report reflects the impact of reductions in funding from Central Government. During the consultation period briefings were provided to stakeholders also highlighting this issue. The Council is linked to a number of professional bodies lobbying government to ensure a fair allocation of available resources
A local resident	Where is the section on planned remuneration for 2016/2017? Executive pay should be reduced. Why did Mike Suarez get an overall 16% increase in pay and pension contributions 2015/2016? If savings have to be made and services cut, then surely there is less to manage? We seem to be on a trajectory of less services and more executive pay. Is the end game no services and 100% of council tax	Executive pay is managed through an effective Pay Policy. In 2015/16 the Council's Statement of Accounts reflected additional one-off payments for duties carried out by the Chief Executive in relation to local and general elections.
A local resident	Merge with Cheshire West to save costs. - Cut costs - Sell assets such as land - Sell share in the Manchester Science Park.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	More funding for cycle usage. Cheshire has a chronic lack of cycling provision.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	I think I only saw two references to cycle facilities? - I'd like Cheshire more if the council paid more attention to this aspect of our life. Buy some bikes for the councillors and get them to each ride a hundred	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	Less money on art projects more on things that really matter.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	I note that pension costs are an increasing liability for the Council. Notwithstanding the changes that were introduced to the pension scheme in 2014, why is it that the Council is not pushing for the LGPS to be changed to a defined contribution scheme, thus saving money and mitigating risk. I know this is a national issue but I cannot accept that council's are not pushing to do what virtually the whole of the private sector has had to do. To reduce service provision whilst operating a 1/49th scheme, even on an average salary basis and at the employee contribution rates, is not my understanding of the Council's core objective of "Putting Residents First".	Response is noted and will be brought to the attention of the relevant Portfolio Holder.



A local resident	Adult Social Care needs to be the priority - we are an ageing population, seems to be more emphasis put on young people in your plans yet statistically far more older people live in CE. More money needed to protect vulnerable adults.	Adult Social Care Precept and Adult Social Care Grant will provide income of c£7m in 2017/18. Both these items have been introduced or increased in response to the government settlement and to consultation responses
A local resident	Stop spraying herbicides all over pavements to stop weeds growing and reduce needless cutting of verges and other areas - will save money and benefit the environment.	The prevention of weed growth is necessary to prevent the longer term deterioration of the highway structure. In recent years the Council has reduced the amount of rural grass cutting to the minimum levels required for safety but this is also beneficial for the protection rural environment.
A local resident	Equalise car parking charges across ALL towns in the area - at present NO charges apply in Northwich. Alsager and Sandbach, but charges apply in Crewe and Nantwich - this is manifestly unfair to residents of these towns.	Any proposed changes in parking charges is subject to statutory public consultation. Whilst Northwich is not within the Cheshire East boundary, it is accepted that there are some towns that currently do not have parking charges attributed to them.
A local resident	Your general strategy is admirable.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A member of voluntary/ community org.	Greater support is needed for elderly, others recovering or in rehabilitation and for on-going care at home – growing need – greater priority. Currently hospital beds are blocked because patients cannot be discharged to rehabilitation facilities. People are then unable to move out of these facilities due to lack of provision of care in their homes, or residential care. This would reduce the overall costs at the	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	I think all councillors should be fulltime, not part-time you need fulltime commitment to achieve good results, even though you haven't got the full government budget you are getting revenue from all of the houses that have been built in the area which I should imagine is quite substantial. It's all a case of good management.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.



**Question Three:** The following tables summarise the comments received– please note that not all comments are written verbatim.

Table 12: Summarised comments in relation to question three		
A local resident	Increase in Council Tax unavoidable due to year on year Central Grant reductions, coupled with an increase strain on Services. If the Council could keep all local Business Rates this would mitigate some of the General Council Tax rises. Agree with review of Agency Staff, as this can be a real strain on Budgets.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	Disagree with increase in Council Tax - other efficiencies and saving must be made. The Council has a very poor track record in planning appeals and legal challenges, A further increase, especially of the magnitude, outlined is unacceptable and unaffordable to many residents - especially when Town Councils also levy charges.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local business	Cut all wages of 'top dogs' at town hall.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	I work in the care sector and it is under - funded in some areas - however there is waste on a massive scale in others - lack of awareness, accountability or resolve to address this. Money is at times handed out without proper accountability and this money could be better spent providing much needed care for adults & children.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	This amount far out stretches the wage rise we get - some only receiving 1% how can we keep on paying more out with so little coming in?	Although the percentage increase in Council Tax exceeds annual measures of inflation the value of the increase is only just over £1 per week for the average household. This is lower than forecast pay inflation or index linked increases in average household income.
A local resident	Charge developers more for the impact on roads and council services.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	Stick to core services, bins, education, libraries etc. & ditch all extras that nobody wants. Stop getting involved in areas and setting up dubious business that should not be part of delivering necessary local services - do not need a giant chess set in Crewe town centre.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.



A local resident	An increase in Council tax above 3.99% is unlikely - devolving more services to Parish level & increasing the precept for Parish Councils might be more acceptable as the results are visible locally. Scrap entire bus subsidy programmes allowing private sector to run services it felt were profitable - volunteer or not for profit solutions could fill the gap.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A member of voluntary/ community org.	Highlight Central Funding reductions	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	Stop spending money on projects e.g. advisory 20mph speed signs outside schools - high cost and widely ignored - work with highways & police on average speed camera projects - will reduce noise, improve air quality & encourage cycling/ walking as it will feel safer. Stop obsession with combined cycle ways & pavements - leading to more cyclists on all pavements & fewer pedestrians - motorists get confused as to why a cyclist is not using a marked pavement/why they emerge at strange places. Result: Improved health -reduced benefits pay-outs - reduced accidents - fewer school buses - reduced congestion.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	Keep the Gym in its current place at Sandbach, and reduce the Capital Investment but re-direct it to the Squash Courts and Changing rooms.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	Local taxation should at a level to cover social care	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	CE Council has been wasteful with council tax-payers hard-earned money over recent years – E.g. - Lyme Green fiasco, costly removal of senior staff, high costs associated with failed private enterprise initiatives. Expect to see CE do much more in terms of looking inwardly for cost reduction before increasing local council tax rates.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	Merge with Cheshire West	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	You should ask your staff to identify where money is still being wasted. Then be brave enough to act on what they say.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	Children & Families - special educational needs department - I feel that the government should care for these people but I wouldn't mind paying the extra as it is only fair.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.

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A local resident	Your questions assume that everyone agrees that the budget is limited to what can be obtained from central government or other allocated sources. I am particularly interested in retaining the squash courts in Sandbach; this is the only participation sport I take part in. You are proposing to remove a sports facility and replace it with a gym of which there are already plenty in the area, with more being built. Nobody has asked me if I am prepared to pay more for my games. Why?	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	£100m, is that over 3 years, £1 per week per household - a bargain. If you could skew that to the top 50% would it affect their standard of living noticeably? I heard today that it is £2.80 each way on the bus to get from outer Macclesfield to the centre so maybe you could raise more from town centre parking?	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local business	Charge people for repeatedly missed Doctor & hospital appointments. If people require police/ambulance services as a result of drink/drugs they should be either financially penalised or required to do community service.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	Will any Social Care increase be paid BUBA Care Homes?	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	Becoming more efficient - great amounts of public money is wasted on continual poor planning. Both through housing and road infrastructure alone. The lack of local plans has cost tax payers what appears to be an endless pot of money due to the continual consultations regarding rejected plans etc.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	Not opposed to increase if is clearly going to support where needed. CEC need to be very transparent with documenting and publishing where this money goes.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	Increase council tax further and get developers to pay for many of the improvements outlined in budget - new highways, new school places, improved leisure centres, public realm improvements, etc. The area is under huge development pressure and for years CEC has not squeezed developers. CEC must be much more aggressive in forcing developers to contribute as much as possible.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	Persuade Prestbury Parish council to abandon their proposed project to replace the public toilet block with a car park which is of no value to most residents. This will produce a significant saving.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	Cut staff (management and officers) who contribute little.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.



A member of a voluntary or community organisation	Not appropriate to increase local tax whilst you still overpay senior staff -there is increasing resentment at this especially within the VCFS groups on whom you must increasingly rely who see wastage and excess spent on and by council staff. Removing the distinct & unnecessary communities department would automatically enable other people focused staff & services to work more closely together - too much duplication, overlap and lack of communication between department/working groups. I do not believe the reduction in services is appropriate until these issues are clearly shown to be addressed. I currently have no confidence that any increased revenue would be well spent. Abolishing the role and everything associated with the Mayor would also bring savings and demonstrate a genuine commitment by the Council to use our money more wisely and effectively. Parishes and towns already have their own mayors and dignitaries - we have a Leader and Deputy Leader and could appoint a Chairman of the Council to carry out the necessary duties.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	Not give yourself rises – there are people who can't afford to pay bills, so this increase won't be good news for them and for retired people which we are.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.



## Shaping Our Services E-mail responses

The following table summarise the comments received into the Shaping Our Services dedicated e-mail account – please note that not all comments are written verbatim.

Table 13: Shaping Our Services E-mail responses		
Responding as	Summarised Comment(s)	
A local resident	Outcome 5 states people live well for longer. Can you let me know how much money has been set aside in the budget for this Thanks	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local resident	Time and time again the dustman are unable to get up our street due to parked cars on either side of the road. The people who park like this live in High street. If an ambulance or a fire engine were to be called they would not be able to get through	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
Alsager Town Council	<p>The following responses to the CEC pre-budget consultation 2017-20 follow the document by page and point numbers.</p> <p>Page 14, paragraph 2 – That we are pleased that the Consultation has recognised the work done by Town Partnerships and that the Community Grant Panel should be marketed in a more open and transparent way.</p> <p>Page 23 – That in High Quality Town Centres, Alsager Town Centre Highway Improvements including footpaths and parking should be included.</p> <p>Page 105 – That we welcome Apprentice levy.</p> <p>GENERAL OVERVIEW</p> <p>Children's and Adults Social Care appears to have insufficient funding within this three year Cheshire East Council Pre-Budget Consultation.</p> <p>That the identified budget cuts in this Cheshire East Council Budget Consultation are being made prior to determining how the savings are going to be achieved.</p>	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
Clerk to Bunbury Parish Council	The Parish Council feels that the bus service to rural areas such as Bunbury is an important service that is valued and used by the local community and there are no alternative means of transport for residents. Therefore the significant cuts proposed to this service will have an adverse affect on the rural communities of Cheshire East.	Covered in response to proposal 27



Table 13: Shaping Our Services E-mail responses

Responding as	Summarised Comment(s)	
Clerk to Crewe Town Council	Cheshire East should review its priorities - focus on matters that local communities see as important, such as better roads, improved parks, car parking (costs), environmental issues, community safety, Consider transfer of funds to the town council who could seek to address the deterioration in local services - funds could be drawn from the monies being collected by Cheshire East in Crewe by virtue of increased levels of fines for littering.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
Chairman of Mottram St Andrew Parish Council	Proposal 27 - Not in favour of reducing level of support for local bus services, Inc. community transport - should be encouraging more people out of their cars - several residents are not car owners and rely on public transport. Proposal 33 - Concern over reduction in level of winter services – Inc. gritting of roads - could cause more road accidents. Proposal 57 - Concern over reduction in highway maintenance including gully emptying - the state of our roads are so poor and in need of attention. Proposal 66 - Not in favour of charging for the disposal of garden waste – will result in more car journeys to HWRC's, which we understand that you are planning to reduce in number. An increase in cars on our roads will result in more emissions - possibility of increase in fly tipping.	Covered in response to proposal 27, 33, 57 and 66
South Cheshire Chambers Business Breakfast	Potential proposal for Care Homes that are charitable to ask for 100% relief rather than the 80% receive now. SBRR is going up and many getting 100% so want 100% too as a priority.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.
A local business	<b>Proposal 18 - West Park Museum (capital investment)</b> – request for more information – keen to be a-part of the process <b>Proposal 30 - Reduce funding to the Macclesfield Silk Heritage Trust</b> - request for more information – keen to be a-part of the process.	Covered in response to proposals 18 and 30
A local Cllr	<b>New Homes Bonus</b> - Hope that money can be found from within the NHB to help to prepare for the future whilst providing an improved Civic centre in Alsager with energy	Response is noted and will be brought to the attention of the

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**Table 13: Shaping Our Services E-mail responses**

Responding as	Summarised Comment(s)	
	savings. Refurbishment will cost in the region of £250,000 - have a capital reserve of £30,000 which is held to offset future commitments.	relevant Portfolio Holder.
A member of a voluntary or community organisation	<p><b>Proposal 89</b> – Reconsider closure of squash courts - promote squash – increasing numbers for the squash club would create the forecast revenue that a larger gym would create - area doesn't need another gym that will only serve locals, Sandbach squash club draw players from all over the county.</p> <p>Expansion upstairs would be cheaper for 'everybody' and by ultimately keeping the courts open alongside a bigger gym would increase takings dramatically. To decrease the courts apparent running costs a simple 12" pipe/ duct in place from the pool to the courts would help pull free warm air across from the pool to heat the courts year round.</p> <p>Disabled access must also be available for someone to play squash. Staff at Sandbach deserve a better work place environment &amp; job security.</p> <p>Could I ask how the facility intends coping with the extra traffic / cars a proposed larger gym would create - one main point in closing the courts is to make the gym disabled friendly - where are all the disabled parking spaces going to be, if the car park belongs to the school what have they agreed to?</p>	Covered in response to proposal 89
A local resident	<b>Proposal 57</b> - I note that £150K could be saved reducing highway tree maintenance. If the trees in the rest of CE are in the same state as those outside my house (huge, inappropriate beech trees) which constantly drop branches, then the amount saved will be overshadowed by the amount that has to be paid out in compensation when residents sue the council when the branches damage property and vehicles.	Covered in response to proposal 57
Cheshire East Unison	Concerns regarding staff reductions, terms and conditions changes, and outsourcing of key services, future job security and pension implications.	Response is noted and will be brought to the attention of the relevant Portfolio Holder.



Table 13: Shaping Our Services E-mail responses		
Responding as	Summarised Comment(s)	
A local Cllr	Pleased to see the proposed allocation of £1.2m to improve the Whitehall Bridge Roundabout (Proposal 69). Also Welcome the proposed increase in Community Grants (Proposal 5), Increased Parking Enforcement (Proposal 15) the creation of the new Investment Portfolio (Proposal 21) and the Tatton Vision Phase 1 investment (Proposal 29).	Covered in response to proposals 5, 15, 21 and 29
A local Cllr	Outcome 3 - P42 Most of savings are on SEND. What would the financial implications be of reversing the recently proposed school bus cuts and phasing in changes as recommended by the call-in group?	This would require a change of policy, which may have further implications.  The proposal would require a business case to identify the financial and non-financial implications of a change.
A local Cllr	P44 Cheshire East planning have been saying no education	Need further clarity on this comment please.



**Table 13: Shaping Our Services E-mail responses**

Responding as	Summarised Comment(s)	
A local Cllr	<p>P46 I agree that Sandbach needs more primary school provision but why isn't this covered by s106 contributions? In a recent report NO primary school contributions were sought (see below)</p> <p>15/5259C The Council's Education Officer has advised that the development will generate 2 primary and 2 secondary aged pupils. The development is forecast to increase an existing shortfall for secondary provision in the immediate locality, but would have no impact upon primary or Special Educational Needs provision. In light of this the following contributions are sought towards secondary school provision - £32,685</p>	<p>£130k of S106 funding supports the Primary &amp; Secondary planning areas in the document (Planning Refs 10/2608C - 14/2913C) and funds have already been received by CEC .</p> <p>In the projection spreadsheet that was presented at the C&amp;F Capital Challenge meeting on the 8<sup>th</sup> November there were estimates of £3.905m of S106 funding to be received over time within the Sandbach Planning Area which would eventually cover 84% of the total forecast spend of £4.650m. These are not guaranteed nor banked as yet.</p>
A local Cllr	P56 Arclid Waste Site – How much would it cost to keep the site open at weekends only?	As per budget consultation we expect to save £100, 000 annual contract costs a year in addition to the outstanding capital works that are required to maintain the current site.
A local Cllr	P57 charging for garden refuse collections – please supply details of other councils who have tried this.	Covered in response to proposal 57



Table 13: Shaping Our Services E-mail responses		
Responding as	Summarised Comment(s)	
A local Cllr	What will be the impact on the budget from which the money is coming? Put another way. What will Public Health have to cut?	Response is noted and will be brought to the attention of the relevant Portfolio Holder
A local Cllr	Option to review concessions policy for charging for services	Services have charging strategies appropriate to their services.
A local Cllr	Could include position on LA provision of housing and latest update on Housing ASDV	The potential ASDV is still at feasibility stage. Further work is due to be presented to CLT to consider a way forward. The options include Council Owned Housing but the feasibility work undertaken by Savills doesn't put this forward as a preferred option.
A local Cllr	Could parking bays be put on grass verges in Crewe funded from car parking income	Response is noted and will be brought to the attention of the
A local Cllr	Could car parking income be increased and increased for locally determined spending	<p>Car parking income is spent on specific items as we know, and spending to date has not been localised even though car parking income has not been collected evenly throughout the borough.</p> <p>It would be possible to identify local spending as funded from car parking income, but this proposal seemed to imply additional benefit would be provided to areas where new charges may be introduced – is the intention to create a new business case?</p>



Table 13: Shaping Our Services E-mail responses		
Responding as	Summarised Comment(s)	
A local Cllr	Group would like review of Landlord Registration Scheme to be self funded.	Response is noted and will be brought to the attention of the
A local Cllr	Should CEC introduce an intermediate care WOC?	Response is noted and will be brought to the attention of the
A local Cllr	Can civic costs be isolated and reductions proposed	Response is noted and will be brought to the attention of the
A local Cllr	Proposal 15 – could enforcement officers be more efficient (eg travel on scooters)?	The option to use scooters may introduce potential health and safety risks to the existing workforce, but could still be considered.
A local Cllr	Does any proposal impact on the future funding of CAB services?	There is a proposal that positively affects funding to CAB – no.97 on page 85. It is actually an increase in funding. We in effect “loaned” CAB North £30k in 2015-16 on the proviso that we would reduce the funding by £10k for the service for the following 3 years (whether they secured the contract or not). This increase will bring the budget back to the level before the loan just in time for the next procurement cycle.
A local Cllr	Reference could be made to impact of renewable energy on non-domestic rate retention	Response is noted and will be brought to the attention of the relevant Portfolio Holder.



Table 13: Shaping Our Services E-mail responses		
Responding as	Summarised Comment(s)	
A local Cllr	Group may want to consider response around Single Person Discount & CT band changes	Response is noted and will be brought to the attention of the relevant Portfolio Holder.



The key events associated with the Budget Consultation are outlined in the below table along with the topics of discussion and any feedback received.

Events	Comments
Corporate Leadership Team / Cabinet Away Day – 15 <sup>th</sup> June 2016	Launch of the Business Planning process for 2017-20. Update on the financial position, processes of planning, monitoring and reporting.  First consideration of budget changes being proposed.
Cabinet – 12 <sup>th</sup> July 2016	<a href="#">Revenue 2015/16 Outturn.</a>
Corporate Leadership Team / Cabinet Away Day – 5 <sup>th</sup> September 2016	Further update on the process and revisiting of the proposals being considered for consultation.
Cabinet – 13 <sup>th</sup> September 2016	Receive <a href="#">First Quarter Review of Performance.</a>
Team Voice – 2 <sup>nd</sup> November 2016	Issued to all staff and Members to headline release of <a href="#">Pre-Budget Consultation.</a>
<a href="#">Corporate Overview and Scrutiny Committee</a> on 3 <sup>rd</sup> November 2016	Received <a href="#">Pre-Budget Consultation</a> and <a href="#">Mid-Year Review of Performance.</a>



Events	Comments
Cheshire East Council website – 4 <sup>th</sup> November 2016	<a href="#">Pre-Budget Consultation</a> placed on Council's website and Centranet to launch consultation exercise.
Cabinet – <u>8<sup>th</sup> November 2016</u>	Received the <a href="#">Mid-Year Review of Performance</a> Report.
Trades Unions – 14 <sup>th</sup> November 2016	<p>The meeting Response is noted and will be brought to the attention of the relevant Portfolio Holder. the following points:</p> <ul style="list-style-type: none"> <li>- £94m shortfall over three years. Cheshire East Council (CEC) commission more that we pay for directly. More money is being put into people services. The report shows £34m of investment in services that will need to be offset by savings.</li> <li>- Question raised about cumulative values, and in particular the proposal for £5m year on year savings over the three years, believing that £5m is not achievable. Answer: confirmed the £5m year on year saving becomes cumulative if the £5m is not achieved in the first year and represents less than 5% of the cost of the current workforce.</li> <li>- Question asking what engagement had there been on this with staff as there are significant reductions proposed. Answer: there had been investments in technology such as liquid logic to help social workers for example such improvements would support a reduction in the need for agency workers and consultants. The proposals contained a range of initiatives but further</li> </ul>

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Events	Comments
	<p>feedback from the TU's was welcome.</p> <ul style="list-style-type: none"> <li>- Response is noted and will be brought to the attention of the relevant Portfolio Holder. that until the TU's have the detail they do not consider they will be in a position to comment fully until after the consultation closes. There were strong messaging that CEC was looking at outsourcing with the intention of being a smaller council.</li> <li>- Clarification that CEC does not have a history of externalising services; our preference is to create the right approach on delivering services as described in "Best Fit" and more recently through arms length Alternative Service Delivery Vehicles (ASDVs).</li> <li>- Invitation for TU's to tell CEC what they can do to make changes. Response is noted and will be brought to the attention of the relevant Portfolio Holder. that ASDV's cost base is considerably higher due to pensions costs compared to those they have to compete with for business. Our response to this is to develop a pension scheme that makes our ASDV's competitive.</li> <li>- TU's want to continue the dialogue, but the pension point is a concern for TU members.</li> <li>- CEC wants to engage members and staff on key issues on policy and budget matters, and reiterated that this was the start of consultation on the proposal. It was important that conversations happen locally.</li> </ul>
Town and Parish Councils Conference – 28 <sup>th</sup>	The Finance and Assets Portfolio Holder presented an overview of the Council's Finances and the <a href="#">Pre-</a>

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Events	Comments
November 2016 (only had feedback from Economy)	<p><a href="#">Budget Consultation</a>. Comments on individual proposals as follows -</p> <ul style="list-style-type: none"> <li>- Bus Service reduction proposal –radical approach required to achieve saving level. Services on the main corridors of movement should be prioritised and alternative transport or local service based solutions required. Morre community based local service provision needs to be considered. Overall agreed that the review should work to achieve this proposed budget saving.</li> <li>- Parking income – the use and benefits from greater civil enforcement was understood and accepted as a basis to manage in a more effective way. Parking charges are a sensitive issue and difficulties in arriving at Borough wide approach to parking was Response is noted and will be brought to the attention of the relevant Portfolio Holder.. Any significant increase in revenue from parking should be used to support the Councils highways and transport services as a way of demonstrating to residents that there was a clear related benefit from this revenue income.</li> <li>- Create new investment portfolio – The Council should be very clear about its objectives for any scheme and the level of funding invested. If the funding was in the £10ms level as proposed it was not worth pursuing unless the policy would be support schemes and sites within Cheshire East. Otherwise the fund should be significantly higher and invested in the best UK related investment opportunities to generate a sensible revenue income return. Sceptical of the returns being quoted.</li> </ul>

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Events	Comments
Schools Forum – 1 <sup>st</sup> December 2016	<p>The meeting Response is noted and will be brought to the attention of the relevant Portfolio Holder. the following points:</p> <ul style="list-style-type: none"> <li>- All of the relevant documents can be found online and feedback can be given online (including an online survey).</li> <li>- The pre-budget consultation document is a detailed document giving a three year balanced position which includes revenue and capital options and local taxation forecasts.</li> <li>- C.£100m of savings are required going forward. The majority of the authority's income is focused on people services.</li> <li>- There continues to be the same six priorities (outcomes). Every outcome in the corporate plan is going to be affected and the whole document is subject to consultation (until 10<sup>th</sup> January).</li> <li>- Specific question raised: Does capital investment involve infrastructure used in education?</li> </ul> <p>Answer: Yes, it will include a number of school projects. Further explanation was provided to confirm that Outcome 3 – Education is wider than just schools. It also includes support for children. Capital investment will be prioritised for those areas which are growing. The investment will initially be funded using grants from the DfE however those funds will be replenished when payments from planning obligations under S.106 of the Town and Country Planning Act 1990 are received. There is a priority for</p>

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Events	Comments
	<p>school expansions and that will be put out to consultation in the new year.</p> <ul style="list-style-type: none"> <li>- The Council will approve the budget in February 2017.</li> </ul>
Cabinet – 6 <sup>th</sup> December 2016	Consider the <a href="#">Domestic and Non-Domestic Tax Base</a> for recommendation to Council.
Council – 15 <sup>th</sup> December 2016	Agree the <a href="#">Domestic and Non-Domestic Tax Bases</a> .
Funding announcements – 15 <sup>th</sup> December 2016	From Government
Third Quarter Review of Performance – Challenge sessions – 12 <sup>th</sup> to 21 <sup>st</sup> December 2016	Provided updated baseline spending calculations for services and potential impact on calculations proposed within the MTFS.
All Member Briefing – 12 <sup>th</sup> January 2017	The Finance and Assets Portfolio Holder presented an overview of the Council's Finances and the <a href="#">Pre-Budget Consultation</a> including an update on the impact of the Provisional Settlement
South Cheshire Chambers of Commerce – 12 <sup>th</sup>	Cllr Groves presented the Council's <a href="#">Pre-Budget Consultation</a> to a <a href="#">South Cheshire Business networking</a>

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Events	Comments
January 2017	<p><u>event.</u> Issues raised / suggestions made:</p> <ul style="list-style-type: none"> <li>- Future development plans for Crewe including update on HS2</li> <li>- Council Tax and Business Rates plans for the medium term</li> <li>- Request for improved communication from Cheshire East - A discussion on how Cheshire East can supply information on the current position of each consultation Cheshire East has started</li> <li>- A discussion on planning permission and whether Cheshire East will now start to awarding planning permissions so as to avoid being penalised on the Government New Homes Bonus Scheme if their decisions are then overturned on appeal</li> <li>- A discussion on whether Cheshire East are now directly linking savings on adult social care to whether they make / provide highways improvements as suggested at the meeting on 12th Jan</li> <li>- Information regarding social care providers in respect of domiciliary care and residential care providers</li> </ul>
Macclesfield Chamber of Commerce Business Event – 26 <sup>th</sup> January 2017	<p>Cllr Groves presented the Council's Pre-Budget Consultation to a Macclesfield Chamber of Commerce networking event. Issues raised:</p> <ul style="list-style-type: none"> <li>- Notes from the meeting</li> </ul>

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Events	Comments
Individual proposals received from Cheshire East Council Members in January 2017	Feedback on:  -
Corporate Overview and Scrutiny Committee – 2 <sup>nd</sup> February 2017	Receive MTFS Report / Review Budget Proposals
Corporate Trades Unions – 8 <sup>th</sup> February 2016	Final MTFS Report
Cabinet – 7 <sup>th</sup> February 2017	Consider MTFS Report and recommend proposals to Council
Council – 23 <sup>rd</sup> February 2017	Debate and approval of 2017/18 budget

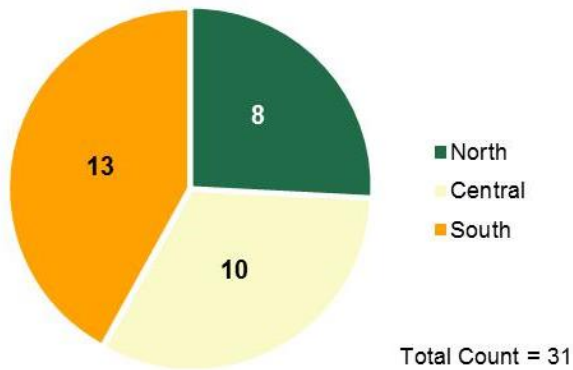


**Member Workshop Feedback**

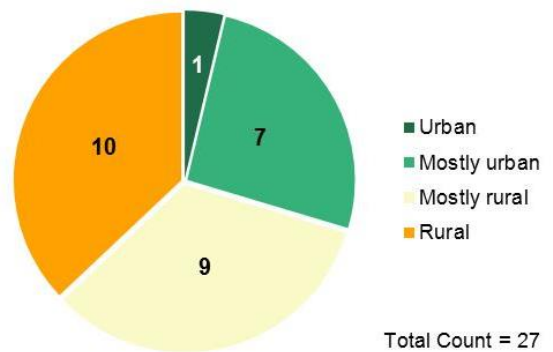
A workshop session was held with members during the Town and Parish Conference on the 28th November 2016. There were a total of 32 participants during the workshop.

13 of the participants represented Towns/Parishes within the South of the Borough, 10 represented Central CE and 8 represented the North (figure 3). The majority of participants (19 out of 27) represented rural/ mostly rural areas of Cheshire East, (figure 4).

**Figure 3. Location of Town/Parish**



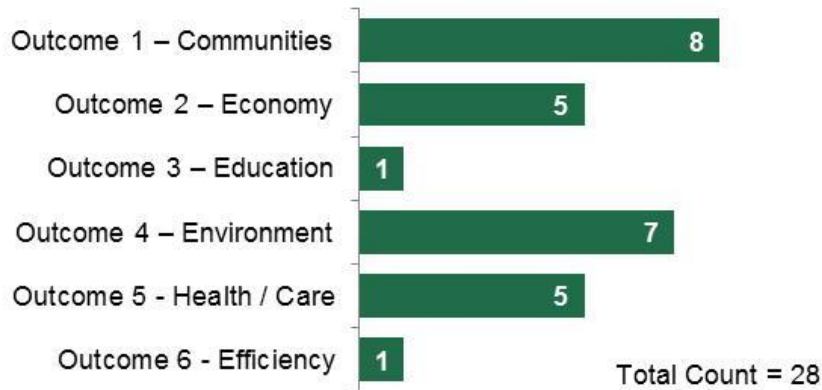
**Figure 4. Description of Town/Parish**





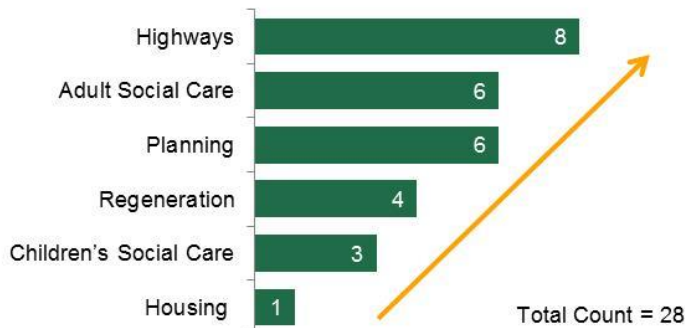
Participants were asked which particular outcome they believed was the top priority for their area, outcome one – communities came out as top priority for 8 participants, 7 participants selected outcome 4 - environment as their top priority. Outcome 3 - education and outcome 6 - efficiency were not as high of an overall priority with each receiving 1 vote each only.

**Figure 5. Top priority outcome for area**



Participants were then asked what service area they considered as top and least priority for investment within their area. Highways came out on top with housing being the least priority, figures 6 and 7 show the breakdown of response.

**Figure 6. Top priority service for investment in area**



**Figure 7. Least priority service for investment in area**

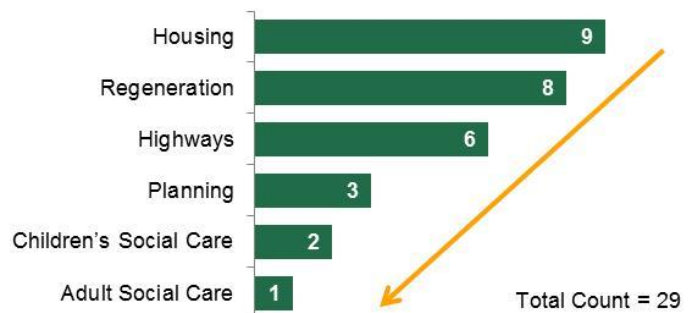
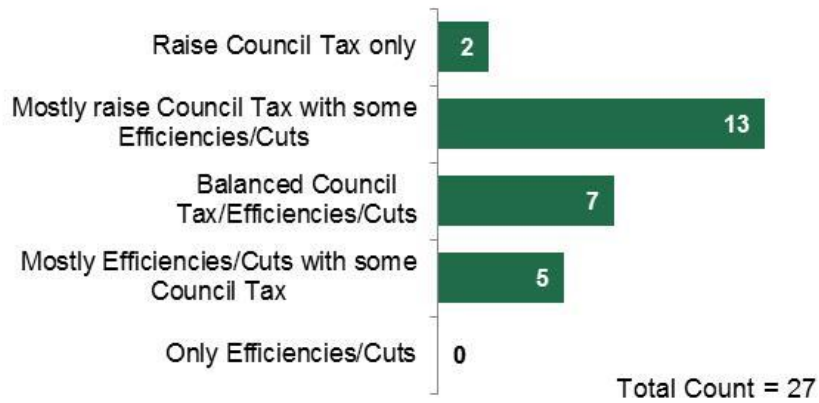


Figure 8 shows that the majority of participants (13 out of 27 who responded) felt that the best way to close financial deficits would be to mostly raise Council tax with some efficiencies/cuts. The least popular way would be to only have efficiencies cuts, which received no votes, followed by raise Council tax only with 2 votes.

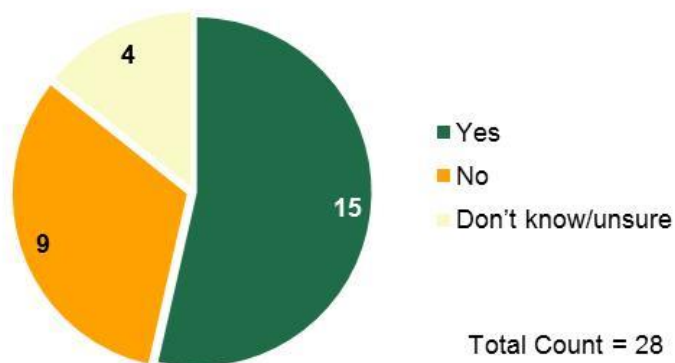


Figure 8. Best way to close financial deficits

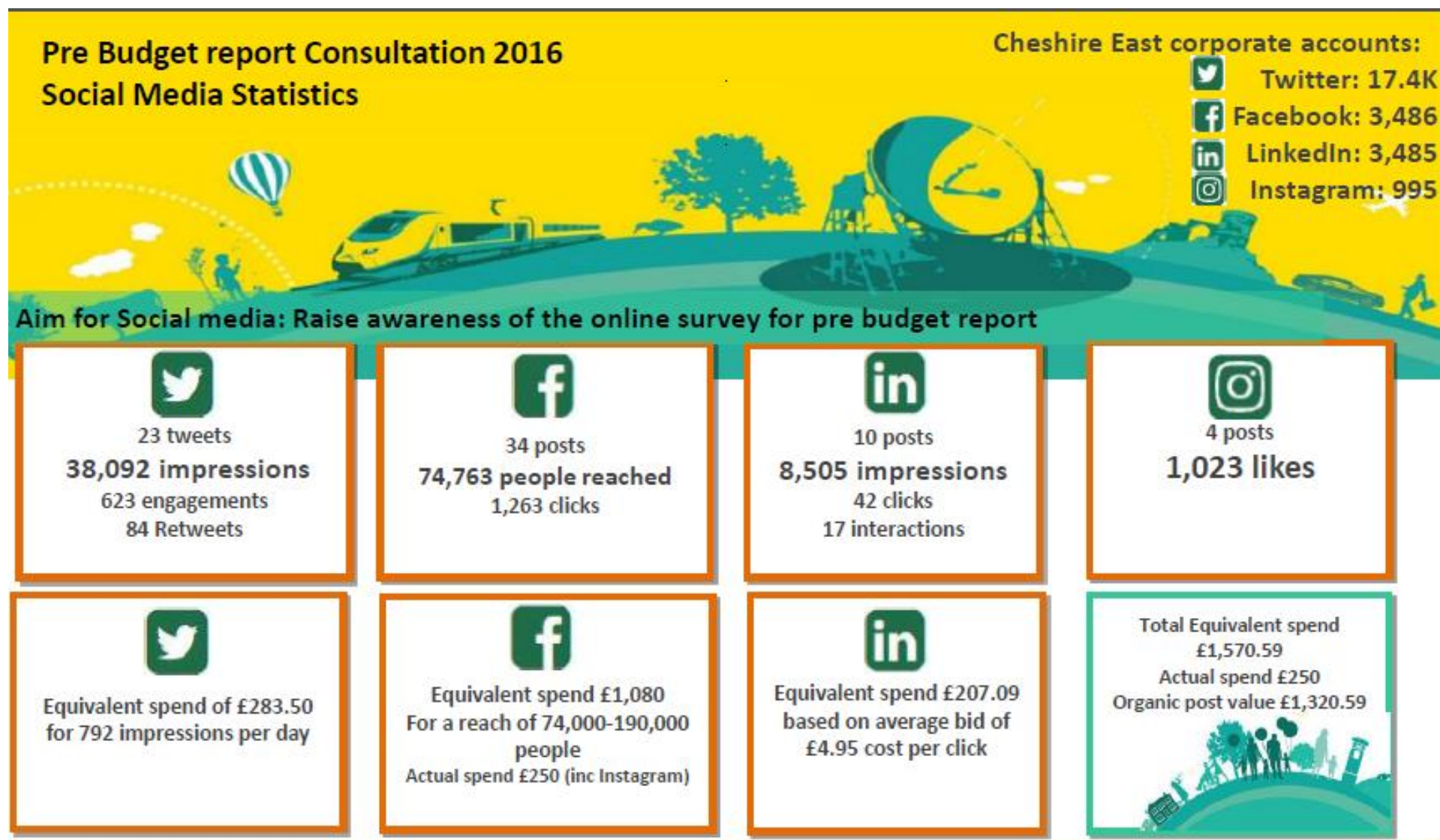


15 of the participants seen further devolution of services/ assists as a positive bearing in mind the current financial challenges. 9 did not see devolution as positive and 4 were unsure.

Figure 9. Do you see devolution of services/assests as positive?









## Top organic posts

**Cheshire East**  
Published by Facebook 19 - 24 December 2016 at 14:21 · 0

Our government's funding will be reduced from £40m to £3 by 2020 and we have set ourselves the challenge #CECBudget

<http://cheshireeast.gov.uk>



Get more likes, comments and shares  
Boost this post for £4 to reach up to 790 people.

1,380 people reached

Boost post

**Cheshire East**  
Published by Facebook 19 - 21 December 2016 at 12:38 · 0

Our pre-budget report is currently out for consultation. Comment via our online survey or via councillors #CECBudget <http://ow.ly/1P0en83D069Gk>



Get more likes, comments and shares  
Boost this post for £4 to reach up to 890 people.

1,661 people reached

Boost post

**Cheshire East**  
Published by Facebook 19 - 21 November 2016 · 0

Our government's grant will be reduced from £40m to £3 by 2020 read how we intend to meet the challenge <http://ow.ly/VFis30684JW> #CECBudget



Get more likes, comments and shares  
Boost this post for £4 to reach up to 990 people.

1,525 people reached

Boost post

**Cheshire East**  
3386 impressions

We need to save £100million by 2020. If you had to decide, what would you do? Have your say via: [ow.ly/1MT2305QG6o](http://ow.ly/1MT2305QG6o) #CECBudget

100% Increase Council Tax

100% Reduce Services

80 votes · 100% positive

10 votes · 100% positive

10 votes · 100% positive

**Cheshire East**  
3168 impressions

Find your local Cheshire East Councillor and how to contact them on our website here: [ow.ly/1R8AqG](http://ow.ly/1R8AqG) #CECBudget



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**Cheshire East**  
2362 impressions

It's important that people are aware of our #CECBudget report with the challenges ahead over the next 3 years [ow.ly/13307538K](http://ow.ly/13307538K)



**Cheshire East**  
1948 impressions

#CECBudget proposals inc: raising council tax by 3.99% each year- 2% of which is for adult social care read more [ow.ly/1nZst3072KQJ](http://ow.ly/1nZst3072KQJ)



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**Cheshire East**  Written by Corinne Business Admin (P) · 15 December 2016 at 12:19

Take a look and have your say! The #CECbudget report shows how we plan to spend money over the next 3 years <http://ow.ly/Fom8306INGk>



15,942 people reached

Like Comment Share

Carol Bulman, Ralph Hurst and 19 others · Top comments ·

15 shares · 12 comments

**Cheshire East**  Written by Corinne Business Admin (P) · 15 December 2016 at 12:19

Take a look and have your say! The #CECbudget report shows how we plan to spend money over the next 3 years <http://ow.ly/Fom8306INGk>



10,819 people reached

Like Comment Share

Yannia Koulaouras, Michael Griffiths and 17 others · Top comments ·

4 shares · 6 comments



**Cheshire East** 

265 likes · 3

Take a look and have your say! The #CECbudget report shows how we plan to spend money over the next 3 years <http://ow.ly/Fom8306INGk>

Add a comment · ...



**Cheshire East** 

107 likes · 3

Take a look and have your say! The #CECbudget report shows how we plan to spend money over the next 3 years <http://ow.ly/Fom8306INGk>

Add a comment · ...

**Cheshire East**  Written by Corinne Business Admin (P) · 15 December 2016 at 12:19

Take a look and have your say! The #CECbudget report shows how we plan to spend money over the next 3 years <http://ow.ly/Fom8306INGk>



7,348 people reached

**Cheshire East**  Written by Corinne Business Admin (P) · 15 December 2016 at 12:20

Take a look and have your say! The #CECbudget report shows how we plan to spend money over the next 3 years <http://ow.ly/Fom8306INGk>



3,466 people reached



**Cheshire East** 

228 likes · 3

Take a look and have your say! The #CECbudget report shows how we plan to spend money over the next 3 years <http://ow.ly/Fom8306INGk>

and it's out! Love it! Love it! Love it! Gorgeous! 🌟

Add a comment · ...



**Cheshire East** 

232 likes · 3

Take a look and have your say! The #CECbudget report shows how we plan to spend money over the next 3 years <http://ow.ly/Fom8306INGk>

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## Listening to the conversation – social media comments

**Martin Brereton** Exactly. They only want you to think they are listening and actually care but ultimately they do whatever they like.  
Like · Reply · Message · 2 · 6 January at 09:41

**Margaret Woods** Pointless they will do what they want  
Like · Reply · Message · 3 · 27 December 2016 at 22:49

**Peter Bayley** How much for market consultants this year?  
Like · Reply · Message · 1 · 6 January at 10:32

**Tracey Evans** Bottom line will be job cuts for staff  
Like · Reply · Message · 1 · 7 January at 17:39

**Maggie Swindells** No mention of Pot Holes! That seems to be the consensus view ....  
Like · Reply · Message · 7 January at 19:01

**Rich Headey** What would 'pot holes' come under in that budget?  
~~~~~  
Every time it rains I see pedestrians dodging splashes from passing cars but ...  
"57. Reduce routine maintenance of Highway network (Gully Cleansing) (Revenue Savings) £m for three years -0.570 -1.140 -1.860"  
Like · Reply · Message · 1 · 5 January at 23:12

**Charlotte Peters Rock** This will, as usual, gain a full set of brownie points for 'public consultation', whilst ignoring everything the public has to say. That's how CEC is set up to operate.  
Like · Reply · Message · Yesterday at 09:24

**Colin Grant** Let's start with the cost of this  
Like · Reply · Message · 8 · 20 December 2016 at 16:12

**Derek Hughes** They missed out "your" between "spend", and "money". I would much rather spend it myself. 😊  
Like · Reply · Message · 1 · 4 January at 11:47

**Christine Williams** @cmwilliams236 · Jan 7  
@CheshireEast It's a shame it's so long winded and not user friendly for most of the customers you serve.

**Rob Sproston** @dabberuk · 29 Dec 2016  
@CheshireEast whilst I recognise that cuts are to be made will this include a 20% reduction in the money paid to Councillors

**Oily Lowe** @oilylowe · 30 Dec 2016  
@CheshireEast At a hefty 121 pages public participation is likely to be low! Many question whether their voice would be heard too #engagement

**Andy Large** Straight out of the blocks and you've missed the point. I want to know how you will "save" money, not spend it. A typical, but still epic, fail from CEC.  
Like · Reply · Message · 1 January at 17:47

**Rich Headey** Yes, it does tell you that sort of thing, e.g.... "57. Reduce routine maintenance of Highway network (Gully Cleansing) (Revenue Savings) £m for three years -0.570 -1.140 -1.860"  
[http://www.cheshireeast.gov.uk/\\_jpre-budget...](http://www.cheshireeast.gov.uk/_jpre-budget...)  
Like · Reply · Message · 6 January at 17:36

**Lynne Hardy** Hear, hear. Well said  
Like · Reply · Message · 21 December 2016 at 22:37

**Peter Blease** I have no respect for this Council spend and waste money on County Vehicles and other Council Luxuries when Middlewich need a bypass before somebody else gets killed 😡😡😡😡😡  
Like · Reply · Message · 29 December 2016 at 14:58

**Janet Martin** Don't worry, Trump will have caused the end of the world way before then  
Like · Reply · Message · 29 December 2016 at 00:42

**Phill Wilson** It's referring to the central government grant. From 2020 all councils have to self sufficient and will get no external funding as they do now  
Like · Reply · Message · 29 December 2016 at 01:46

**Martin Brereton** Meanwhile heads of departments are all on in excess of 50k a year salaries and bonuses for being glorified pen pushers, claiming expenses for food and petrol and stationery etc. It's no wonder you don't have enough money to fix the potholes.  
How about you stop telling us to make cut backs while increasing our taxes and start cutting back on CEO and councillors wages and expenses and ditch some of the dead wood that you're carrying.  
Like · Reply · Message · 7 January at 23:55

**Paul Bayley** Cheshire east's plan seems to be build lots more houses to up the council tax recites.  
Like · Reply · Message · 29 December 2016 at 16:53

**Craig Wilson** Council brain storming meeting.....  
"Words cost money, lets drop some"  
Slaps on back all round....  
"Lunchtime?"  
Like · Reply · Message · 29 December 2016 at 09:01

**Peter Richards** Please write in clear sentences.  
Like · Reply · Message · 28 December 2016 at 23:53 · Edited

**Ryan Parker** What does that mean ?  
Like · Reply · Message · 29 December 2016 at 00:29

uni\_kit\_out 😊, Lovely love this loads. 📷  
Gorgeous. 😊

**Malcolm Pope** Poorly presented survey reliant on complete reading of a complex summary document with no easy reference to this whilst completing the survey. Generally I find public bodies are deliberately tangential in seeking public opinion. The key here is a proposed 3.99% increase in council tax to address increasing needs for adult social care (ageing population) and the complete loss of central government funding for the area by 2020. I support paying more tax to fund adult social care, but the loss of £100M+ from the area is concerning. Additionally it is not clear from the document what funding cuts will occur over the period and how the electorate will be impacted. We have a Conservative government punishing a Conservative led local administration... curious... paying more and getting less? Interesting that the council is addicted to £3.5M in annual income from car parking - a fee that is strangling our local towns... this is balanced by a £2.8M expenditure on "Organisational Development" so I guess employees of Cheshire East are exceptionally well trained (well beyond what the private sector can afford in businesses of a similar turnover)

So if you want to know the facts and figures be prepared to sit in front of a poorly defined 77 page budget document supported by a 12 page "summary" document.

Simply: Poor

My view: take democracy back to the towns where at least we can see and touch every line of a budget and avoid "corporate speak"

Like · Reply · Message · 1 · 27 December 2016 at 14:09

**Susan Jones** Is it possible to rephrase the wording etc in a more simple to understand, and maybe shorter, document

Like · Reply · Message · 1 · 27 December 2016 at 13:45

**Dianne Smith** Ah Susan Jones - you're asking a bit much there, you know.

Like · Reply · Message · 1 · 27 December 2016 at 13:51

### Impression – A view of a post

**Engagement** - When a user interacts with a post in any way. This includes all clicks anywhere on the tweet (such as clicks on links, hashtags, usernames, avatars, retweets, favourites)

**Action** – The number of people who have like, commented, shared or clicked on a Facebook post

**Reach** - The number of Facebook users who have seen the post

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Title: Council launches budget consultation

**Embargo 2pm November 3, 2016**

## **Council launches consultation on its Budget Proposals**

Cheshire East Council today publishes a report which outlines its draft proposals for how the council could deliver a balanced budget and direct its resources more effectively to meet the needs of its residents.

The public consultation on the pre-budget report for 2017 – 2020 will now begin and will run from November 4 to January 10. The responses will then be analysed and considered before budget-setting decisions are taken by a meeting of full council in February 2017.

Cheshire East is a high-performing council which delivers over 500 services every day to meet the needs of local people and businesses. Despite the fact that the council already delivers good services and provides value for money to its residents, it is still required to find £100m to balance the books over the next three years.

This is because Cheshire East, like most councils, is facing significant reductions in funding from central government whilst facing increasing demand from those who need support from our social care services.

These proposals support the council's broad aims to ensure that it continues to:

- Support all of its communities
- Ensure that Cheshire East has a strong and resilient economy
- Provide people the right level of skills and education to secure employment
- Protect and enhance the quality of the natural and built environment
- Ensuring local people live well and longer

In addition the council is committed to running a responsible, effective and efficient organisation so that as much of its resources as possible can be targeted to its front line services.

The council proposes to meet this financial challenge through a mix of tax increases and changing its service offer. The overall aim is to make the council financially self-sufficient – by reducing its reliance on central government revenue support grant from £40m in 2015/16 to nil by 2020.

It is proposed to increase Council Tax by 3.99 per cent to invest in vital frontline services. Half of this rise will go to adult social care. This follows last April's 3.75 per cent increase after five years of Council Tax freeze.

Councillor Peter Groves, cabinet member for finance and assets, said: "Cheshire East is a high-performing authority and a great place to live, work, do business and visit. Our residents enjoy good living standards and, when they need help from the Council, we are consistently recognised as providing excellent services.

"However, setting out our financial plans for the next three years is particularly challenging in the UK-wide context of big reductions in government grants to councils and rising demand for vital services such as social care.

He added: "The consultation document provides a strong set of initial proposals that balance the council's medium-term finances. It is also a real opportunity for interested parties to engage in the budget-setting process.

"Cheshire East puts its residents first. I value the opinions of local residents, businesses and organisations and I would encourage people to give their views via the consultation."

"New ideas that could help the council achieve its outcomes, are always welcome, so I would encourage people to respond to the consultation."

Cheshire East will now invite feedback from residents, businesses, councillors, staff, town and parish councils and other stakeholders to inform decisions. This consultation will be an ongoing process over the next three years.

ENDS

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|            |                                                                                                                                                                                                                                                                                                                                                                        |                                                  |                                                             |                                 |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------|---------------------------------|
| 07/11/2016 | News bulletins re budget cuts and council tax increase                                                                                                                                                                                                                                                                                                                 | <a href="#">BBC Radio Stoke</a>                  | 108,000                                                     | Average monthly listeners       |
| 07/11/2016 | Cheshire East Council today publishes a report which outlines its draft proposals for how the council could deliver a balanced budget and direct its resources more effectively to meet the needs of its residents                                                                                                                                                     | <a href="#">Audlem Online</a>                    | 50,460                                                      | Average monthly unique visitors |
| 07/11/2016 | Nantwich families face a 3.99% rise in Council Tax as Cheshire East Council bids to find £100m savings. The announcement means many face significantly larger tax bills in 2017-18, and follows a 3.75% increase in April this year.                                                                                                                                   | <a href="#">Nantwich News</a>                    | 30,000                                                      | Average monthly unique visitors |
| 07/11/2016 | Cheshire East Council has published a report which outlines its draft proposals for how the council could deliver a balanced budget and direct its resources more effectively to meet the needs of its residents, given the need for £100 million worth of cuts.                                                                                                       | <a href="#">Cheshire Today</a>                   | unable to get this data                                     |                                 |
| 07/11/2016 | Cheshire East Council has published a report which outlines its draft proposals for how the council could deliver a balanced budget and direct its resources more effectively to meet the needs of its residents, given the need for £100 million worth of cuts.                                                                                                       | <a href="#">knutsfordguardian.co.uk</a>          | 17,712                                                      | Monthly readership (AIR)        |
| 07/11/2016 | Cheshire East Council has published a report which outlines its draft proposals for how the council could deliver a balanced budget and direct its resources more effectively to meet the needs of its residents, given the need for £100 million worth of cuts.                                                                                                       | <a href="#">crewechronicle.co.uk</a>             | 45,013                                                      | Monthly readership (AIR)        |
| 07/11/2016 | Cheshire East Council has published a report which outlines its draft proposals for how the council could deliver a balanced budget and direct its resources more effectively to meet the needs of its residents, given the need for £100 million worth of cuts.                                                                                                       | <a href="#">middlewichguardian.co.uk</a>         | 10,473                                                      | Monthly readership (AIR)        |
| 07/11/2016 | Outsourcing adult social care, the closure of a household recycling centre and 3.99 per cent council tax hikes are being proposed to help a council save £94 million over the next three years. Cheshire East Council has launched a consultation on its pre-budget report as it looks to deal with further government funding cuts and increased demand for services. | <a href="#">Sentinel</a>                         | 17,867                                                      | Monthly readership (AIR)        |
| 09/11/2016 | Page 6 – Bid to balance books sees council tax hike                                                                                                                                                                                                                                                                                                                    | <a href="#">Macclesfield Express</a>             | 24,844                                                      | Monthly readership (AIR)        |
| 09/11/2016 | Page 6 – Tax hike of almost 4% expected from 2017                                                                                                                                                                                                                                                                                                                      | <a href="#">Crewe Chronicle</a>                  | 30,489                                                      | Monthly readership (AIR)        |
| 09/11/2016 | Page 6 – Tax hike of almost 4% expected from 2017                                                                                                                                                                                                                                                                                                                      | <a href="#">Nantwich Chronicle</a>               |                                                             |                                 |
| 09/11/2016 | Page 7 – Council tax set to rise for the second year running                                                                                                                                                                                                                                                                                                           | <a href="#">Knutsford Guardian</a>               | 9,345                                                       | Monthly readership (AIR)        |
| 09/11/2016 | Page 7 – Council tax set to rise for the second year running                                                                                                                                                                                                                                                                                                           | <a href="#">Winsford and Middlewich Guardian</a> | 4,028                                                       |                                 |
| 10/11/2016 | Page 1 – Residents facing council tax hike and services cut                                                                                                                                                                                                                                                                                                            | <a href="#">Congleton Chronicle</a>              | 23,987                                                      | Monthly readership (AIR)        |
| 10/11/2016 | Page 1 – Residents facing council tax hike and services cut                                                                                                                                                                                                                                                                                                            | <a href="#">Alsager Chronicle</a>                |                                                             |                                 |
| 10/11/2016 | Page 1 – Residents facing council tax hike and services cut                                                                                                                                                                                                                                                                                                            | <a href="#">Sandbach Chronicle</a>               | N/A                                                         | paper not printed               |
| 10/11/2016 | Council tax is set to rise by nearly four per cent as Cheshire East seeks to balance its books.                                                                                                                                                                                                                                                                        | <a href="#">macclesfield-express.co.uk</a>       | 48,757                                                      | Average monthly unique visitors |
| 05/01/2017 | Page 2 – Time to make up your mind on cost cutting plans                                                                                                                                                                                                                                                                                                               | <a href="#">Knutsford Guardian</a>               | 9,345                                                       | Average monthly unique visitors |
| 05/01/2017 | Page 26 – Public budget survey to close next week                                                                                                                                                                                                                                                                                                                      | <a href="#">Winsford and Middlewich Guardian</a> | Monthly readership (AIR)<br>4,028 figure includes Northwich |                                 |
| 05/01/2017 | Council budget consultation set to close next week with residents invited to contribute                                                                                                                                                                                                                                                                                | <a href="#">middlewichguardian.co.uk</a>         | 10,473                                                      | Av monthly unique visitors      |

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# Cheshire East Council Medium Term Financial Strategy 2017/20 Executive Summary

February 2017



This document is available to download on the [Cheshire East Council](http://www.cheshireeast.gov.uk) website. It will form part of the 7<sup>th</sup> February 2017 Cabinet Agenda and the recommended version will be distributed to all Members as part of the 23<sup>rd</sup> February 2017 Council Agenda.

**If you have any comments or queries please e-mail:**

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

Comments received on this email address, will be brought to the attention of Cabinet Members, and are welcome until 18<sup>th</sup> February 2017. After this date, interested parties can still give feedback on the proposals in this report by speaking to your Local Councillor up to the Council meeting on 23<sup>rd</sup> February 2017 where the Budget is considered by all Members.



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# Executive Summary – Delivering Our Corporate Plan

## A Great Place to Live

Cheshire East is a great place to live, work and visit, and this is as important to the Council as it is to our local residents. The Council plays an integral part in the communities of this beautiful part of the Northwest of England and aims to deliver much needed services that deliver good value for money to our local residents.

Cheshire East is the third largest council in the Northwest of England, responsible for over 500 services and with a population of over 370,000. Our annual turnover exceeds £700m and our resources are well-managed through our budgetary framework.

The Council's Corporate Plan 2017 to 2020 highlights how the Council is striving to create sustainable growth in the local economy that will support the health and economic wellbeing of residents. Developing the skills of our local population will help secure meaningful long-term employment as well as supporting our local businesses to grow. In addition we will maintain a focus on maintaining a good quality transport and digital infrastructure system in the Borough as this will support our economy to grow and support our local residents to access employment, education and leisure opportunities. We will also ensure that we prudently maintain the countryside and open spaces in Cheshire East and provide good quality front line services such as highways, waste collection and street cleaning to ensure that the quality of the environment in the Borough is maintained.

We will also ensure that we continue to invest in supporting our local people to secure well-being and good health. Education achievement rates for pupils in Cheshire East remain as one of the highest levels in the country, and social care for children and adults receive high levels of

investment. Life expectancy for Cheshire East residents is higher than both regional and national averages.

The cost associated with maintaining this level of quality in our services and environment are becoming increasingly challenging as the national austerity measures continue to put the public sector under severe financial pressure. Nonetheless, the Council will continue to strive to provide services that are innovative and creative, and external assessment of the value for money offered by the Council is positive.

The Council froze Council Tax levels for five consecutive years, from 2011/12 to 2015/16 inclusive, with some government support, saving local taxpayers a total of nearly £50m in that period, and yet continued to invest in services that met the needs of local residents. Growth in the local tax base (for houses and businesses) supports the ambition in the Corporate Plan of creating economic independence from government grant. Within four years there will be no general government grant support to the revenue budget of Cheshire East Council. The speed of this change is a major challenge and when increases in demand related to protecting vulnerable people and inflation in costs are taken into account then this creates a requirement to increase Council Tax levels in line with government policy expectations.

## Financial stability

In 2017/18 the headlines of the financial strategy are:

- Targeting cost effective service provision for residents whilst responding to the change in the Government's strategy for local authority funding. Council Tax will increase by 4.99% to offset the severity of government grant reductions and provide additional investment in Social Care for Adults <sup>(see below)</sup> and Children.



- 3% (£5.4m) of the overall Council Tax increase will be solely utilised to fund increasing care costs within Adult Social Care. This increase will also be supplemented in 2017/18 with the new Adult Social Care Grant of £1.5m.
- Reducing external borrowing costs.
- Reducing the reliance on resources from Central Government.
- Managing inflation pressures whilst actually reducing net expenditure overall, but:
- Maintaining value for money by cutting bureaucracy, waste and minimising non essential spending throughout the Council.
- Boosting local economic prosperity through increasing investment on capital projects, such as roads maintenance, infrastructure, education and regeneration.

**Table 1: Running costs (Revenue) are being managed down. Investment in assets (Capital) also decreasing**

| Table 1        | 2016/17* | 2017/18 Budget | Change  |
|----------------|----------|----------------|---------|
| Revenue Budget | £266.7m  | £263.8m        | (£2.9m) |
| Capital Budget | £123.6 m | £116.3m        | (£7.3m) |

\* Approved Budget as at Quarter 3

#### Net Revenue Budget 2017/18

- Income is estimated to vary from 2016/17 as follows:
  - o Revenue Support Grant (-£12.9m)
  - o New Adult Social Care Grant (+£1.5m)
  - o Other specific grants (-£2.5m)
  - o Growth in Council Tax Base (+£2.6m)
  - o Increase in Council Tax levels (+£9.1m)
  - o Council Tax Collection Fund Contribution change (-£1.1m)
  - o Reduction in New Homes Bonus (-£0.9m)

- o Business Rates Retained (+£1.3)
- Expenditure is estimated to reduce by £2.9m from 2016/17 as set out in **Table 2** :

| Table 2                                                    | Change from 2016/17 Budget<br>£m | 2017/18 Budget<br>£m |
|------------------------------------------------------------|----------------------------------|----------------------|
| Outcome 1 – Communities                                    | -0.6                             | 25.0                 |
| Outcome 2 – Economy                                        | -2.2                             | 30.0                 |
| Outcome 3 – Education                                      | -1.5                             | 33.8                 |
| Outcome 4 – Environment                                    | +0.7                             | 29.8                 |
| Outcome 5 – Health                                         | +4.8                             | 96.5                 |
| Outcome 6 – Efficient                                      | -1.2                             | 34.8                 |
| Contribution from Earmarked Reserves (change from 2016/17) | -2.9                             | -0.1                 |
| Capital Financing                                          | 0.0                              | 14.0                 |
| <b>Total</b>                                               | <b>-2.9</b>                      | <b>263.8</b>         |

**Annex 1** to the Executive Summary provides a further breakdown of the Council's revenue budget.

#### Capital Budget 2017/18 to 2019/20

The three year capital programme includes investment plans of almost £0.3bn. 63% of the funding for this ambitious programme will come from government grants or contributions from other external partners. In addition, 12% will come from the Council's work to maximise the value of assets sales to support development in the local area.

- The main forecasted income sources are:
  - o Government Grants (£168m / 51%)



- Other external contributions (£41m / 12%)
- Receipts from Council Assets (£41m / 12%)
- Expenditure is estimated in the following areas:
  - Highways (£197m)
  - Education (£40m)
  - Economic Growth and Visitor Economy (£27m)
  - Other schemes, such as health and wellbeing, environmental, estate management and IT (£68m)

In addition to these investment plans a number of further schemes, totalling expenditure of £0.2bn are requesting approved but these projects will only commence on completion of detailed business cases and when funding for these projects is confirmed.

### Reserves

Reserves are focused on the Council's ability to invest in opportunities and to manage exposure to financial risk. Where something has been identified as a specific risk or investment opportunity, then an amount will be earmarked for that purpose.

Reserves are not being utilised to support annual spending in the net revenue budget for 2017/18. This shows that, despite reductions in funding, the Council is again managing to provide local services within its means.

**Table 3: Good financial management reduces the overall need for high Total Revenue Reserves**

|                               | Forecast Closing Balance |               |                |
|-------------------------------|--------------------------|---------------|----------------|
| Table 3                       | 2016/17                  | 2017/18       | Change         |
| General Reserves              | £10.3m                   | £10.3m        | -              |
| Earmarked Reserves*           | £40.2m                   | £34.3m        | (£5.9m)        |
| <b>Total Revenue Reserves</b> | <b>£50.5m</b>            | <b>£44.6m</b> | <b>(£5.9m)</b> |

\* Earmarked reserves are spent in accordance with planned timescales and will increase or reduce accordingly

The Council's Reserves Strategy (**Annex 13**) provides the reasons for holding General or Earmarked Reserves at current levels.

## Achieving Outcomes for Residents

### Outcome 1

The Council will deliver a net reduction of £0.6m for services to **local communities** including:

- Public Health Funding for specialist environmental health team
- Cessation of Council tax Support Grant for parish councils
- Increase in Community grants

### Outcome 2

Cheshire East Council will decrease budgets by £2.2m and continue to help ensure it has a **strong and resilient economy** through:

- Reviewing the way the council commissions and design the subsidised bus network
- The creation of new investment portfolio



### Outcome 3

Reducing budgets by £1.5m and ensuring people have the **life skills and education** they need to thrive through:

- Children's services transport policy review
- Realignment of Children's Services funding streams and review of policy around charges and exemptions in relation to Children's Social Care
- Creating efficiencies in Children's commissioned services
- Early Help and Prevention management review

### Outcome 4

Additional investment of £0.7m to help ensure Cheshire East is a **green and sustainable place** through:

- Review of Cheshire East Household Waste Recycling Centre Provision
- Ansa Environmental Services efficiencies and contract renewals
- Investment to ensure we provide an effective Planning framework

### Outcome 5

Redesigning services to ensure People **live well and for longer** and investing an extra £4.8m through:

- Investment in Adult Social Care
- Commissioning all services currently provided by our in-house provider, Care4CE
- Operational Pathway Redesign
- Extra funding for Cared for Children & Care Leavers

The Council also has a sixth underpinning outcome to ensure we continue to improve and be a **responsible, effective and efficient organisation**.

Net cost reductions of £1.2m will be delivered by maximising productivity, enhancing returns from investments, maximising value for money on contracts, streamlining processes and rationalising assets in order to focus as much investment as possible towards front line services.

## A listening Council

The budget report reflects the Council's on-going commitment to transparency, engagement and consultation. The process of budget development has been open and clear from the outset and demonstrates that we listen to residents and stakeholders.

### The stakeholder engagement process included:

- An appropriate timescale that supported the development and sharing of draft Budget ideas.
- Regular elected Member involvement through scrutiny, briefings and planning and licensing processes.
- Wide ranging stakeholder engagement via open meetings, consultation and for the first time this year, an online survey tool to gather stakeholder feedback.
- On-going development of effective internal challenge processes including staff and union briefings.
- Inclusion of proposals that are not currently proposed for implementation to help stakeholders understand the options that were considered as part of the overall process.
- Continued improvement of financial and performance reporting.
- Listening to stakeholders in important considerations

During the consultation process the Council received notification of the Government funding settlement. The Council entered in to a multi-year agreement, along with 97% of English Local Authorities that fixed certain grants up to 2019/20. The settlement included changes to way the Adult Social Care Precept could be charged, as well as reductions in New Homes Bonus that transferred funds to a new Adult Social Care Grant.

In addition to stakeholder feedback and the government settlement the Council also reviewed the impact of its Third Quarter financial forecasts. Based on the feedback and revised information changes have been made to adjust expenditure in a number of areas compared to the Pre-Budget Consultation Report.



Where specific proposals have been amended these are noted within **Section 1** of the MTFS. **Annex 2** of the MTFS also describes the engagement activities carried out by the Council.

Based on Pre-Budget consultation feedback and the Third Quarter Review of performance there have been a number of changes made to the budget proposals. Adult Social Care pressures have increased but greater flexibility in the amount that can be raised from Council Tax was granted as part of the Provisional Finance Settlement in December 2016 to address this demand. The new Adult Social Care Grant was also announced at this time (£1.5m) but Cheshire East also lost expected revenue from the New Homes Bonus (£1m) and Education Services Grant (£1.3m) for 2017/18. Feedback did not introduce further savings but supported Council Tax increases to cover the Adult Social Care pressures so Council Tax has been increased to return the budget to a balanced position.

## Changing the way we work

Cheshire East has established itself as a commissioning council. This means we provide the service options that best fit the needs of our residents, regardless of historical approaches to service delivery. Since 2009 over £70m of savings have been achieved through adopting more efficient and effective ways of working. The number of staff employed directly by the Council has also been reduced by 48% with staff and unions working together to manage transfers to innovative Alternative Service Delivery Vehicles. Wherever possible retention of front line staff has been given priority.

The current structure of service providers allows the Council to commission (or 'buy') the right services for the right people at the right price.

A sample of the main providers of services to Cheshire East is shown below:

Privately owned contractors:

- Ringway Jacobs (Highways)
- Oracle (Core financial systems)
- BT (Superfast Broadband projects)

Delivery vehicles wholly owned by the Council:

- Cheshire East Residents First (CERF)
- Ansa Environmental Services Ltd (Waste Services, Street Cleansing, Grounds and Fleet)
- Orbitas (Bereavement services and minor maintenance service)
- Tatton Park Enterprises
- Transport Service Solutions Ltd
- Civicance (Building Control and Planning/Land Charges Support)
- Skills and Growth Company
- Engine of the North Ltd

Charitable organisations:

- Everybody Sport and Recreation Trust (Leisure Services)
- 62 Academies

Collaborative Arrangements:

- Four4adoption (set to be replaced with the Regional Adoption Agency from 1/4/17)
- Cross Cheshire Youth Offending Team

In-House Council Services:

- Cheshire East libraries
- Planning
- Children's Social Care
- Safeguarding
- Early Help and Prevention
- Schools Support Services (89 Local Authority maintained schools)

The effective management of service providers allowed the Council to set a balanced budget in 2016/17 and established a strong base for 2017/18. Vital services have been protected and opportunities for further efficiencies and commercialism have been created.



We have a strong corporate leadership team in place to take this Council into 2017 and beyond.

**Mike Suarez** – Chief Executive

**Kath O'Dwyer** – Executive Director of Peoples Services and Deputy Chief Executive

**Peter Bates** – Chief Operating Officer (S151 Officer)

**Frank Jordan** - Executive Director of Place

Other statutory posts include Mark Palethorpe (Strategic Director of Adult Social Care and Health), Bill Norman (Director of Legal Services and Monitoring Officer) and Charlotte Simpson and Guy Kilminster (Acting Directors of Public Health).

The Council has been given a clean bill of health by the external auditors, Grant Thornton, and the financial statements and value for money opinions are unqualified. This provides confidence that the leadership team of the Council understand the costs associated with local needs and is matching resources to the stated priorities of the Council.

In 2015/16 the Council aligned its corporate business case format to public sector best practice in the form of the HM Treasury Five Case Model. This approach has continued into 2016/17 and has helped to strengthen its processes for monitoring the delivery of these proposals overseen by the Executive Monitoring Board.

## The Medium Term Financial Strategy (Full Report)

As the Finance Portfolio Holder, I have developed the medium term strategy, with the professional support of Peter Bates (Chief Operating Officer) and his team.

This comprehensive report provides further information on the issues facing the Council in the medium term and shows how these are being addressed to present a balanced financial position for the 2017/18 financial year. The report also includes medium term estimates showing

how the Council could balance the financial challenges from 2017 through to 2020.

Additional detailed analysis of appropriate trends and demonstration of the effective deployment of resources is contained within the Council's [Value for Money](#) publication. This illustrates the strong financial position of the Council and provides clear evidence of delivering more with less.

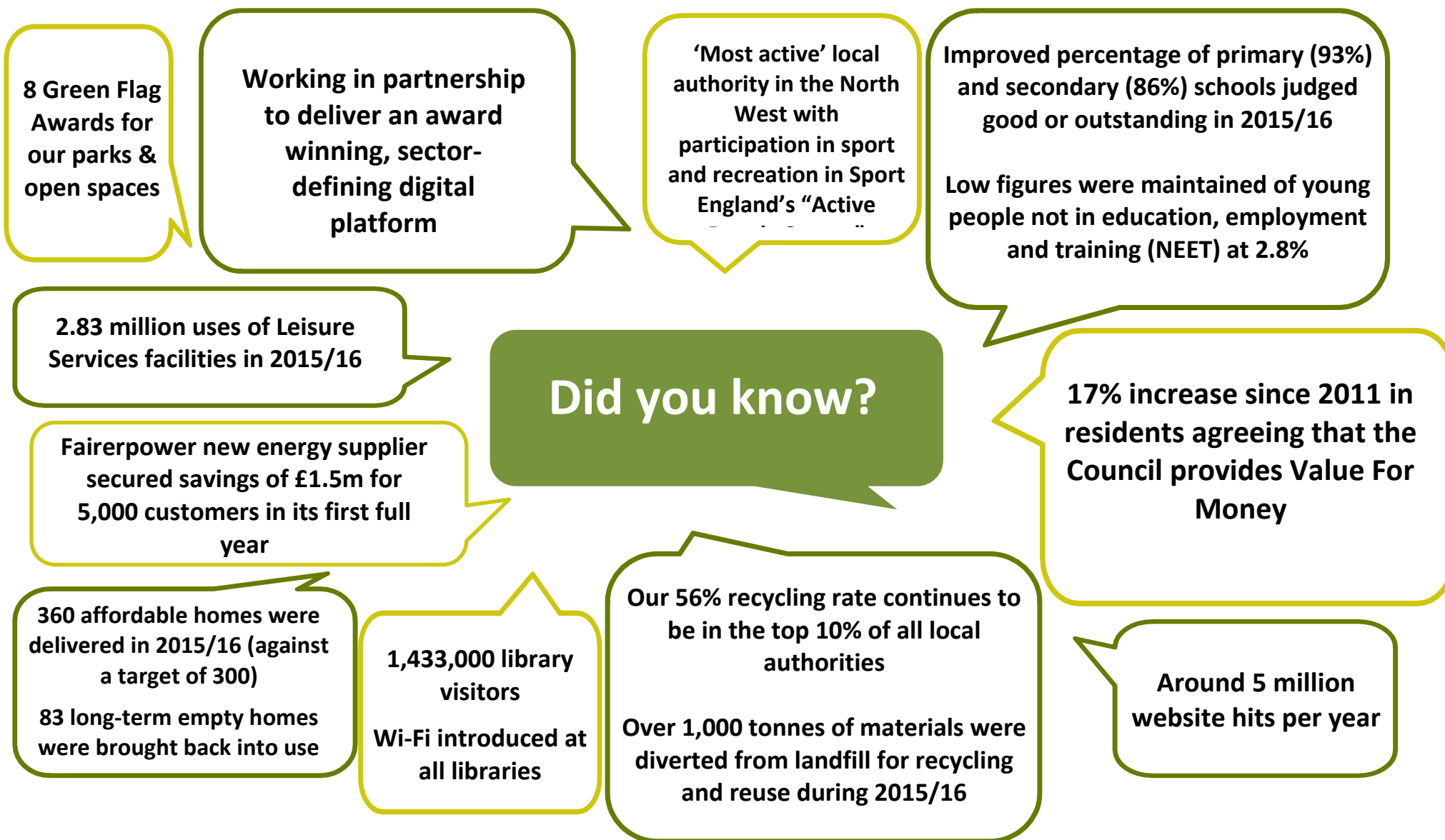
The effective management of the budget within the annual estimates for the last three years has provided a solid financial platform to enable the Council to maintain a positive outlook for the future. The medium term forecasts shows the extent of the financial challenge ahead but I am confident and determined to deliver for local residents by always putting them first and to do everything I can to maintain Cheshire East as one of the best places to live in the Northwest.

*Cllr Peter Groves*

Portfolio Holder for Finance & Assets,  
Cheshire East Council  
February 2017









## Annex 1

Estimated Budget and funding for Cheshire East Council 2016/17 to 2019/20 (excluding ring-fenced grants)

|                                                                                    | Budget Book<br>2016/17 (revised<br>at TQR)<br>£m | Estimated Net<br>Budget<br>2017/18<br>£m | Estimated Net<br>Budget<br>2018/19<br>£m | Estimated Net<br>Budget<br>2019/20<br>£m |
|------------------------------------------------------------------------------------|--------------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|
| Outcome 1 - Our Local Communities are strong and supportive                        | 25.6                                             | 25.0                                     | 25.3                                     | 25.7                                     |
| Outcome 2 - Cheshire East has a strong and resilient economy                       | 32.2                                             | 30.0                                     | 28.1                                     | 28.1                                     |
| Outcome 3 - People have the life skills and education they need in order to thrive | 35.3                                             | 33.8                                     | 32.5                                     | 32.7                                     |
| Outcome 4 - Cheshire East is a green and sustainable place                         | 29.1                                             | 29.8                                     | 30.0                                     | 29.1                                     |
| Outcome 5 - People live well and for longer                                        | 91.7                                             | 96.5                                     | 96.4                                     | 95.8                                     |
| Outcome 6 - Efficiency                                                             | 34.9                                             | 33.6                                     | 32.8                                     | 32.8                                     |
| Total Outcomes                                                                     | 248.8                                            | 248.7                                    | 245.1                                    | 244.2                                    |
| Corporate Contributions and Adjustments                                            | 1.1                                              | 1.2                                      | 1.2                                      | 1.2                                      |
| Capital Financing                                                                  | 14.0                                             | 14.0                                     | 14.0                                     | 14.0                                     |
| Use of / Contribution to Earmarked Reserve                                         | 2.8                                              | -0.1                                     | -0.1                                     | -0.1                                     |
| <b>TOTAL:</b>                                                                      | <b>266.7</b>                                     | <b>263.8</b>                             | <b>260.2</b>                             | <b>259.3</b>                             |
| <i>CENTRAL BUDGETS</i>                                                             |                                                  |                                          |                                          |                                          |
| Business Rate Retention Scheme                                                     | -39.7                                            | -41.0                                    | -42.7                                    | -41.8                                    |
| Revenue Support Grant                                                              | -26.3                                            | -13.4                                    | -5.4                                     | 0.0                                      |
| Specific Grants                                                                    | -18.8                                            | -16.9                                    | -9.8                                     | -9.4                                     |
| Council Tax                                                                        | -179.4                                           | -191.1                                   | -202.3                                   | -208.1                                   |
| Sourced from Collection Fund                                                       | -2.5                                             | -1.4                                     | 0.0                                      | 0.0                                      |
| <b>TOTAL: Central Budgets</b>                                                      | <b>-266.7</b>                                    | <b>-263.8</b>                            | <b>-260.2</b>                            | <b>-259.3</b>                            |
| <b>Funding Position</b>                                                            | <b>0.0</b>                                       | <b>0.0</b>                               | <b>0.0</b>                               | <b>0.0</b>                               |



# Cheshire East Council Medium Term Financial Strategy 2017/20









# Foreword from the Finance and Assets Portfolio Holder

Cheshire East Council is an ambitious local authority with strong values. I started a conversation about the Medium Term Financial Strategy back in November, and this budget report is the first milestone in showing how that conversation is going.

Cheshire East is a great place to live, work and visit and the Council is striving to engage residents in how services that they need can be afforded and still continue to help local people achieve their aspirations. Our residents enjoy good living standards and when they need help from the Council we are consistently recognised as providing good services. But setting out the Council's financial plans for the next three years has been particularly challenging as local authorities continue to make such a significant contribution to national austerity measures.

Throughout the consultation period I have listened to people and their ideas on maintaining sustainable changes to services. The 2017/18 Budget is presented in this report as balanced, albeit with a requirement to raise Council Tax levels in response to government policy. The medium term strategy is also balanced through to 2019/20, a year in which general government grant will be nil for the first time.

The Council spends more on Adult Social Care than any other service, and costs in this area are expected to rise by over £7m in 2017/18. This is driven by inflation, minimum wage requirements and from more people entering the care system. These pressures coincide with significant pressure on our partners in the health sector. Value for money is a priority, but there is also a clear responsibility, driven by government policy, for residents to make greater contributions to service costs.

The proposals in the [Pre-Budget consultation](#) document included the option to increase Council Tax by up to 3.99% each year, but the government settlement in December 2016 recognised that social care costs were in fact a national issue, that required greater focus. The consultation feedback and rising in-year costs have led to the decision to

increase Council Tax by 4.99% overall in 2017/18 with 3% of this increase directly funding Adult Social Care.

This approach will add £1.21 per week to a Band D Council Tax bill each year. Previous policies froze Council Tax and saved the local taxpayer nearly £50m, but the current circumstances make these increases an appropriate proposal at this stage.

This report still contains significant ambition, with £197m of infrastructure projects included to open up opportunities for businesses and create jobs that support the local economy.

All the proposals in this document continue to work towards the Council's Corporate Plan 2017 to 2020 which focuses on:

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

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

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

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

**Health & Care** ~ safeguarding the vulnerable, with care that people need.

I believe this report provides a strong set of options, that balance the Council's medium term finances.

*Peter Groves*

Cllr Peter Groves,  
Finance and Assets Portfolio Holder





# Comment from the Chief Operating Officer (Section 151)

Setting the 2017/18 budget has been the most challenging since Cheshire East Council was formed in 2009. The ambition to create greater certainty for local residents has not been easy while 2016 provided such significant changes at a national level. Brexit, a new Prime Minister and many changes in the Ministerial Team could yet prove to impact on the Council. The real challenge though has been managing the levels of demand for our services whilst creating a fair, equitable and viable financial outlook for our organisation.

Cheshire East Council is a large local authority which delivers over 500 services every day that meet the needs of local people. The Council was restructured in 2016 to present a clear set of Directorates: People; Place; Corporate. The majority of spend takes place in our People Directorate. Our staff also work with public sector partners and our communities as well as with the private and voluntary sectors. This aligned approach helps to support our residents when they need it.

To provide greater certainty around funding levels I worked with members to accept an offer from government to fix general grant levels over the next three years. The 'offer' sees our general grant funding reduce to nil by 2020 and this accelerates our ambition within the Corporate Plan to be a self sufficient Council. This approach has provided some certainty for our medium term financial plan, but we are still waiting for clarification about Non-Domestic Rates Retention. The settlement figures in relation to New Homes Bonus and Schools funding have been disappointing and we are actively lobbying government to challenge the rationale behind their suggested approach.

The Council's plans for services are targeted at the achievement of the Council's six outcomes contained within the Corporate Plan 2017-20.

Budget forecasts in February 2016 highlighted potential deficits of £8.9m, £13.5m and £13.6m over the next three years. Following the consultation period this report updates these forecasts to demonstrate how a balanced position can be achieved.

It was really pleasing to see how many local people engaged in the process to develop an affordable package of services that can meet the needs of our residents during the budget process. In my opinion the estimates to arrive at this position are robust and I believe the levels of reserves are adequate based on the assessment of financial risks.

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

I will continue to benchmark our services to provide even greater challenge to our value for money approach to ensure we achieve or even set best practice as a commissioning organisation.

*PJ Bates*

**Peter Bates** CPFA CIPD MBA

Chief Operating Officer (Section 151 Officer)





# Table 1 – Three Year Summary Position

Estimated Budget and funding for Cheshire East Council 2016/17 to 2019/20 (excluding ring-fenced grants)

|                                                                                    | Budget Book<br>2016/17 (revised<br>at TQR)<br>£m | Estimated Net<br>Budget<br>2017/18<br>£m | Estimated Net<br>Budget<br>2018/19<br>£m | Estimated Net<br>Budget<br>2019/20<br>£m |
|------------------------------------------------------------------------------------|--------------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|
| Outcome 1 - Our Local Communities are strong and supportive                        | 25.6                                             | 25.0                                     | 25.3                                     | 25.7                                     |
| Outcome 2 - Cheshire East has a strong and resilient economy                       | 32.2                                             | 30.0                                     | 28.1                                     | 28.1                                     |
| Outcome 3 - People have the life skills and education they need in order to thrive | 35.3                                             | 33.8                                     | 32.5                                     | 32.7                                     |
| Outcome 4 - Cheshire East is a green and sustainable place                         | 29.1                                             | 29.8                                     | 30.0                                     | 29.1                                     |
| Outcome 5 - People live well and for longer                                        | 91.7                                             | 96.5                                     | 96.4                                     | 95.8                                     |
| Outcome 6 - Efficiency                                                             | 34.9                                             | 33.6                                     | 32.8                                     | 32.8                                     |
| Total Outcomes                                                                     | 248.8                                            | 248.7                                    | 245.1                                    | 244.2                                    |
| Corporate Contributions and Adjustments                                            | 1.1                                              | 1.2                                      | 1.2                                      | 1.2                                      |
| Capital Financing                                                                  | 14.0                                             | 14.0                                     | 14.0                                     | 14.0                                     |
| Use of / Contribution to Earmarked Reserve                                         | 2.8                                              | -0.1                                     | -0.1                                     | -0.1                                     |
| <b>TOTAL:</b>                                                                      | <b>266.7</b>                                     | <b>263.8</b>                             | <b>260.2</b>                             | <b>259.3</b>                             |
| <i>CENTRAL BUDGETS</i>                                                             |                                                  |                                          |                                          |                                          |
| Business Rate Retention Scheme                                                     | -39.7                                            | -41.0                                    | -42.7                                    | -41.8                                    |
| Revenue Support Grant                                                              | -26.3                                            | -13.4                                    | -5.4                                     | 0.0                                      |
| Specific Grants                                                                    | -18.8                                            | -16.9                                    | -9.8                                     | -9.4                                     |
| Council Tax                                                                        | -179.4                                           | -191.1                                   | -202.3                                   | -208.1                                   |
| Sourced from Collection Fund                                                       | -2.5                                             | -1.4                                     | 0.0                                      | 0.0                                      |
| <b>TOTAL: Central Budgets</b>                                                      | <b>-266.7</b>                                    | <b>-263.8</b>                            | <b>-260.2</b>                            | <b>-259.3</b>                            |
| <b>Funding Position</b>                                                            | <b>0.0</b>                                       | <b>0.0</b>                               | <b>0.0</b>                               | <b>0.0</b>                               |

Including assumption that General Reserves are not used.



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# 1. Achieving Outcomes

Cheshire East Council is responsible for providing more than 500 local public services across an area of over 1,100km<sup>2</sup> for over 370,000 residents. The budget to deliver these services in the period April 2016 to March 2017 will be in the region of £720m, which is raised from a combination of local taxes, national taxes (in the form of government grants) and payments direct from service users and other organisations.

As a place we have a fantastic mix of rural and urban environments. However the most important element of Cheshire East is its people and we will strive to make sure we have a Council that serves its diverse community well and delivers value for money. We want to see Cheshire East Council build a national reputation for customer services and partnership working and to build a clear programme that continually delivers and makes sure as an organisation we put residents first at all times.

The Corporate Plan for 2017-2020 reaffirms the outcomes contained within the previous three year plan. Members agreed that the outcomes remain hugely relevant to the way the Council can meet the needs of local residents and businesses. However, it is inevitable that local needs and priorities in Cheshire East change over time and the Council must therefore be flexible. This section provides details on how the Council aims to achieve its outcomes through focused and clear priorities.

Each of the Council's Resident First outcomes is set out on the following pages along with budget changes that will achieve a balanced position over the period 2017/18 to 2019/20.

The following pages set out:

- Some of Cheshire East Council's achievements over the last year, as detailed in the Council's Outturn Report.
- The engagement activity for the current budget setting process. This identifies who was consulted with as part of this budget setting process.
- Revised budget proposals that include the Council's response to stakeholder feedback.

## Did you know?

Cheshire East Council is the 3rd largest Local Authority in the Northwest with over 370,000 residents



# Local Engagement

## Cabinet and Council meetings

- Cabinet December 2016 (Domestic/Non Domestic Taxbase)
- Cabinet February 2017 (Budget / MTFS)
- Council February 2017 (Budget / MTFS)

## Member briefings

- Finance briefings covering Budget development and the communication of the process at every milestone
- All Member session January 2017

## Updates for staff on budget progress

- Updates made available in Team Voice, on Centranet and the Cheshire East Council website. This included the Pre-Budget Consultation launched on 4<sup>th</sup> Nov

## Overview and Scrutiny

- Corporate Overview and Scrutiny Committee 7<sup>th</sup> July 2016
- Opportunity to examine service budget proposals on 3<sup>rd</sup> November 2016 and 12<sup>th</sup> January 2016

## Engagement events with other stakeholder groups

- Including businesses (Jan 2017):
  - South Cheshire Chambers
  - Macclesfield Chambers
- Trades Unions November 2016 and January 2017
- Town and Parish Councils December 2016
- Key partners, voluntary, community and faith sector via websites and newsletters
- Schools Forum December 2016 and January 2017

## Local Engagement

- These events are used to highlight how the Council budget could affect our different stakeholders and help to answer questions, address concerns and develop our relationship with our stakeholders and the wider community

## Residents

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

## Group meetings

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



# Understanding the financial tables in this document

Budget changes in this document are expressed in cash terms compared to the Council's Approved Budget for 2016/17.

Each proposed change is included in a table as described below:

| <b>Theme of the Potential Change(s)</b><br>(such as "Changing the way we work" or "Income Generation")                                    | 2017/18 | 2018/19 | 2019/20 |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|---------|
|                                                                                                                                           | £m*     | £m*     | £m*     |
| <b>Title of Proposed changes (either Revenue or Capital) (plus ref number from Pre Budget Consultation if applicable)</b>                 |         |         |         |
| A narrative to describe what the proposal is                                                                                              |         |         |         |
| Impact on Services Budget =                                                                                                               | -X.XXX  | -X.XXX  | -X,XXX  |
| *Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a> .<br>Values are not cumulative |         |         |         |

The specific Service Budget that will be affected is identified here. Current budgets are detailed in the Council's Budget Book.

Capital changes are split by the year in which expenditure is incurred.

Figures represent an increase or decrease in spending compared to the 2016/17 Approved Budget.

If the change is permanent it is therefore repeated in each year.

If spending will vary across the three years each figure still represents the change from the existing 2016/17 Budget.



# Outcome 1 - Our local communities are strong and supportive

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

## Did you know?

Over 275,000 Cheshire East residents are registered to vote





## Key Priorities:

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As a Residents First Council we have listened to what is important to you and recognise that working with you will help us achieve this really important outcome about safe, strong and supportive communities. We want to be much more pro-active in agreeing what our deal is with you, so that we use our fantastic assets which are people, money and buildings in the ways to get the best outcomes we can.

Our Connecting Communities approach will be introduced in 2016/17 and will set out how we will engage with you. It will build on the strong foundations that we have achieved through our Delivering Differently in Macclesfield programme where we have actively engaged with over 750 residents and set up four strong estate based partnerships who are tackling the issues faced by local people in some of our more deprived areas. We will continue the development of community networks across Cheshire East and support the excellent work undertaken by volunteers in our market towns through our Town Partnerships.

Our community grants programme will continue and we plan to boost this with exploring new ways of bringing in grant funding to our community groups who for every £1 we grant them bring in a further £9 themselves. This generated 3,000 volunteers last year.

Our much tougher approach to enforcement has seen us pilot a new approach this year. We have brought in a private enforcement company to tackle those who litter, flytip and do not pick up after their dogs. In the first few weeks we saw over 500 fines issued. We want to combine this with a change in behaviour and so have dedicated extra resources working in the Crewe area with local people to find out how we can educate and engage to stop this happening in the first place.

### Did you know?

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



## Proposals to vary the Budget under Outcome 1 (Communities) are focused on these areas:

| Changing the way we work<br><i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>                                                                                                                                                                                                                                                                               | 2017/18<br><br>£m* | 2018/19<br>Indicative<br>values<br><br>£m* | 2019/20<br>Indicative<br>values<br><br>£m* |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------------------------|--------------------------------------------|
| <b>Review Environmental Enforcement Service based on outcomes, expected Summer 2017, of the Flytipping pilot and procurement of patrol company pilot (Revenue Savings) (1)</b><br><br>Two pilot projects are underway to improve environmental enforcement. These will be reviewed by the end of Summer 2017, with a plan to redesign the delivery of the service and deliver savings from April 2018 onwards.<br><br><i>Impact on Community Safety Delivery Team Service Budget =</i> | 0.000              | -0.120                                     | -0.120                                     |
| <b>Cessation of the Regulatory Services Out of Hours Service (Revenue Savings) (2)</b><br><br>Cease the current emergency out of hours service that operates for Environmental Health, Trading Standards and Animal Health services which receives only a low number of calls each year. This will mean that members of the community will need to report issues on the next working day.<br><br><i>Impact on Regulatory Services &amp; Health Service Budget =</i>                    | -0.010             | -0.010                                     | -0.010                                     |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                       |                    |                                            |                                            |
| <b>Note: Proposal 3: “Development Control Funding for Environmental Health” was withdrawn from the MTFS following the consultation period.</b>                                                                                                                                                                                                                                                                                                                                         |                    |                                            |                                            |

### Did you know?

The Environmental Health Team inspected 2,000 Business premises in the last year



| <b>Working with the community</b><br><i>Services and financial forecasts will be adjusted to react to trends in the way residents interact with key services.</i>                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>2017/18</b><br><br><b>£m*</b> | <b>2018/19</b><br><b>Indicative values</b><br><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><br><b>£m*</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Transfer of Cheshire East Council managed community centres to local management arrangements (Revenue Savings) (4)</b><br><br>The management of Community Centres / Halls have been transferred from Cheshire East Council to alternative local providers to improve local services and reduce costs. The proposal is to transfer the two Community Centres in Macclesfield and Handforth, currently still managed by Cheshire East Council, into a local management arrangement.<br><br><i>Impact on Partnerships &amp; Communities Service Budget =</i>                       | <b>-0.020</b>                    | <b>-0.020</b>                                                | <b>-0.020</b>                                                |
| <b>Increase Community Grants (Revenue Investment) (5)</b><br><br>The Community Grants scheme is highly valued by community and voluntary groups and demand for support increases annually, and is now four times oversubscribed. For every £1 invested in this scheme it is worth £9 to the community, contributing towards over £1.6m worth of activities and projects in the Borough in 2015/16. The proposal is to increase the Community Grant budget, to deliver even greater impact from investment.<br><br><i>Impact on Partnerships &amp; Communities Service Budget =</i> | <b>+0.060</b>                    | <b>+0.100</b>                                                | <b>+0.100</b>                                                |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                  |                                                              |                                                              |

### Did you know?

For every £1 given in grant, £9 of benefit is seen by the community



| <b>Investment in services</b><br><i>Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.</i>                                                                                                                                                                                                                                                                                                                                            | <b>2017/18</b><br><br><b>£m*</b> | <b>2018/19</b><br><b>Indicative values</b><br><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><br><b>£m*</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Public Health Funding for specialist environmental health team (Revenue Savings) (6)</b><br><br>The direct funding of the specialist environmental health team that deals with proactive work to protect public health and which can be directly linked to Public Health Outcome Framework Indicators. This includes issues such as air quality, contaminated land and strategic noise controls. The appropriate allocation of Public Health Grant funding creates savings in the existing base budget.<br><br><i>Impact on Regulatory Services &amp; Health Service Budget =</i> | <b>-0.180</b>                    | <b>-0.180</b>                                                | <b>-0.180</b>                                                |
| <b>CCTV Fibres (Revenue Investment) (7)</b><br><br>The current contract for CCTV fibres ceases at the end of March 2017 and as rental charges have increased, any new contract is estimated to cost an additional £33,000 per annum. CCTV plays a key role in keeping our residents and communities safe, and any changes to its current coverage would have a significant impact to residents and businesses across Cheshire East. This proposal is to cover court costs.<br><br><i>Impact on Partnerships &amp; Communities Service Budget =</i>                                   | <b>+0.030</b>                    | <b>+0.030</b>                                                | <b>+0.030</b>                                                |
| <b>Gypsy Traveller Liaison Officer Court Costs (Revenue Investment) (8)</b><br><br>The Magistrates Court now requires the Council to pay fees to obtain Orders, which enable us to move Travellers out of the Borough, if they set up an illegal encampment. This action plays a key role in our enforcement policy and if we could not apply for court orders, there would be a significant impact to residents and businesses in Cheshire East.<br><br><i>Impact on Partnerships &amp; Communities Service Budget =</i>                                                            | <b>+0.020</b>                    | <b>+0.020</b>                                                | <b>+0.020</b>                                                |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                  |                                                              |                                                              |



| <b>Income generation</b><br><i>Charging strategies for each service area to increase income where appropriate based on market rates and considering the price elasticity of demand for services.</i>                                                                                                                                                                                                                                                                                                                                                                                                              | <b>2017/18</b><br><br><b>£m*</b> | <b>2018/19</b><br><b>Indicative values</b><br><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><br><b>£m*</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Introduce a new Business Start Up Offer (Revenue Savings) (9)</b><br><br>The provision of a discretionary chargeable service to help new food businesses comply with food safety legislation and to improve their Food Hygiene Rating System Score. This will supplement the statutory inspection regime.<br><br><i>Impact on Regulatory Services &amp; Health Service Budget =</i>                                                                                                                                                                                                                            | <b>-0.002</b>                    | <b>-0.002</b>                                                | <b>-0.002</b>                                                |
| <b>Develop a Chargeable Pre-Application Checking Service (Revenue Savings) (10)</b><br><br>The provision of a discretionary chargeable service for the checking of licence applications. Similar to the passport 'check and send' service. This will ensure that applications are correctly completed prior to processing and will reduce resources currently required to gather additional information. Where the service is not purchased, incomplete or incorrect forms will be returned directly to the applicant for further work.<br><br><i>Impact on Regulatory Services &amp; Health Service Budget =</i> | <b>-0.002</b>                    | <b>-0.002</b>                                                | <b>-0.002</b>                                                |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>           Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                  |                                                              |                                                              |



| <b>Funding changes</b><br><i>Changes in central government support being managed between down through tiers of local government.</i>                                                                                                                                                                                                                                                                                                                                                                                        | <b>2017/18</b><br><br><b>£m*</b> | <b>2018/19</b><br><b>Indicative values</b><br><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><br><b>£m*</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Council Tax Support Grant as agreed (Revenue Savings) (11)</b><br><br>Since 2013/14 Cheshire East Council has provided compensation to each eligible Town and Parish Council for the reduction in tax base following the introduction of the council tax support scheme. This grant has been reduced annually in line with overall reductions to Cheshire East Council's general government grant, with an agreement that it will cease in 2017.<br><br><i>Impact on Partnerships &amp; Communities Service Budget =</i> | <b>-0.150</b>                    | <b>-0.150</b>                                                | <b>-0.150</b>                                                |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>           Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                              |                                                              |





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

|                                        |                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                  |                                                                                                                                                                                 |                                                                                 |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| <b>What this means:</b>                | <b>Cheshire East is a place which is open for business. We will invest in the building blocks that will allow business to grow, give our residents the right skills to secure employment and attract inward investment in to the Borough. By working together with business and our residents we will enhance the quality of place and create prosperity for all!</b> |                                                                                                                                                                                                                                  |                                                                                                                                                                                 |                                                                                 |
| <b>What the Council will focus on:</b> | <b>1. Culture, Heritage and Tourism</b>                                                                                                                                                                                                                                                                                                                               | <b>2. Jobs and Skills</b>                                                                                                                                                                                                        | <b>3. Business Growth and Inward Investment</b>                                                                                                                                 | <b>4. Infrastructure</b>                                                        |
| <b>What this will look like:</b>       | Across the Borough our towns and villages will offer a rich mix of retail, leisure, cultural and heritage facilities that will serve our residents and attract more visitors and tourists to Cheshire East.                                                                                                                                                           | The workforce in Cheshire East will be well educated and skilled.<br><br>Unemployment will be kept low, new and high quality jobs will be created and people will be ready for work as soon as they leave education or training. | Businesses will grow and thrive in Cheshire East.<br><br>Sites and support will be available to attract new businesses to the Borough and to allow existing businesses to grow. | Cheshire East will be well connected.<br><br>Travel will be safe and efficient. |

### Did you know?

96% of all students in Cheshire East remained in Education, Employment or Training at 16 years in 2015



# Key Priorities:

## Quality of Place

Quality of place is a significant driver for the economy of Cheshire East and the prosperity of its residents and businesses. We will focus on protecting and enhancing the natural and built environment in the Borough. This will develop our distinctiveness to attract investors, businesses and visitors; encourage creativity and support the vitality of our towns and villages, and support the wellbeing of our residents.

- **High Quality Town Centres** – we will focus on securing investment in our key towns to create high quality places for residents, visitors and businesses which will include:
  - A long term regeneration strategy for Crewe Town Centre which will stimulate investment and development in retail, culture, leisure, residential and employment facilities.
  - We will work with partners to create a hub station which will connect Crewe through High Speed rail and the classic rail network to key centres in the UK including London, Birmingham and Manchester.
  - Through the Northern Gateway Partnership, which is an emerging economic partnership between seven local authorities and two Local Enterprise Partnerships we will deliver sustainable plan led growth in the Borough on the back of HS2 investment at Crewe.
  - We will develop a strategy for regeneration in Macclesfield which includes the delivery of a high quality leisure-led development in the town; deliver improvements and support marketing of Middlewich town centre; invest in the town centre public realm and secure the future use of a key listed building in Congleton.
- **High Quality Infrastructure** – we will deliver an investment programme in major infrastructure projects such as the Connecting Cheshire Broadband scheme, the M6 Smart Motorway project, the Congleton Link Road, Macclesfield Movement Strategy, the Poynton Relief Road and the Middlewich Eastern Bypass.
- **High Quality Leisure, Cultural and Heritage Offer** – We will make the most of the quality of our rural areas and complement our town centre regeneration work by developing our cultural, heritage and landscape offer. We will also continue to build on our growing economy by marketing and promoting Cheshire East as a place to live, work, visit and invest in.



## Skills and Employment

- We will work in partnership with our schools, colleges, local universities and employers to ensure young people have the right qualifications, skills and experience to prepare them for work.
- In particular we will support people to develop skills in the specialisms required to support our high growth sectors including life sciences, creative and digital, rail and automotive engineering and advanced manufacturing.

## Opportunities

- We aim to provide of an average of 15Ha of new employment and business land each year to meet the needs of new and expanding companies in Cheshire East.
- We will provide an effective support service to our existing businesses and those planning to invest in the Borough.

### Did you know?

There are as many  
businesses in Cheshire East  
as there are in Central  
Manchester





## Proposals to vary the Budget under Outcome 2 (Economy) are focused on these areas:

| <b>Changing the way we work</b><br><i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>                                                                                                                                                                                                                                                                                                                                                                                                          | <b>2017/18</b><br><br><b>£m*</b> | <b>2018/19</b><br><b>Indicative values</b><br><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><br><b>£m*</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Lifelong Learning (Revenue Savings) (12)</b><br><br>The Lifelong Learning Service made an accounting adjustment of £122,000 in 2014/15 based on a forecast increase from the Skills Funding Agency grant the service anticipated they would receive, but never materialised. The funds are therefore surplus to requirements, and their removal will have no adverse impact on their current delivery.<br><br><i>Impact on Lifelong Learning Service Budget =</i>                                                                                                                                                     | <b>-0.120</b>                    | <b>-0.120</b>                                                | <b>-0.120</b>                                                |
| <b>Transfer of the two Tourist Information Centres to Town Councils (Revenue Savings) (13)</b><br><br>Cheshire East Council is in discussion with relevant Town Councils over the possible transfer of Tourist Information Centres in Macclesfield and Congleton. Subject to agreement by each Town Council, this would maintain provision of visitor information with a sustainable platform moving forward, allowing Cheshire East's tourism assets to be actively promoted both locally and regionally. This supports the Council's outcomes 1, 2, 3, and 5.<br><br><i>Impact on Visitor Economy Service Budget =</i> | <b>0.000</b>                     | <b>-0.020</b>                                                | <b>-0.050</b>                                                |
| <b>Reduce Archive Shared Service (Revenue Savings) (14)</b><br><br>Planned efficiencies due to phased retirement and maternity leave delivering budget savings. Supports Council's Outcome 2.<br><br><i>Impact on Cheshire Archives &amp; Local Studies Shared Service Budget =</i>                                                                                                                                                                                                                                                                                                                                      | <b>-0.020</b>                    | <b>-0.020</b>                                                | <b>-0.020</b>                                                |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                  |                                                              |                                                              |



| <b>Working with the community</b><br><i>Services and financial forecasts will be adjusted to react to trends in the way residents interact with key services.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>2017/18</b><br><br><b>£m*</b> | <b>2018/19</b><br><b>Indicative values</b><br><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><br><b>£m*</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Increased Parking Enforcement (Revenue Savings) (15)</b><br><br>Parking Services ensure the safe and free flowing operations of the highway network by addressing indiscriminate parking. The proposal is to recruit ten additional Civil Enforcement Officers (CEO), to compliment the current workforce, thereby delivering a more responsive service for our residents and potentially generating additional surplus revenue of £100,000 per annum.<br><br><i>Impact on Parking Service Budget =</i>                                                                                                                                                                                                                             | <b>-0.100</b>                    | <b>-0.100</b>                                                | <b>-0.100</b>                                                |
| <b>Increased support for Bus Services (Revenue Investment) (16)</b><br><br>In July 2016, one of the Borough's biggest bus operators, GHA Coaches, ceased operating. The Council intervened to maintain service provision for passengers across the services which were financially supported by the Council. The new tender prices are significantly higher than the previous costs requiring an increase in budget of £850,000 per annum to maintain the existing level of service. Supports Council's outcomes 1, 2, 3, 4 and 5.<br><br><i>Impact on Public Transport Commissioning Service Budget =</i>                                                                                                                             | <b>+0.850</b>                    | <b>+0.850</b>                                                | <b>+0.850</b>                                                |
| <b>North West Crewe – (Capital Investment subject to a detailed Business Case) (17)</b><br><br>This scheme is a package of new highway measures to support housing and employment growth in North West Crewe and to address existing highway issues. This package will be funded by a combination of the Local Growth Fund (Government Grant), Developer contributions and Council funding. <b>This will be subject to affordability and is included in the Addendum to the Capital Programme, see Financial Summary tables, Annex 12</b><br><br><i>Current Approved Capital Investment 2017/18 =</i><br><i>New Capital Investment 2017/18 =</i><br><i>New Capital Investment 2018/19 =</i><br><i>New Capital Investment 2019/20 =</i> | <b>+1.707</b><br><b>+0.600</b>   | <b>+1.900</b>                                                | <b>+16.000</b>                                               |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>           Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                  |                                                              |                                                              |



| <b>Working with the community</b><br><i>Services and financial forecasts will be adjusted to react to trends in the way residents interact with key services.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>2017/18</b><br><br><b>£m*</b>                    | <b>2018/19</b><br><b>Indicative values</b><br><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><br><b>£m*</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>West Park Museum (Capital Investment subject to a detailed Business Case) (18)</b><br><br>Feasibility work and implementation of recommendations to ensure West Park Museum is fit for purpose, or that collections are preserved for the future in the most effective way possible. Supports Council's Outcomes 1, 2, 3, and 5 <b>This will be subject to affordability and is included in the Addendum to the Capital Programme, see Financial Summary tables, Annex 12</b><br><i>(note: Included in Investment in Heritage Assets in the Capital Addendum)</i><br><br><div style="text-align: right;"> <i>New Capital Investment 2017/18 =</i><br/> <i>New Capital Investment 2018/19 =</i> </div> | <div style="text-align: right;"><b>+0.450</b></div> | <div style="text-align: right;"><b>+0.450</b></div>          |                                                              |
| <b>Starter Homes - Phase 1 (Capital Investment) (19)</b><br><br>A new Government initiative to assist first time buyers into home ownership. Cheshire East are part of a pilot scheme to bring forward Starter Homes. In addition to the four Starter Homes, we will also deliver a further four market homes and make significant improvements to an existing car park.<br><br><div style="text-align: right;"> <i>New Capital Investment 2017/18 =</i> </div>                                                                                                                                                                                                                                          | <div style="text-align: right;"><b>+0.900</b></div> |                                                              |                                                              |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/> Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                     |                                                              |                                                              |



| Investment in services                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 2017/18 | 2018/19<br>Indicative<br>values | 2019/20<br>Indicative<br>values |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------------------------------|---------------------------------|
| <i>Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.</i>                                                                                                                                                                                                                                                                                       | £m*     | £m*                             | £m*                             |
| <b>Cheshire East Reflects (Revenue Savings) (20)</b><br><br>Continued delivery of Cheshire East Reflects four year programme of commemorative activities to mark the centenary of World War 1. In particular, continuation of an education programme and delivery of major, public events in 2018. The programme of events end in 2018 so no further funding will be required in 2019/20. Supports Council's Outcomes 1, 2, 3, and 5<br><br><i>Impact on Cultural Economy Service Budget =</i> | -0.010  | +0.010                          | -0.040                          |
| *Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a> .<br>Values are not cumulative                                                                                                                                                                                                                                                                                                                                                      |         |                                 |                                 |





| <b>Income generation</b><br><i>Charging strategies for each service area to increase income where appropriate based on market rates and considering the price elasticity of demand for services.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>2017/18</b><br><br><b>£m*</b>                | <b>2018/19</b><br><b>Indicative values</b><br><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><br><b>£m*</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Create a new Investment Portfolio (Revenue Savings) (21)</b><br><br><p>The objective of this proposal is to deliver a long term and sustainable income to the Council through investment in commercial property. The general approach will be to consider the level of investment, risk and potential rate of return prior to considering acquiring the specific investment. (Refer to capital implications (proposal No. 24) listed over the page).</p> <p style="text-align: right;"><i>Impact on Assets Service Budget =</i></p>                                                                                                                                                                                                                                     | <p style="text-align: right;"><b>-0.250</b></p> | <p style="text-align: right;"><b>-0.750</b></p>              | <p style="text-align: right;"><b>-1.000</b></p>              |
| <b>Increase Public Rights of Way Fees &amp; Charges (Revenue Savings) (22)</b><br><br><p>Changes in fees and charges associated with the legal processes in dealing with making alterations to public rights of way. These changes are driven by increased demands for alterations to public rights of way associated with development throughout Cheshire East which requires a far greater input of officer time to adequately manage. The fees and charges need to accurately reflect this in order to ensure the Council is recovering its full costs and there are no additional financial burdens on the council tax payer. Supports Council's Outcomes 1, 2, 3, and 5.</p> <p style="text-align: right;"><i>Impact on Public Rights of Way Service Budget =</i></p> | <p style="text-align: right;"><b>0.000</b></p>  | <p style="text-align: right;"><b>0.000</b></p>               | <p style="text-align: right;"><b>-0.020</b></p>              |
| <b>Increase Events Management Income (Revenue Savings) (23)</b><br><br><p>Introduce charges for the services of the Outdoor Events manager to commercial sector events operators. Supports council Outcomes 2 and 5.</p> <p style="text-align: right;"><i>Impact on Cultural Economy Service Budget =</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p style="text-align: right;"><b>-0.010</b></p> | <p style="text-align: right;"><b>-0.010</b></p>              | <p style="text-align: right;"><b>-0.010</b></p>              |
| <p style="text-align: center;"><i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                 |                                                              |                                                              |



| <b>Income generation</b><br><i>Charging strategies for each service area to increase income where appropriate based on market rates and considering the price elasticity of demand for services.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>2017/18</b><br><br><b>£m*</b>                 | <b>2018/19</b><br><b>Indicative values</b><br><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><br><b>£m*</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <p><b>Create a new Investment Portfolio (Capital Investment subject to a detailed Business Case) (24)</b></p> <p>The objective of this proposal is to deliver a long term and sustainable income to the Council through investment in property. The general approach will be to consider the level of investment, risk and potential rate of return prior to considering acquiring the specific investment. A comprehensive economic appraisal will be undertaken before any commitment is made (Refer to revenue implications (proposal No. 21) above). <b>This will be subject to affordability and is included in the Addendum to the Capital Programme, see Financial Summary tables, Annex 12</b> (note: Included in Strategic Acquisitions in the Capital Addendum)</p> <p style="text-align: right;"><i>New Capital Investment 2017/18 =</i></p> | <p style="text-align: center;"><b>+5.000</b></p> |                                                              |                                                              |
| <p style="text-align: center;"><i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                  |                                                              |                                                              |
| <p><b>Note: Proposal 25: “Increase Car Parking charges” was withdrawn from the MTFS following the consultation period.</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                  |                                                              |                                                              |
| <p><b>Note: Proposal 26: “Increase Highways Fees and charges” was withdrawn from the MTFS following the consultation period.</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                  |                                                              |                                                              |





| <b>Reducing subsidy</b><br><i>Ensure limited resources are redirected to the areas with the most critical need.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>2017/18</b><br><br><b>£m*</b>                | <b>2018/19</b><br><b>Indicative values</b><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><b>£m*</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|
| <b>Changes to subsidised Bus Service (Revenue Savings) (27)</b><br><br><p>The Council gives revenue support to local bus services to enable services to be provided which would not otherwise be provided by commercial operators.</p> <p>The Council is proposing a review of the criteria it uses to determine the level of support to local bus services. The proposed review would also seek to rationalise the existing network by combining routes, changing the hours of operation and in some cases by stopping the provision of services altogether.</p> <p>However this would be subject to a thorough and detailed consultation exercise so that the impact on these proposals can be assessed before a final decision is made. In particular the impact on rural communities and protected groups will be reviewed following a period of consultation.</p> <p style="text-align: right;"><i>Impact on Public Transport Commissioning Service Budget =</i></p> | <p style="text-align: right;"><b>0.000</b></p>  | <p style="text-align: right;"><b>-1.580</b></p>          | <p style="text-align: right;"><b>-1.580</b></p>          |
| <b>Removal of one-off investment in Skills and Growth 2016/17 (Revenue Savings) (28)</b><br><br><p>A reduction in funding for skills services delivered by the Skills and Growth Company ASDV (Alternative Service Delivery Vehicle) as the company develops and delivers its commercial growth strategy.</p> <p style="text-align: right;"><i>Impact on Skills &amp; Growth Service Budget =</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p style="text-align: right;"><b>-0.200</b></p> | <p style="text-align: right;"><b>-0.400</b></p>          | <p style="text-align: right;"><b>-0.500</b></p>          |
| <p style="text-align: center;"><i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                 |                                                          |                                                          |



| <b>Reducing subsidy</b><br><i>Ensure limited resources are redirected to the areas with the most critical need.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>2017/18</b><br><br><b>£m*</b>                 | <b>2018/19</b><br><b>Indicative values</b><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><b>£m*</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|
| <b>Tatton Vision Phase 1 (Revenue Savings) (29)</b><br><br><p>A five year capital programme, Tatton Vision Phase 1 is an investment in facilities, services and experience for visitors and residents to the park. It aims to improve indoor event spaces, catering and retail sites, encouraging increasing visitor numbers, greater spend and longer dwell time. This improves the overall financial return, reducing the cost of Tatton to the Council. Supports all the Council's Outcomes.</p> <p style="text-align: right;"><i>Impact on Visitor Economy Service Budget =</i></p> | <p style="text-align: center;"><b>-0.040</b></p> | <p style="text-align: center;"><b>-0.080</b></p>         | <p style="text-align: center;"><b>-0.120</b></p>         |
| <b>Reduce funding to Macclesfield Silk Heritage Trust (Revenue Savings) (30)</b><br><br><p>Managed transition of support funding to Macclesfield Silk Heritage Trust resulting from the revised business plan. Supports Council's Outcomes 1, 2, 3, and 5.</p> <p style="text-align: right;"><i>Impact on Cultural Economy Service Budget =</i></p>                                                                                                                                                                                                                                     | <p style="text-align: center;"><b>0.000</b></p>  | <p style="text-align: center;"><b>-0.010</b></p>         | <p style="text-align: center;"><b>-0.010</b></p>         |
| <b>Removal of one-off investment Empty Homes Review (Revenue Savings) (31)</b><br><br><p>Targeted reviews of Council Tax data to identify empty homes that have been brought back into use can be delivered through joint initiatives between Revenues and Strategic Housing, negating the need to commission external providers to deliver this on our behalf. The targeted reviews are timed to maximise the New Homes Bonus.</p> <p style="text-align: right;"><i>Impact on Growth &amp; Regeneration Service Budget =</i></p>                                                       | <p style="text-align: center;"><b>-0.040</b></p> | <p style="text-align: center;"><b>-0.040</b></p>         | <p style="text-align: center;"><b>-0.040</b></p>         |
| <p style="text-align: center;"><i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i></p>                                                                                                                                                                                                                                                                                                                                                                                                     |                                                  |                                                          |                                                          |



| <b>Reducing subsidy</b><br><i>Ensure limited resources are redirected to the areas with the most critical need.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>2017/18</b><br><br><b>£m*</b> | <b>2018/19</b><br><b>Indicative values</b><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><b>£m*</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------------------|----------------------------------------------------------|
| <b>Marketing Cheshire (Revenue Savings) (32)</b><br><br>Cheshire and Warrington Tourism Board operating as Marketing Cheshire provide a company vehicle for Cheshire East Council to deliver agreed sub-regional and local activities in relation to the growth agenda and delivery of its visitor economy strategy. By reducing the payments in 2018/19 and 2019/20, this will have negligible impact on current visitor economy projects and funding schemes already in place and currently being implemented in Cheshire East. It allows Marketing Cheshire time to source additional external revenue outside of the public purse, sustaining its contribution to delivery of the Visitor Economy Strategy. Supports Council's Outcomes 2 and 6.<br><br><i>Impact on Visitor Economy Service Budget =</i> | <b>0.000</b>                     | <b>-0.020</b>                                            | <b>-0.020</b>                                            |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/> Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                  |                                                          |                                                          |
| <b>Note: Proposal 33: “Reduce level of Winter Services” was withdrawn from the MTFS following the consultation period.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                  |                                                          |                                                          |
| <b>Note: Proposal 34: “Reduce highway tree maintenance” was withdrawn from the MTFS following the consultation period.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                  |                                                          |                                                          |



| <b>Regeneration</b><br><i>Investment in the infrastructure and towns in Cheshire East.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>2017/18</b><br><br><b>£m*</b> | <b>2018/19</b><br><b>Indicative values</b><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><b>£m*</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------------------|----------------------------------------------------------|
| <b>Poynton Relief Road (Capital Investment) (35)</b><br><br><p>The Poynton Relief Road is an important element for the Council's employment led economic growth strategy and is included in the new emerging Local Plan; enabling job creation, helping to deliver housing growth, addressing longstanding traffic congestion and environmental issues in the village of Poynton.</p> <p style="text-align: right;"> <i>Current Approved Capital Investment 2017/18 =</i><br/> <i>Current Approved Capital Investment 2018/19 =</i><br/> <i>Current Approved Capital Investment 2019/20 =</i><br/> <i>New Capital Investment 2019/20 =</i> </p> | <b>+1.273</b>                    | <b>+21.160</b>                                           | <b>+6.775</b><br><b>+5.418</b>                           |
| <b>Sydney Road Bridge Crewe (Capital Investment) (36)</b><br><br><p>This scheme is fully funded by a combination of Local Growth Fund and Developer S106 contributions. It will replace the existing narrow bridge over the west coast mainline with a new bridge that will provide for two-way traffic.</p> <p style="text-align: right;"> <i>Current Approved Capital Investment 2017/18 =</i><br/> <i>Current Approved Capital Investment 2018/19 =</i><br/> <i>New Capital Investment 2019/20 =</i> </p>                                                                                                                                    | <b>+0.472</b>                    | <b>+5.703</b>                                            | <b>+3.344</b>                                            |
| <b>A500 Dualling (Capital Investment) (37)</b><br><br><p>This scheme is the subject of a bid to the Department for Transport for funding. The scheme will upgrade a 3.2km of the A500 from single carriageway to dual carriageway standard along with associated works to increase the capacity of the A500 / A531 / B5742 junction to the west.</p> <p style="text-align: right;"> <i>Current Approved Capital Investment 2017/18 =</i><br/> <i>New Capital Investment 2017/18 =</i><br/> <i>New Capital Investment 2018/19 =</i> </p>                                                                                                         | <b>+0.140</b><br><b>+1.815</b>   | <b>+0.153</b>                                            |                                                          |
| <p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>. Values are not cumulative</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                  |                                                          |                                                          |



| <b>Regeneration</b><br><i>Investment in the infrastructure and towns in Cheshire East.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>2017/18</b><br><br><b>£m*</b>                                                                           | <b>2018/19</b><br><b>Indicative values</b><br><b>£m*</b>                                      | <b>2019/20</b><br><b>Indicative values</b><br><b>£m*</b>                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| <b>Congleton Public Realm (Capital Investment) (38)</b><br><br>£1m improvement to Congleton's retail core. Six week consultation period began on 25 <sup>th</sup> April, over 1,300 visitors came to the consultation exhibition and gave 300 responses (78% support was received for the concept). Detailed design has been commissioned for construction in early 2017.<br><br><i>Current Approved Capital Investment 2017/18 =</i><br><i>Current Approved Capital Investment 2018/19 =</i><br><i>New Capital Investment 2017/18 =</i>                                                                                                                                                                                                | <br><br><br><br><br><br><br><br><br><br><b>+0.869</b><br><br><br><br><br><br><br><br><br><br><b>+0.180</b> | <br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><b>+0.010</b> | <br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br> |
| <b>Active Travel Investment (Capital Investment subject to a detailed Business Case) (39)</b><br><br>If the Local Growth Fund (Government Grant) bid is successful, match funding of £0.5m from the Council would unlock £2.67m of funding for walking and cycling routes in Crewe, Nantwich and Wilmslow. These routes will overcome access barriers to key employment sites, benefiting local residents and commuters. <b>This will be subject to affordability and is included in the Addendum to the Capital Programme, see Financial Summary tables, Annex 12</b><br><br><i>New Capital Investment 2017/18 =</i><br><i>New Capital Investment 2018/19 =</i>                                                                        | <br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><b>+0.300</b>              | <br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><b>+0.300</b> | <br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br> |
| <b>Middlewich Eastern Bypass (Capital Investment subject to a detailed Business Case) (new)</b><br><br>This scheme will provide a bypass at a crucial pinch point for traffic congestion in Middlewich and will deliver a traffic solution for the town. This funding will develop the scheme through to planning and procurement stage following the Outline Business Case to be submitted in March 2017. This will be match funding to the Department for Transport funding already received. <b>This will be subject to affordability and is included in the Addendum to the Capital Programme, see Financial Summary tables, Annex 12</b><br><br><i>New Capital Investment 2017/18 =</i><br><i>New Capital Investment 2018/19 =</i> | <br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><b>+0.800</b>              | <br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><b>+0.800</b> | <br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br><br> |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>           Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                            |                                                                                               |                                                                                  |



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

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

### Did you know?

The number of educational establishments in Cheshire East that are rated Good or Outstanding is 10% higher than the national average





# Key Priorities:

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## Introduction

Cheshire East has a strong and vibrant economy and is home to key businesses, both large and small. A key priority for the Council is ensuring that our residents have the education and skills to meet the needs of local businesses and to meet the career aspirations of our residents.

## Challenges

- Develop a strategy to deliver the school places required as a consequence of housing developments and demographic growth in Cheshire East.
- Review our approach to ensuring high standards in all schools and effective support for those children not in school, ensuring that every child fulfils their educational potential.
- Ensure that activity, governance and accountability of the 0-25 Special Educational Needs and Disabilities (SEND) partnership is effective in delivering improved outcomes for SEND children and young people.
- Develop a stronger focus on support for the children and young people most vulnerable to the poorest outcomes.
- Ensure Children and Young People have the skills to secure employment and contribute to their local communities.

## Opportunities

- Improving relationships and collaboration with schools to work together through the Education and Skills Board on key priority areas, including developing a sustainable sector led approach to education and skills. This work will be based around a 3yr strategic plan for school improvement.
- Improve co-production and engagement with parents, carers and children and young people, particularly in relation to children with SEND.
- Crewe Engineering and Design University Technical College (UTC), a new school at the heart of Crewe that opened in September 2016 has the opportunity to support the highest quality school leavers who will be the next generation of engineers, innovators, technicians and designers.
- Maximise Pan-Cheshire and sub-regional arrangements to improve collaborations, streamline and enhance good practice across all partnerships. Cheshire East Council will form part of a Regional Adoption Agency in 2017/18. This is collaboration, name Adoption Counts, between the Council and four other councils in the North West to better co-ordinate adoption services and provide a better service for children. Transition and set-up costs are expected to be funded by the DfE (Department for Education). The aim is for the service to be operated at the same cost in 2017/18 while the new service arrangements are put in place.



## Proposals to vary the Budget under Outcome 3 (Education) are focused on these areas:

| Changing the way we work<br><i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>                                                                                                                                                                                                                                                                                                              | 2017/18<br><br>£m* | 2018/19<br>Indicative<br>values<br><br>£m* | 2019/20<br>Indicative<br>values<br><br>£m* |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------------------------|--------------------------------------------|
| <b>Children's Services transport policy review (Revenue Savings) (40)</b><br><br>Work with the current transport provider, Transport Service Solutions (TSS), to explore a number of options to provide a more cost effective Children's Services transport solution.<br><br><i>Impact on Transport Service Budget =</i>                                                                                                                                                                                              | -0.390             | -0.800                                     | -0.960                                     |
| <b>Realignment of Children's Services funding streams and review of policy around charges and exemptions in relation to Children's Social Care (Revenue Savings) (41)</b><br><br>Realignment of Children's Services funding streams and review of policy around charges and exemptions in relation to Children's Social Care to maximise use of existing budgets and to develop a more commercial approach to generating income.<br><br><i>Impact on Children and Families Directorate Budget =</i>                   | -0.300             | -0.300                                     | -0.300                                     |
| <b>Redesign of short break provision for children with disabilities (Revenue Savings) (42)</b><br><br>Carry out a review to ensure efficient management and co-ordination of the short break local offer for children with a disability and their families. Put in place a whole system that is transparent, equitable and provides value for money, using advanced technology, to sustain a good offer to children, young people and their families.<br><br><i>Impact on Children's Social Care Service Budget =</i> | -0.130             | -0.330                                     | -0.330                                     |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                                                      |                    |                                            |                                            |



| Changing the way we work<br><i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>                                                                                                                                                                                                                                              | 2017/18<br><br>£m* | 2018/19<br>Indicative<br>values<br><br>£m* | 2019/20<br>Indicative<br>values<br><br>£m* |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------------------------|--------------------------------------------|
| <b>Creating efficiencies in Children's commissioned services (Revenue Savings) (43)</b><br>The cyclical review of the wide variety of commissioned services that support the Council to deliver effective children's services will look to identify efficiencies as contracts come to an end and will also ensure a continuing fit with the internal capacity within Children's Services.<br><i>Impact on Children's Social Care Service Budget =</i> | -0.150             | -0.200                                     | -0.200                                     |
| <b>Early Help and Prevention Service review (Revenue Savings) (44)</b><br>Review of Early Help and Prevention service capacity as a result of the redesign of the Youth Engagement Service and Prevention and Family support services.<br><i>Impact on Prevention and Support Service Budget =</i>                                                                                                                                                    | -0.160             | -0.160                                     | -0.160                                     |
| <b>Transitional funding - finishing (Revenue Savings) (45)</b><br>Removal of the temporary funding for developing new models of service delivery.<br><i>Impact on Resources and Stewardship Service Budget =</i>                                                                                                                                                                                                                                      | -0.120             | -0.120                                     | -0.120                                     |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i>                                                                                                                                                                                                                                                                                                      |                    |                                            |                                            |

### Did you know?

99% of 3-4 year olds access free early education



| <b>Looking after children and young people</b><br><i>Review of current service offers to ensure high standards are maintained and demand is managed.</i>                                                                                                                                                                                                                                                                                                          | <b>2017/18</b><br><br><b>£m*</b> | <b>2018/19</b><br><b>Indicative values</b><br><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><br><b>£m*</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Future Years Basic Need - Nantwich Primary - Kingsley Fields, Wilmslow Planning Area &amp; Congleton Planning Area (Capital Investment) (46)</b><br><br>Basic need area proposals have been identified in line with the draft Schools Organisation Framework, ensuring the local authority meets its statutory duty to ensure sufficient school places.<br><br><i>Current Approved Capital Investment 2018/19 =</i><br><i>New Capital Investment 2018/19 =</i> |                                  | <b>+0.040</b><br><b>+8.860</b>                               |                                                              |
| <b>Nantwich Planning Area (Secondary) (Capital Investment) (47)</b><br><br>Basic need area proposals have been identified in line with the draft Schools Organisation Framework, ensuring the local authority meets its statutory duty to ensure sufficient school places.<br><br><i>New Capital Investment 2017/18 =</i><br><i>New Capital Investment 2018/19 =</i>                                                                                              | <b>+1.000</b>                    | <b>+2.400</b>                                                |                                                              |
| <b>Sandbach Planning Area (Secondary) (Capital Investment) (48)</b><br><br>Basic need area proposals have been identified in line with the draft Schools Organisation Framework, ensuring the local authority meets its statutory duty to ensure sufficient school places.<br><br><i>New Capital Investment 2017/18 =</i><br><i>New Capital Investment 2018/19 =</i>                                                                                              | <b>+1.000</b>                    | <b>+2.400</b>                                                |                                                              |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>           Values are not cumulative</i>                                                                                                                                                                                                                                                                                                       |                                  |                                                              |                                                              |



| <b>Looking after children and young people</b><br><i>Review of current service offers to ensure high standards are maintained and demand is managed.</i>                                                                                                                                                                                                            | <b>2017/18</b><br><br><b>£m*</b> | <b>2018/19</b><br><b>Indicative values</b><br><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><br><b>£m*</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Shavington Planning Area (Capital Investment) (49)</b><br><br>Basic need area proposals have been identified in line with the draft Schools Organisation Framework, ensuring the local authority meets its statutory duty to ensure sufficient school places.<br><br><i>New Capital Investment 2017/18 =</i><br><i>New Capital Investment 2018/19 =</i>          | <b>+0.700</b>                    | <b>+1.700</b>                                                |                                                              |
| <b>Alsager Planning Area (Secondary) (Capital Investment) (50)</b><br><br>Basic need area proposals have been identified in line with the draft Schools Organisation Framework, ensuring the local authority meets its statutory duty to ensure sufficient school places.<br><br><i>New Capital Investment 2017/18 =</i><br><i>New Capital Investment 2018/19 =</i> | <b>+0.500</b>                    | <b>+1.200</b>                                                |                                                              |
| <b>Alsager Planning Area (Primary) (Capital Investment) (51)</b><br><br>Basic need area proposals have been identified in line with the draft Schools Organisation Framework, ensuring the local authority meets its statutory duty to ensure sufficient school places.<br><br><i>New Capital Investment 2017/18 =</i><br><i>New Capital Investment 2018/19 =</i>   | <b>+0.400</b>                    | <b>+0.800</b>                                                |                                                              |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>           Values are not cumulative</i>                                                                                                                                                                                                         |                                  |                                                              |                                                              |



| <b>Looking after children and young people</b><br><i>Review of current service offers to ensure high standards are maintained and demand is managed.</i>                                                                                                                                                                                                           | <b>2017/18</b><br><br><b>£m*</b> | <b>2018/19</b><br><b>Indicative values</b><br><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><br><b>£m*</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Nantwich Planning Area (Primary) (Capital Investment) (52)</b><br><br>Basic need area proposals have been identified in line with the draft Schools Organisation Framework, ensuring the local authority meets its statutory duty to ensure sufficient school places.<br><br><i>New Capital Investment 2017/18 =</i><br><i>New Capital Investment 2018/19 =</i> | <b>+0.400</b>                    | <b>+0.800</b>                                                |                                                              |
| <b>Sandbach Planning Area (Primary) (Capital Investment) (53)</b><br><br>Basic need area proposals have been identified in line with the draft Schools Organisation Framework, ensuring the local authority meets its statutory duty to ensure sufficient school places.<br><br><i>New Capital Investment 2017/18 =</i><br><i>New Capital Investment 2018/19 =</i> | <b>+0.400</b>                    | <b>+0.800</b>                                                |                                                              |
| <b>Hurdsfield Family Centre (Capital Investment) (new)</b><br><br>Redevelopment of the facilities to make them fit for purpose.<br><br><i>New Capital Investment 2017/18 =</i><br><i>New Capital Investment 2018/19 =</i>                                                                                                                                          | <b>+0.250</b>                    | <b>+1.350</b>                                                |                                                              |
| <b>Cledford Planning Area (Capital Investment) (54)</b><br><br>Basic need area proposals have been identified in line with the draft Schools Organisation Framework, ensuring the local authority meets its statutory duty to ensure sufficient school places.<br><br><i>New Capital Investment 2017/18 =</i><br><i>New Capital Investment 2018/19 =</i>           | <b>+0.100</b>                    | <b>+0.200</b>                                                |                                                              |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>           Values are not cumulative</i>                                                                                                                                                                                                        |                                  |                                                              |                                                              |



| Reducing subsidy<br><i>Ensure limited resources are redirected to the areas with the most critical need.</i>                                                                                                                                                                                                                         | 2017/18<br>£m* | 2018/19<br>Indicative<br>values<br>£m* | 2019/20<br>Indicative<br>values<br>£m* |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------|----------------------------------------|
| <b>End of Early Intervention short-term funding allocation (non Public Health element) (Revenue Savings) (55)</b><br><br>End of investment in early help and prevention services that were used to reduce the demand for higher cost services in the longer term.<br><br><i>Impact on Children and Families Directorate Budget =</i> | <b>0.000</b>   | <b>-1.000</b>                          | <b>-1.000</b>                          |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i>                                                                                                                                                                                     |                |                                        |                                        |

### Did you know?

Cheshire East students achieved a 99%  
A-Level pass rate in Summer 2016



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

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

### Did you know?

Cheshire East reduced carbon emissions by 42 per cent between 2008 and 2016



## Key Priorities:

### Energy

The Council has made a commitment to help reduce the number of local households in fuel poverty; seek to gain energy security and independence; and support a growing energy business. The Cheshire East Council Energy Framework is being delivered to provide clean, secure and affordable energy across the Borough. A programme of energy projects is being developed as part of the Framework, for example, we have joined forces with one of the world's largest energy delivery companies, Engie, to form Cheshire Energy Networks which will seek opportunities for heat networks across the Borough. Work is progressing to design heat network to serve Macclesfield and Crewe Town Centre and we are furthering our geothermal energy ambitions with leading universities and funders. We are also seeking to embed a solution to generate energy from garden waste into our energy ambitions.

### Sustainable Development

Development Management provides a customer facing service that deals with a wide range of operations including planning applications, appeals and enforcement for residents across Cheshire East. The Council's planning support services have been provided through Civicance, which also deals with street naming and numbering, land charges and Building Regulations.

Our priorities are to continue to improve the delivery of Development Management Services for developers, residents and stakeholders to ensure developments are delivered in the most appropriate locations and are of high quality; adopt and implement Cheshire East Design Guide to ensure high standards of design are embedded within future developments to the benefit of the environment and local residents; ensure the provision of an average of 15.7Ha of new employment and business land each year to meet the needs of new and expanding companies in Cheshire East.

The adoption of the Cheshire East Local Plan Strategy will provide a strong framework for guiding new development, securing fresh investment and protecting our environment and the preparation of a new Waste and Minerals Plan for Cheshire East will ensure better and more sustainable management of natural resources. We will also be introducing and consulting on a Community Infrastructure Levy for Cheshire East, to ensure new infrastructure is funded in a fair and consistent manner.

### Highway Maintenance

The primary function of highway asset management is to maximise value for money for road users and residents whilst carrying out Cheshire East Council's duties as Highway Authority.

We aim to deliver a service that meets the residents' expectations and improve network resilience in response to things such as extreme weather events, and incidents on the motorway. In particular we will be prioritising spending on gully maintenance within our available budgets. We will be procuring a



new Highways Contract and service provider to secure greater value money in service delivery. We have a sustained programme of maintenance works which will minimise the levels of reactive service calls and cuts in claims and we are maximising the use of new technologies to deliver a more efficient service and better information to users of our highways.

## Opportunities

- Adopt the Cheshire East Local Plan Strategy to provide a strong framework for guiding new development, securing fresh investment and protecting our environment.
- Prepare a new Waste and Minerals Plan for Cheshire East – to ensure better and more sustainable management of natural resources.





## Proposals to vary the Budget under Outcome 4 (Environment) are focused on these areas:

| <b>Changing the way we work</b><br><i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>                                                                                                                                                                                                | <b>2017/18</b><br><br><b>£m*</b>                      | <b>2018/19</b><br><b>Indicative values</b><br><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><br><b>£m*</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Street Lighting Improvements (Revenue Savings) (56)</b><br><br>Following approval to fund a three year programme (2016/17, 2017/18 and 2018/19) of LED street light conversions, this project will allow for a reduction in the reactive revenue maintenance budget due to reduced maintenance requirements and extended life guarantees on the lanterns.<br><br><i>Impact on Highways Service Budget =</i> | <br><br><br><br><br><br><br><br><br><br><b>-0.050</b> | <br><br><br><br><br><br><br><br><br><br><b>-0.100</b>        | <br><br><br><br><br><br><br><br><br><br><b>-0.150</b>        |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i>                                                                                                                                                                                                                                                               |                                                       |                                                              |                                                              |
| <b>Note: Proposal 57: “Reduce routine maintenance of Highway network (Gully Cleansing)” was withdrawn from the MTFS following the consultation period.</b>                                                                                                                                                                                                                                                     |                                                       |                                                              |                                                              |
| <b>Note: Proposal 58: “Reduce Highways Frontline Staff &amp; Community Teams” was withdrawn from the MTFS following the consultation period.</b>                                                                                                                                                                                                                                                               |                                                       |                                                              |                                                              |

### Did you know?

Customer surveys tell us that Cheshire East Council has one of the best waste collection services in the country



| <b>Investment in services</b><br><i>Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.</i>                                                                                                                                                                                                                                   | <b>2017/18</b><br><br><b>£m*</b> | <b>2018/19</b><br><b>Indicative values</b><br><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><br><b>£m*</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Planning reserve for Spatial Planning (Revenue Investment) (59)</b><br><br>This will support the additional work necessary to ensure that we have an effective planning framework in the Borough including– Community Infrastructure Levy, Allocations Development Plan Document, Minerals and Waste Plan. Each one will require an evidence base to be developed, public engagement and a series of hearings.<br><br><i>Impact on Spatial Planning Service Budget =</i> | <b>+1.100</b>                    | <b>+1.320</b>                                                | <b>+0.320</b>                                                |
| <b>Lead Local Authority Flood Grant Funding (Revenue Investment) (new)</b><br><br>Cheshire East Council is the Lead Local Flood Authority (LLFA) under the Flood and Water Management Act 2010 and has responsibility for leading the co-ordination of flood risk management in the area. This grant will support the Authority in carrying out its statutory LLFA duties.<br><br><i>Impact on Infrastructure and Highways Service Budget =</i>                             | <b>+0.010</b>                    | <b>+0.010</b>                                                | <b>+0.010</b>                                                |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                            |                                  |                                                              |                                                              |

### Did you know?

Last year 544 people moved into a care home (of which 518 were 65+)  
There are approximately 1,400 people in total currently in residential or nursing home care



| Managing waste<br><i>Reviewing our current Waste offer to ensure value for money is achieved.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 2017/18<br>£m*   | 2018/19<br>Indicative<br>values<br>£m* | 2019/20<br>Indicative<br>values<br>£m* |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------------------------------|----------------------------------------|
| <b>Ansa Environmental Services proposal (Revenue Savings) (60)</b><br><br>Efficiencies and productivity improvements delivered by the Council company Ansa Environmental Services. This will deliver our waste strategy objectives by reducing waste disposal to landfill.<br><br><i>Impact on Waste &amp; Environmental Service Budget =</i>                                                                                                                                                                                                                                                                                              | -0.700           | -0.820                                 | -1.220                                 |
| <b>Review of Cheshire East Household Waste Recycling Centre Provision (Revenue Savings &amp; Capital Investment) (61 &amp; 65)</b><br><br>The review focuses on improvements and efficiencies to the Household Waste Recycling Centre Service. Proposals include investment to improve our sites and allow the acceptance of trade waste, the closure of Arclid Household Waste Recycling Centre, the introduction of a charge for rubble waste and the reduction in opening hours from an average of 10hrs per day to 8hrs per day.<br><br><i>Impact on Waste &amp; Environmental Service Budget =</i><br><i>New Capital Investment =</i> | -0.150<br>+1.000 | -0.730                                 | -0.730                                 |
| <b>Dry Recycling Contract (Revenue Investment) (62)</b><br><br>A drop in the national price of oil, steel, paper and other materials has resulted in a reduction in the value of materials the Council collects within the silver bins. Although it is still much cheaper for the Council to process silver bin recycling than waste in the black bin, it is necessary to provide additional funding for the processing of silver bin recycling from the point of contract renewal in 2017.<br><br><i>Impact on Waste &amp; Environmental Service Budget =</i>                                                                             | +1.290           | +1.290                                 | +1.290                                 |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                  |                                        |                                        |



| <b>Managing waste</b><br><i>Reviewing our current Waste offer to ensure value for money is achieved.</i>                                                                                                                                                                                                                                                                                                                                       | <b>2017/18</b><br><br><b>£m*</b> | <b>2018/19</b><br><b>Indicative values</b><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><b>£m*</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------------------|----------------------------------------------------------|
| <b>Environment Commissioning – S106 income not achievable (Revenue Investment) (63)</b><br><br>New Planning permission section 106 income no longer received by the Council due to a Public Open Spaces planning policy change in favour of maintenance by private land management organisations.<br><br><i>Impact on Waste &amp; Environmental Service Budget =</i>                                                                           | <b>+0.070</b>                    | <b>+0.070</b>                                            | <b>+0.070</b>                                            |
| <b>Environment Commissioning - small growth items (Revenue Investment) (64)</b><br><br>Since the Environment Commissioning service was set up in 2014/15 to manage the contracts with Ansa and Orbitas respectively, several small budget pressures have emerged due to a combination of initial estimates being insufficient or decisions being taken post budget setting.<br><br><i>Impact on Waste &amp; Environmental Service Budget =</i> | <b>+0.060</b>                    | <b>+0.060</b>                                            | <b>+0.060</b>                                            |
| <b>Ansa Environmental Services Additional Savings (Revenue Savings) (new)</b><br><br>Savings identified during consultation as unachievable from early delivery of Dry Anaerobic Digestion and other contract savings. Additional management fee underspend savings target.<br><br><i>Impact on Waste &amp; Environmental Service Budget =</i>                                                                                                 | <b>-0.200</b>                    | <b>-0.100</b>                                            | <b>-0.100</b>                                            |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i>                                                                                                                                                                                                                                                                                               |                                  |                                                          |                                                          |
| <b>Note: Proposal 66: “Introduction of a Chargeable Garden Waste service instead of Food waste collection and Dry AD” was withdrawn from the MTFS following the consultation period.</b>                                                                                                                                                                                                                                                       |                                  |                                                          |                                                          |



| <b>Sustainability</b><br><i>Investment in services to ensure that current standards can be maintained.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>2017/18</b><br><br><b>£m*</b> | <b>2018/19</b><br><b>Indicative values</b><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><b>£m*</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------------------|----------------------------------------------------------|
| <b>Managing and Maintaining the Highways (Capital Investment in 2017/18 – further spending subject to detailed Business Case) (67)</b><br><br>Utilising the Councils approved Asset Management led approach, maintenance investment will be allocated in line with member and resident priorities across all highway assets including roads, footways, structures, and restraint barriers. Capital investment will be targeted to deliver maximum value by adopting the right treatment at the right time with an emphasis on preventative maintenance. <b>* This allocation in future years will be subject to affordability and is included in the Addendum to the Capital Programme, see Financial Summary tables, Annex 12</b><br><br><i>New Capital Investment 2017/18 =</i><br><i>New Capital Investment 2018/19 =</i><br><i>New Capital Investment 2019/20 =</i> | <b>+10.000</b>                   | <b>*+10.000</b>                                          | <b>*+10.000</b>                                          |
| <b>Winter Service Facility (Capital Investment subject to a detailed Business Case) (68)</b><br><br>The Highway Winter Service ensures our residents and businesses can continue to safely utilise the transport network during freezing periods and snow events whilst fulfilling our statutory duty. A revised depot strategy has highlighted the need for an additional facility in the west of the Borough for strategic salt storage and winter operations. <b>This will be subject to affordability and is included in the Addendum to the Capital Programme, see Financial Summary tables, Annex 12</b><br><br><i>New Capital Investment 2018/19 =</i>                                                                                                                                                                                                           |                                  | <b>+3.000</b>                                            |                                                          |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>           Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                  |                                                          |                                                          |

### Did you know?

Cheshire East residents recycling rates are in the top 10% in England



| <b>Sustainability</b><br><i>Investment in services to ensure that current standards can be maintained.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>2017/18</b><br><br><b>£m*</b> | <b>2018/19</b><br><b>Indicative values</b><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><b>£m*</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------------------|----------------------------------------------------------|
| <b>Alderley Road, Wilmslow – A34 Junction and pedestrian access improvements (Capital Investment) (69)</b><br><br><p>The junction between Alderley Road and the A34 in Wilmslow adjacent to the Royal London site acts as a pinch point in the highway network with regular congestion occurring, particularly at peak times associated with the adjacent existing employment site traffic. The proposal, which only includes funding for the development stage here, is to widen the Alderley Road approach to the A34 roundabout, adding an extra lane, to increase junction capacity. Additionally, it is proposed that associated improvements to pedestrian and cycle access to the adjacent existing employment site are provided to encourage access by means other than car. The aim of the improvements is to reduce congestion on the highway network by increasing capacity and reducing traffic to and from the employment site.</p> <p style="text-align: right;"> <i>New Capital Investment 2017/18 =</i><br/> <i>New Capital Investment 2018/19 =</i><br/> <i>New Capital Investment 2019/20 =</i> </p> | <b>+0.300</b>                    | <b>+0.400</b>                                            | <b>+0.500</b>                                            |
| <b>Household Bin Replacement (Capital Investment) (70)</b><br><br><p>Capital replacement of wheeled bins as bins supplied by former authorities wear out and need replacing. Suitable checks are in place to minimise this commitment through reuse of bins where possible and checks on the need for bin replacement before a new one is supplied.</p> <p style="text-align: right;"> <i>Current Approved Capital Investment 2017/18 =</i><br/> <i>New Capital Investment 2018/19 =</i><br/> <i>New Capital Investment 2019/20 =</i> </p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>+0.220</b>                    | <b>+0.220</b>                                            | <b>+0.220</b>                                            |
| <p style="text-align: center;"> <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/> Values are not cumulative</i> </p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                  |                                                          |                                                          |



| <b>Sustainability</b><br><i>Investment in services to ensure that current standards can be maintained.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>2017/18</b><br><br><b>£m*</b> | <b>2018/19</b><br><b>Indicative values</b><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><b>£m*</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------------------------|----------------------------------------------------------|
| <b>Park Development Fund (Capital Investment) (71)</b><br><br>For the last three years the Council has successfully provided targeted small scale investments to help sustain our Park infrastructure and provide match funding for external grants. This proposal is to request the continuation of this fund.<br><br><i>New Capital Investment 2017/18 =</i><br><i>New Capital Investment 2018/19 =</i><br><i>New Capital Investment 2019/20 =</i>                                                                                                                                                                                                                                            | <b>+0.150</b>                    | <b>+0.150</b>                                            | <b>+0.150</b>                                            |
| <b>Playing Fields Improvement Fund (Capital Investment subject to a detailed Business Case) (72)</b><br><br>Matching Cheshire East Council investment with external grant support (50:50) with the Football Foundation, effectively doubling the value of the Cheshire East Council investment can deliver better facilities, increasing the durability of pitches and increasing revenue generation potential in line with the playing pitch strategy. <b>This will be subject to affordability and is included in the Addendum to the Capital Programme, see Financial Summary tables, Annex 12</b><br><br><i>New Capital Investment 2017/18 =</i><br><i>New Capital Investment 2018/19 =</i> | <b>+1.050</b>                    | <b>+0.050</b>                                            |                                                          |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>           Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                  |                                                          |                                                          |

### Did you know?

Life expectancy at birth in Cheshire East is 83.8 years (female) and 80.3 years (male) This is amongst the highest in the UK



## Outcome 5 - People live well and for longer

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



# Key Priorities:

## Introduction

Absolutely paramount is the ability to ensure we protect both our vulnerable adults and children. Through the work of the council and its partners there is now a greater focus and awareness of issues such as domestic abuse, child sexual exploitation and adult abuse. To ensure we continue to tackle these important issues we are increasingly working across agencies and partnerships such as Cheshire Fire and Rescue, Police and Crime Commissioner for Cheshire, NHS and Registered Housing Providers to ensure we take a holistic approach to meeting identified need.

Over recent years there has been a shift in emphasis in Adult Social Care and Health from services defined and driven by professionals, to services that reflect the outcomes and aspirations of people using those services. We welcome this change. Our ambition is to be in the forefront of developing flexible, personalised services that tap into the rich diversity of our communities, and deliver services that enable people to maintain their independence, and where possible remain living in their own home.

Cheshire East Council will form part of a Regional Adoption Agency in 2017/18. This is a collaboration between the Council and four other councils in the North West to better co-ordinate adoption services and provide a better service for children. Transition and set-up costs are expected to be funded by the DfE. The aim is for the service to be operated at the same cost in 2017/18 while the new service arrangements are put in place.

At a time when there is an imperative to achieve better outcomes with finite resources we intend to focus our efforts on prevention and early intervention to reduce and delay the need for high cost services. Wherever possible, we will support choice by giving people the opportunity to have a direct payment and develop their own bespoke package of support. In doing so we will stimulate the development of an active and vibrant care market both in the independent sector but also across with voluntary, community, faith and sector. This is very much in keeping with the Care Act 2014 and focuses on the wellbeing of the individual.

In addition to the changes the council is facing there are significant changes taking place across the NHS nationally and locally. Sustainability and Transformation Plans are being submitted by NHS colleagues to NHS England and these reflect the Local Delivery Systems which for us in Cheshire East are “Connecting Care” in the South and “Caring Together” in the North of the Borough. These changes will inevitably impact upon social care both in children’s and adults but the full effects are not yet known. We remain committed to working with our NHS colleagues locally and sub regionally but the savings the NHS are looking to make and their current budget constraints suggests that this will put social care under further financial pressures.

The rising demand and complexity of social care services is well known and well evidenced at a national and local level. Key pressures include:

- The development of the NHS Cheshire and Merseyside Sustainability and Transformation Plans (STP) is intended to find a solution to the £900 plus million pounds gap between now and 2021. Seeking to resolve this the NHS organisations locally are moving towards Accountable Care systems (ACS)/organisations (ACOs) bringing together a number of providers to take responsibility for the cost and quality of care for a defined population in Cheshire East within an agreed budget. ACOs take many different forms, from fully integrated delivery systems to alliances of diverse providers. ACOs are intended be a vehicle for integration, effective demand management, improved quality and efficiency. As the NHS two year contract round and the submission of operational plans are still unresolved locally, and the financial planning underpinning the



proposals for delivering uncertain, there is a real risk that Adult Social Care could be faced with additional cost not yet known due to reconfiguration of local NHS services.

- Ageing demography – by 2027 the number of people in the Borough aged 65+ is estimated to rise to over 127,000 and those aged 85+ estimated to have increased to 18,800 by 2027.
- Young people in transition to adulthood – there are estimated to be 90 young people aged between 14 – 18 with a complex disability who will be transitioning to adult social care during the next three years, with an average care package ranging between £25,000 to £150,000 per year.
- Dementia – prevalence in Cheshire East is higher than the England average with 4.47% of the population aged 65+ recorded as having dementia.
- One in four people will experience some form of mental health in their lifetime and this is true across all ages and all socioeconomic groups. Improving health and wellbeing, especially mental wellbeing is key to ensuring people live full and independent lives.
- We know from the 2011 census that we have 40,000 residents who are 'unpaid carers', with over 8,000 providing at least 50 hours per week. Supporting carers to have breaks but also to maintain their caring role is very much at the heart of our local carers strategy and reflects the joined up approach of the council and the NHS.

The challenge to the directorate is to manage the demand and complexity whilst successfully managing the associated costs, therefore, the proposals below are focused on doing exactly that.

## Challenges

- Continuing to manage the increase in numbers of children and young people in care. This is a regional and national trend and is exacerbated by the national dispersal / transfer scheme that will see an increasing number of unaccompanied asylum seekers resident in the Borough.
- Managing the market to ensure that there is a range of services, care and support available to support cared for children and young people in their local area, many of whom have complex needs.
- Recruiting and retaining high quality Social Workers and Team Managers, particularly those working in the area of child protection.
- Developing comprehensive prevention and family support services (including emotional health & wellbeing) across the Borough to meet the needs of our vulnerable children and young people.
- Strengthening partnerships to deliver integrated, value for money services that ensure the voice of children and young people and better meet their needs.

## Opportunities

- Cheshire East Council submitted expressions of interest to the DfE's Children's Social Care Innovation Programme. One of these included working alongside 30 other local authority areas on implementing 'Signs of Safety' across Cheshire East, a core evidence based model of practice for social work.



- Implementing the redesign of children's homes in the Borough – a new provider of a wholly commissioned children's home service will be operational from 1<sup>st</sup> April 2017.
- Maximise Pan-Cheshire and sub-regional arrangements to improve collaborations, streamline and enhance good practice across all partnerships. This includes the launch of the Regional Adoption Agency in April 2017 and fostering collaboration with Cheshire, Warrington and Halton.
- Embed the role of Cheshire East's new Corporate Parenting Committee to strengthen the corporate parent role, improving outcomes for children and young people in care.
- Implement changes to the front door to Children's Social Care and early help services to improve the pathways from referral to allocation.





## Proposals to vary the Budget under Outcome 5 (Health) are focused on these areas:

| Changing the way we work<br><i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2017/18<br><br>£m* | 2018/19<br>Indicative<br>values<br><br>£m* | 2019/20<br>Indicative<br>values<br><br>£m* |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------------------------|--------------------------------------------|
| <b>Commissioning all services currently provided by our in-house provider, Care4CE (Revenue Savings) (73)</b><br><br><p>Cheshire East Cabinet decided on the 8<sup>th</sup> December 2015 that the policy would be to move from in-house delivery to commission all care services from the broader care sector to facilitate the move to a more personalised system of care and support which facilitates the principle of choice and control for residents in the access and purchasing of care. This will require a review of in-house provision including potential outsourcing / recommissioning / closure / decommissioning of current provision.</p> <p>To ensure compliance with the Care Act 2014 this approach has been applied to services external to the council and will now be applied to services currently provided by Care4CE. This is to ensure that the support and care provided to local people can be flexible and responsive to changing needs, promoting choice and maximising independence. This includes building on the current Shared Lives offering. As more detailed plans are developed discussion, engagement, co-production and consultation will take place with all service users, carers and staff.</p> <p style="text-align: right;"><i>Impact on Social Care &amp; Health Integration Service Budget =</i></p> | <b>-1.200</b>      | <b>-2.700</b>                              | <b>-4.200</b>                              |
| <p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                    |                                            |                                            |

### Did you know?

At any one time there are over 6,000 people receiving one or more Adult Social Care services



| Changing the way we work<br><i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2017/18<br><br>£m* | 2018/19<br>Indicative<br>values<br><br>£m* | 2019/20<br>Indicative<br>values<br><br>£m* |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------------------------|--------------------------------------------|
| <b>Operational Pathway Redesign (Revenue Savings) (74)</b><br><br>Adult Social Care is about maximising independence, connecting local people to their communities and helping people live well and for longer. This will be achieved by enabling people to live in their own homes for longer using existing community networks, new technologies and reviewing our approach to bed based care.<br><br>To achieve this, and to be Care Act compliant, we intend to establish a first point of contact for residents offering advice and information when you contact the council with suitably trained staff able to answer question and sign post without the need to always refer on. We will integrate our assessments with the NHS as our workforce become closer aligned working around GP's surgeries. These budgets will be joined up and will focus on reducing the risk of admission to hospital. We will focus on outcomes for people and encourage more people to take up a direct payment to fund their own tailored care and support. We will also promote prevention including extra care, telecare and support at home.<br><br><i>Impact on Social Care &amp; Health Integration Service Budget =</i> |                    |                                            |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>-0.940</b>      | <b>-1.380</b>                              | <b>-1.380</b>                              |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                    |                                            |                                            |

### Did you know?

Nearly 27% of the population in Cheshire East are aged 60 or over, much higher than the national average of just 23%



| <b>Changing the way we work</b><br><i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>2017/18</b><br><br><b>£m*</b>                | <b>2018/19</b><br><b>Indicative values</b><br><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><br><b>£m*</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Strategic Commissioning (Revenue Savings) (75)</b><br><br><p>We intend to work with local people, providers and partners to shape our commissioned services from the micro market of personal assistants to large scale complex care market of care homes and domiciliary care and everyone in between. This diverse approach will build a vibrant care and support offer (Care Act 2014) that rewards innovation and achieving better outcomes for our residents.</p> <p>To achieve this we will look to work with our voluntary, community and faith sector enabling us to tackle social isolation in a way that does not rely solely on care packages but on connected communities. It is imperative that we commission based on need and use our intelligence through the Joint Strategic Needs Assessment (JSNA) and through feedback from residents to really ensure our providers have a high quality, tailored response. This will be done wherever possible with our NHS colleagues in in the Clinical Commissioning Groups.</p> <p>We will review all our contracts to ensure we are getting value for money, quality and innovation and support our social care teams to better assemble complex packages of care that reflect outcomes, needs and social as well as economic value.</p> <p style="text-align: right;"><i>Impact on Social Care &amp; Health Integration Service Budget =</i></p> | <p style="text-align: right;"><b>-0.550</b></p> | <p style="text-align: right;"><b>-0.550</b></p>              | <p style="text-align: right;"><b>-0.550</b></p>              |
| <b>Deprivation of Liberty Safeguards (Revenue Savings) (76)</b><br><br><p>Process changes following a review of how to effectively assess people who are deemed to be subject to a Deprivation of Liberty Safeguards will be implemented. This is to ensure value for money and discharge our duty in keeping with other councils whilst reducing duplication and usage of agency staff.</p> <p style="text-align: right;"><i>Impact on Adult Safeguarding Service Budget =</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p style="text-align: right;"><b>-0.190</b></p> | <p style="text-align: right;"><b>-0.190</b></p>              | <p style="text-align: right;"><b>-0.190</b></p>              |
| <p style="text-align: center;"><i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                 |                                                              |                                                              |



| <b>Changing the way we work</b><br><i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>                                                                                                                                                                                                                                                                                                                                   | <b>2017/18</b><br><br><b>£m*</b> | <b>2018/19</b><br><b>Indicative values</b><br><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><br><b>£m*</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Independent Living Fund – Reduction in Government Grant (Revenue Savings) (77)</b><br><br>Cheshire East Council receives annual funding from central Government to support individuals previously in receipt of funding from the Independent Living Fund which closed in June 2015. Funding available to the Council reduces annually and although the council has ring-fenced the money to Adult Social Care the demand for ongoing care and support continues.<br><br><i>Impact on Social Care &amp; Health Integration Service Budget =</i> | <b>-0.030</b>                    | <b>-0.060</b>                                                | <b>-0.090</b>                                                |
| <b>Home Adaptations (Revenue Savings) (78)</b><br><br>Strengthening the home adaptations delivery team which supports disabled people to organise home adaptations will increase revenue income and deliver the Disabled Facilities Grant capital project. This will increase the number of self-funders who are assisted to adapt their homes, reducing future demand on health and social care.<br><br><i>Impact on Strategic Housing Service Budget =</i>                                                                                      | <b>-0.050</b>                    | <b>-0.050</b>                                                | <b>-0.050</b>                                                |
| <b>Reducing Agency Spend (Revenue Savings) (79)</b><br><br>The successful recruitment of permanent Social Workers and Social Care Assessors throughout 2016 and 2017 will lead to a reduction in agency workers in 2017 and, in turn, reduced expenditure in the staffing budget.<br><br><i>Impact on Social Care Staffing Service Budget =</i>                                                                                                                                                                                                   | <b>-0.100</b>                    | <b>0.000</b>                                                 | <b>0.000</b>                                                 |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                                                                                  |                                  |                                                              |                                                              |
| <b>Note: Proposal 80: “Local people managing their own care and support” was withdrawn from the MTFS following the consultation period.</b>                                                                                                                                                                                                                                                                                                                                                                                                       |                                  |                                                              |                                                              |



| <b>Looking after children and young people</b><br><i>Review of current service offers to ensure high standards are maintained and demand is managed.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>2017/18</b><br><br><b>£m*</b>                | <b>2018/19</b><br><b>Indicative values</b><br><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><br><b>£m*</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Growth Bid Cared for Children &amp; Care Leavers (Revenue Investment) (81)</b><br><br><p>There has been a 15% increase in the numbers of cared for children, locally, regionally and nationally over the past two years. Although we are still below national and local comparators, admissions to care have continued to exceed the number of discharges and the complexity of needs of individuals are increasing due to better gatekeeping and effective prevention arrangements. This increase in numbers and complexity has resulted in the need for additional placement purchases, including high cost placements, and additional staffing to support children, young people and care leavers.</p> <p style="text-align: right;"><i>Impact on Children's Social Care Service Budget =</i></p> | <p style="text-align: right;"><b>+2.800</b></p> | <p style="text-align: right;"><b>+2.800</b></p>              | <p style="text-align: right;"><b>+2.800</b></p>              |
| <b>Complex Dependency Programme (Revenue Investment) (82)</b><br><br><p>Pan-Cheshire funding to support intensive family support work with families with complex needs through new ways of working across the public sector.</p> <p style="text-align: right;"><i>Impact on Prevention and Support Service Budget =</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p style="text-align: right;"><b>+0.100</b></p> | <p style="text-align: right;"><b>+0.100</b></p>              | <p style="text-align: right;"><b>+0.100</b></p>              |
| <b>Housing related accommodation and support facilities (Revenue Investment) (83)</b><br><br><p>Permanent funding will ensure the important accommodation and support for cared for children and care leavers can continue.</p> <p style="text-align: right;"><i>Impact on Children's Social Care Service Budget =</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p style="text-align: right;"><b>+0.080</b></p> | <p style="text-align: right;"><b>+0.080</b></p>              | <p style="text-align: right;"><b>+0.080</b></p>              |
| <p style="text-align: center;"><i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                 |                                                              |                                                              |



| <b>Collaboration</b><br><i>Working smarter with key partners to reduce cost burden or share key resources to improve value for money.</i>                                                                                                                                                                       | <b>2017/18</b><br><br><b>£m*</b> | <b>2018/19</b><br><b>Indicative values</b><br><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><br><b>£m*</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Sub-regional collaborations - (Revenue Savings) (84)</b><br><br>Improve the efficiency of existing safeguarding services by collaborating with other local authority areas to pool resources, share good practice and reduce duplication.<br><br><i>Impact on Children and Families Directorate Budget =</i> | <b>-0.210</b>                    | <b>-0.340</b>                                                | <b>-0.340</b>                                                |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>           Values are not cumulative</i>                                                                                                                                                     |                                  |                                                              |                                                              |

### Did you know?

Last year 3,950 carers were provided with information and advice or a service





| <b>Investment in services</b><br><i>Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>2017/18</b><br><br>£m* | <b>2018/19</b><br>Indicative values<br><br>£m* | <b>2019/20</b><br>Indicative values<br><br>£m* |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|------------------------------------------------|------------------------------------------------|
| <b>Transitional Funding – finishing (Revenue Savings) (85)</b><br><br>Permanent contract reductions in relation to Voluntary, Community and Faith Sector were delayed in 2016/17 and the resultant financial shortfall funded by transitional funding. New contracts are in place to support the full year effect of these reductions in 2017/18, meaning this transitional funding can be withdrawn.<br><br><i>Impact on Resources and Stewardship Service Budget =</i>                                                                                                                                                                                                                         | -0.350                    | -0.350                                         | -0.350                                         |
| <b>Growing Demand in Adult Social Care (Revenue Investment) (86)</b><br><br>The Adults Social Care budget both here in Cheshire East, and across the country, remains under pressure as a result of a number of factors. These include young people in Transition reaching 18 years of age and moving across to Adults Services, increasing demand due to demographic pressure and also the care fee levels paid to external care providers. To ensure the council is well placed to meet this demand it is looking to invest in services that will deliver high quality support to our most vulnerable residents.<br><br><i>Impact on Social Care &amp; Health Integration Service Budget =</i> | +6.700                    | +7.660                                         | +7.700                                         |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                           |                                                |                                                |

### Did you know?

Children's Social Care referrals increased by 700 in 2015/16



| <b>Investment in services</b><br><i>Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>2017/18</b><br><br><b>£m*</b>                                  | <b>2018/19</b><br><b>Indicative values</b><br><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><br><b>£m*</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Care Act Phase 2 - Adults, Children's, and Public Health Information and Systems (Capital Investment) (87)</b><br><br><p>The Programme is a requirement for Care Act compliance and delivers ICT Solutions for the following required outcomes across Adults, Children's, and Public Health:</p> <ul style="list-style-type: none"> <li>• Personalised online services, Professional and client portals, and Care Account</li> <li>• Full utilisation of Liquidlogic Case Management and ContrOCC financials</li> <li>• Cheshire Care Record and integrated Service development (e.g. multi-agency teams)</li> <li>• Support for early years, and transition years 15-19</li> </ul> <p>The programme was commissioned in January 2016.</p> <p>Residents will benefit from one-stop health and wellbeing information and advice, and the ability to self serve, including directly brokering care services. The programme is also an enabler for Cheshire East Council and its health and social care partners to share information and instigate interventional or preventative care to improve the health of the population.</p> <p style="text-align: right;"> <i>Current Approved Capital Investment 2017/18 =</i><br/> <i>New Capital Investment 2017/18 =</i><br/> <i>New Capital Investment 2018/19 =</i><br/> <i>New Capital Investment 2019/20 =</i> </p> | <p style="text-align: right;"><b>+1.221</b><br/><b>+0.984</b></p> | <p style="text-align: right;"><b>+1.610</b></p>              | <p style="text-align: right;"><b>+1.320</b></p>              |
| <p style="text-align: center;"><i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                   |                                                              |                                                              |



| <b>Investment in services</b><br><i>Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.</i>                                                                                                                                                                                                                      | <b>2017/18</b><br><br><b>£m*</b> | <b>2018/19</b><br><b>Indicative values</b><br><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><br><b>£m*</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Alsager Leisure Centre – Gym and Studio Space Conversions (Capital Investment) (88)</b><br><br>The project will extend the gym into an adjoining squash court and also create two new studio spaces on the first floor. The development forms part of a new Alsager sports hub funded from a Section 106 contribution following planning approval for the Alsager / Manchester Metropolitan University site.<br><br><i>New Capital Investment 2017/18 =</i> | <b>+0.400</b>                    |                                                              |                                                              |
| <b>Sandbach Leisure centre - Gym Conversion (Capital Investment) (89)</b><br><br>The proposal is for a partnership approach with Everybody Sport and Recreation to deliver an improved leisure and health offer at Sandbach Leisure Centre by converting the existing squash courts to a modern gymnasium.<br><br><i>New Capital Investment 2017/18 =</i>                                                                                                      | <b>+0.400</b>                    |                                                              |                                                              |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>           Values are not cumulative</i>                                                                                                                                                                                                                                                                                                    |                                  |                                                              |                                                              |



| <b>Income generation</b><br><i>Charging strategies for each service area to increase income where appropriate based on market rates and considering the price elasticity of demand for services</i>                                                                                                                                                                                                                                                                                                                                                  | <b>2017/18</b><br><br><b>£m*</b>                 | <b>2018/19</b><br><b>Indicative values</b><br><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><br><b>£m*</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Increase Income (Revenue Savings) (90)</b><br><br><p>The proposal is to conduct a review of individuals who have historically been assessed with a low or no financial contribution towards their care and support services, to support these individuals to access their full welfare benefit entitlement, address any changes in individual circumstances and to ensure consistent application of the Council's charging policies.</p> <p style="text-align: right;"><i>Impact on Social Care &amp; Health Integration Service Budget =</i></p> | <p style="text-align: center;"><b>-0.500</b></p> | <p style="text-align: center;"><b>-0.600</b></p>             | <p style="text-align: center;"><b>-0.700</b></p>             |
| <p style="text-align: center;"><i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i></p>                                                                                                                                                                                                                                                                                                                                                                  |                                                  |                                                              |                                                              |

### Did you know?

Over 99% of Council Tax and Business Rates are collected within three years



| <b>Investment in housing</b><br><i>Investment in housing to ensure affordable homes are available.</i>                                                                                                                                                                                                                                                                                                                                                          | <b>2017/18</b><br><br><b>£m*</b> | <b>2018/19</b><br><b>Indicative</b><br><b>values</b><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative</b><br><b>values</b><br><b>£m*</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>Construction of Houses on Council Owned Land - Phase 2 (Capital Investment) (91)</b><br><br>To develop new affordable homes for sale on a rural exception site within an area where affordability is a significant issue. The scheme will enable Cheshire East to develop the site using modern methods of construction, recycling the capital investment back into the Council when the properties are sold.<br><br><i>New Capital Investment 2017/18 =</i> | <b>+1.792</b>                    |                                                                    |                                                                    |
| <b>Housing Development Fund (Capital Investment) (92)</b><br><br>To establish a fund to facilitate the development of new affordable homes for rent and enable us to bring forward further affordable homes through our own development activity.<br><br><i>Current Approved Capital Investment 2017/18 =</i><br><i>New Capital Investment 2017/18 =</i>                                                                                                        | <b>+0.834</b><br><b>+0.500</b>   |                                                                    |                                                                    |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>           Values are not cumulative</i>                                                                                                                                                                                                                                                                                                     |                                  |                                                                    |                                                                    |



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

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





## Strategic Overview

Outcome 6 focuses on how the Council will be a well run local authority. Appropriate assets will be maintained, systems will be run efficiently, the Council will use best practice models wherever appropriate and staff will be trained to provide high quality professional services.

This outcome requires all departments to increase productivity through the better use of systems, automated processes and challenging the value for money of all initiatives. It is crucial that all services are lean and 'fit for purpose' with the right structures to meet residents' needs at the most competitive price and quality. The requirement to create leaner systems and processes, that enhance for value for money, extends to all commissioning arrangements, including arrangements with the Council's Alternative Service Delivery Vehicles (ASDVs), contractual arrangements with the private sector and partnership agreements.

Services most associated with supporting the achievement of Outcome 6, such as Legal, Accountancy, Human Resources, Information Communication Technology and Facilities Managements, work alongside all Council functions. They are responsible for providing accommodation, professional expertise and technology that enable front-line services to operate effectively. These services have a vital role in ensuring compliance with the law and local constitutional requirements and supporting elected Members and senior officers when making decisions that are transparent and accountable.

Achievements within Outcome 6 will be measured by such things as promoting local democracy; unqualified 'true and fair' opinions from the external auditors; the acknowledgement of added value from professional staff; the level of income collection; how the costs of support compare with national comparisons; and achieving the best rate of returns on investment and the effective running of the Council's estate.

The proposals contained within this section are achievable, but in some cases will also depend on changing behaviours of residents and staff and moving arrangements to more modern self-service options.

### Did you know?

In 2015/16 the Council received more compliments than complaints, with a 38% increase in compliments from the previous year!



## Proposals to vary the Budget under Outcome 6 Services are focused on these areas:

| Changing the way we work<br><i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 2017/18<br><br>£m* | 2018/19<br>Indicative<br>values<br><br>£m* | 2019/20<br>Indicative<br>values<br><br>£m* |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------------------------|--------------------------------------------|
| <b>Review of Council Supplier Contracts (Revenue Savings) (93)</b><br><br>Cheshire East Council currently has over 700 live contracts with an estimated three year spend of £700m. The contract management review programme builds on the findings from internal auditing. The contract review will strengthen existing arrangements through analysing the latest best practice techniques to contract management. A commercial approach will be integrated to drive better value and performance from third party suppliers, including Alternative Service Delivery Vehicles (ASDVs) such as the Council's wholly owned companies.<br><br><i>Impact on Cross Service Budgets =</i> | -3.550             | -3.550                                     | -3.550                                     |
| <b>Reduce costs of core processes (Oracle system review) (Revenue Savings) (94)</b><br><br>The implementation of a modern, cost effective, Enterprise Resource Platform (ERP) solution across Transactional Finance and Human Resources, and the associated business process transformation programme, will result in streamlined processes and efficiency savings in future years. Productivity increases will reduce third party and employee costs across the Council.<br><br><i>Impact on Corporate Service Budget =</i>                                                                                                                                                        | 0.000              | -0.250                                     | -0.500                                     |
| <b>Post and Print Efficiencies (Revenue Savings) (95)</b><br><br>Reducing non essential consumption of post and print expenditure.<br><br><i>Impact on Cross Service Budgets =</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -0.250             | -0.250                                     | -0.250                                     |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                    |                                            |                                            |



| Changing the way we work<br><i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>                                                                                                                                                                                                                                        | 2017/18<br><br>£m* | 2018/19<br>Indicative<br>values<br><br>£m* | 2019/20<br>Indicative<br>values<br><br>£m* |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------------------------|--------------------------------------------|
| <b>Transfer of budget and related Education Services Grant Retained Rate Services to Dedicated Schools Grant (Revenue Savings) (new)</b><br><br>For 2017/18 the general rate has been removed as part of national austerity savings and the retained rate has been transferred into DSG. Transitional Funding has also been made available to reflect the intended start date of September 2017<br><br><i>Impact on Cross Service Budgets =</i> | -0.800             | -0.800                                     | -0.800                                     |
| *Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a> .<br>Values are not cumulative                                                                                                                                                                                                                                                                                                       |                    |                                            |                                            |





| <b>Changing the way we work</b><br><i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>2017/18</b><br><br><b>£m*</b>                 | <b>2018/19</b><br><b>Indicative values</b><br><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><br><b>£m*</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Welfare Reform and Reducing Demand (Revenue Savings) (96)</b><br><br><p>The Government's programme of Welfare Reform is likely to result in further reductions in the funding provided to local authorities for the administration of Housing Benefit as the rollout of Universal Credit expands. The cost to the Council of providing the service is aligned with the funding that is received.</p> <p style="text-align: right;"><i>Impact on Benefits Administration Service Budget =</i></p>                                                                                                                                                                                                                                                                                                                        | <p style="text-align: center;"><b>-0.070</b></p> | <p style="text-align: center;"><b>-0.070</b></p>             | <p style="text-align: center;"><b>-0.070</b></p>             |
| <b>Withdrawal of temporary reduction in funding for Universal Information and Advice service (Revenue Investment) (97)</b><br><br><p>There was a temporary increase of £30,000 in the grant funding for this service in 2015/16 on the basis that the "loan" would be paid back over the following three years. This growth will restore the budget to its original value from 2019/20.</p> <p style="text-align: right;"><i>Impact on Welfare Support Service Budget =</i></p>                                                                                                                                                                                                                                                                                                                                            | <p style="text-align: center;"><b>0.000</b></p>  | <p style="text-align: center;"><b>0.000</b></p>              | <p style="text-align: center;"><b>+0.010</b></p>             |
| <b>Core Financials, HR Services (Capital Investment) (98)</b><br><br><p>This multi-year programme of work specifically relates to ERP (see 94 above) and Cash Receipting systems and technologies which underpin all financial and HR transactional services of the council and ASDVs; and requires a lifecycle approach to be maintained, refreshed and replaced to sustain currency, to stay 'fit for purpose' and remain compliant with mandatory standards to ultimately enable the council's corporate outcomes. This lifecycle approach enables and supports effective and reliable service delivery to our staff.</p> <p style="text-align: right;"><i>Current Approved Capital Investment 2017/18 =</i><br/> <i>Current Approved Capital Investment 2018/19 =</i><br/> <i>New Capital Investment 2019/20 =</i></p> | <p style="text-align: center;"><b>+0.780</b></p> | <p style="text-align: center;"><b>+0.357</b></p>             | <p style="text-align: center;"><b>+0.500</b></p>             |
| <p style="text-align: center;"><i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/> Values are not cumulative</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                  |                                                              |                                                              |



| Changing the way we work                                                                                                                                                                                                                                                                                                                                                                                    | 2017/18                             | 2018/19                  | 2019/20                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------|--------------------------|
| <i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>                                                                                                                                                                                                                                | £m*                                 | Indicative values<br>£m* | Indicative values<br>£m* |
| <b>Supporting Strategic Capital Projects (Capital Investment) (99)</b><br><br>A fund of £5.0m made available to react to investment opportunities and acquire strategic sites at short notice. The budget will subsequently be vired to the relevant project. The fund will be used to deliver on sites that have the future potential to generate jobs and a return on investment via new business growth. |                                     |                          |                          |
| <div>Current Approved Capital Investment 2017/18 =</div> <div>New Capital Investment 2017/18 =</div>                                                                                                                                                                                                                                                                                                        | <div>+1.000</div> <div>+4.000</div> |                          |                          |
| *Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a> .<br>Values are not cumulative                                                                                                                                                                                                                                                                   |                                     |                          |                          |

## Did you know?

Our Customer Contact Centre has reduced the average speed to answer Council Tax calls by 59% since November 2015!



| <b>Working with the community</b><br><i>Services and financial forecasts will be adjusted to react to trends in the way residents interact with key services.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>2017/18</b><br><br><b>£m*</b> | <b>2018/19</b><br><b>Indicative values</b><br><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><br><b>£m*</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Digital Customer Services (Revenue Savings) (100)</b><br><br><p>New digital services accessed through the Council's website will provide a trusted, reliable and easy to use customer experience to make it easier for residents and businesses to contact the Council, and apply for or request services. Assisted digital services will provide a safety net for vulnerable and digitally disconnected customers but overall costs, in employees and technology, are expected to be reduced from 2018 onwards.</p> <p style="text-align: right;"><i>Impact on Digital Customer Service Budget =</i></p>               | <b>0.000</b>                     | <b>-1.260</b>                                                | <b>-1.710</b>                                                |
| <b>Reduce the non-collection rate for Council tax from 1.25% to 1% (Revenue Savings) (101)</b><br><br><p>Two year collection rates have reached 99% in recent years, outperforming the budgeted rate by 0.25%. By resetting the planned collection rate to 99% an additional £400,000 is available each year for budgeting purposes. The change will have no direct impact on stakeholders as this only reflects current performance.<br/>(Note: all Council Tax related changes are also grouped together under items 121-124)</p> <p style="text-align: right;"><i>Impact on Revenue Collection Service Budget =</i></p> | <b>-0.400</b>                    | <b>-0.400</b>                                                | <b>-0.400</b>                                                |
| <b>The Local Welfare Safety Net (Revenue Investment) (102)</b><br><br><p>Under the Government's Welfare Reform discretionary welfare support has been devolved to local government, Department for Work and Pensions funding for local welfare provision has ended. This growth will now be locally funded and be used to fund crisis support for residents facing financial hardship through the Emergency Assistance scheme and a range of intervention and prevention activities to help reduce future demand.</p> <p style="text-align: right;"><i>Impact on Welfare Support Service Budget =</i></p>                  | <b>+0.300</b>                    | <b>+0.250</b>                                                | <b>+0.250</b>                                                |
| <p style="text-align: center;"><i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                  |                                                              |                                                              |



| Working with the community                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  | 2017/18       | 2018/19           | 2019/20           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------|-------------------|-------------------|
| <i>Services and financial forecasts will be adjusted to react to trends in the way residents interact with key services.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |               | Indicative values | Indicative values |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  | £m*           | £m*               | £m*               |
| <b>Introduction of security presence at Crewe Customer Service Centre to ensure a welcoming and safe environment for customers and staff (Revenue Investment) (103)</b><br><br>Over recent months there has been an increase in incidents of violence and aggression from customers visiting the Customer Service Centre at Delamere House, putting both staff and visitors at increased risk. The introduction of a security presence in the Customer Service Centre will ensure a welcoming and safe environment for both visitors and staff. This approach has been piloted at Delamere House and has proven to be affective. |  |               |                   |                   |
| <div>Impact on Customer Service Budget =</div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  | <b>+0.020</b> | <b>+0.020</b>     | <b>+0.020</b>     |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |               |                   |                   |
| <b>Note: Proposal 104: “Reduced Library Provision to principal towns and key service areas” was withdrawn from the MTFS following the consultation period.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |               |                   |                   |



| <b>Investment in services</b><br><i>Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>2017/18</b><br><br>£m* | <b>2018/19</b><br>Indicative values<br><br>£m* | <b>2019/20</b><br>Indicative values<br><br>£m* |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|------------------------------------------------|------------------------------------------------|
| <b>Retain Capital Financing cap at £14m (Revenue Savings) (105)</b><br><br>Capital financing is the annual cost to revenue of the capital programme. It includes amounts 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 amount of interest the Council anticipates earning from the temporary investment of its cash balances during the year. The annual impact of financing capital expenditure was forecast to increase but will instead continue to be restricted to £14m per annum to ensure value for money is maintained.<br><br><i>Impact on Corporate Service Budget =</i>                                                                      | <b>-1.000</b>             | <b>-2.000</b>                                  | <b>-3.000</b>                                  |
| <b>ICT Infrastructure Investment Programme (Essential Replacement &amp; Enhancement) (Capital Investment) (106)</b><br><br>Purpose is to preserve the reliability, integrity and availability of core ICT infrastructure and to ensure that current service levels are maintained. Information obtained from performance monitoring, capacity planning, the asset inventory and feedback from operations teams is used to create individual upgrade or replacement programmes of work to minimise unplanned service outages and to improve the supportability of core systems.<br><br><i>Current Approved Capital Investment 2017/18 =</i><br><i>Current Approved Capital Investment 2018/19 =</i><br><i>New Capital Investment 2018/19 =</i><br><i>New Capital Investment 2019/20 =</i> | <b>+5.400</b>             | <b>+1.030</b><br><b>+4.470</b>                 | <b>+2.000</b>                                  |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                           |                                                |                                                |



| <b>Investment in services</b><br><i>Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>2017/18</b><br><br><b>£m*</b> | <b>2018/19</b><br><b>Indicative values</b><br><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><br><b>£m*</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Premises Capital Programme - Facilities Management (AMS) (Capital Investment) (107)</b><br><br>Ongoing maintenance budget to ensure Council buildings remain serviceable, in line with condition surveys carried out in 2015. Failure to provide this budget could result in building failure.<br><br><i>Current Approved Capital Investment 2017/18 =</i><br><i>Current Approved Capital Investment 2018/19 =</i><br><i>New Capital Investment 2019/20 =</i>                                                                                                                                                                                                                                     | <b>+3.321</b>                    | <b>+2.500</b>                                                | <b>+2.500</b>                                                |
| <b>Information Assurance and Data Management (IADM) (Capital Investment) (108)</b><br><br>The IADM Programme enables the Council to develop an Enterprise Information Architecture and Governance Framework that will support the management and sharing of information in support of corporate objectives. The information and data that Cheshire East Council holds is a valuable asset that will inform evidence based decision making, drive innovation and allow effective performance monitoring.<br><br><i>Current Approved Capital Investment 2017/18 =</i><br><i>New Capital Investment 2017/18 =</i><br><i>New Capital Investment 2018/19 =</i><br><i>New Capital Investment 2019/20 =</i> | <b>+1.900</b><br><b>+0.700</b>   | <b>+1.200</b>                                                | <b>+0.750</b>                                                |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>           Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                  |                                                              |                                                              |



| <b>Investment in services</b><br><i>Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.</i>                                                                                                                                                                                                                                                                                                                                                                                    | <b>2017/18</b><br><br>£m* | <b>2018/19</b><br>Indicative values<br><br>£m* | <b>2019/20</b><br>Indicative values<br><br>£m* |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|------------------------------------------------|------------------------------------------------|
| <b>Revenues and Benefits Document Management procurement (Capital Investment subject to a detailed Business Case) (109)</b><br><br>The Revenue and Benefits teams (Local Community Services) use a number of ICT systems in order to deliver their services. These applications are due for review and re-procurement in 2017/18 when the current contracts expire. The core business system is Northgate Revenue and Benefits. <b>This will be subject to affordability and is included in the Addendum to the Capital Programme, see Financial Summary tables, Annex 12</b><br><br><i>New Capital Investment 2017/18 =</i> | <b>+2.000</b>             |                                                |                                                |
| <b>Minor Works Programme (Capital Investment) (110)</b><br><br>Minor improvements to operational premises to ensure that they remain fit for purpose for staff, residents and visitors to Cheshire East.<br><br><i>Current Approved Capital Investment 2017/18 =</i><br><i>Current Approved Capital Investment 2018/19 =</i><br><i>New Capital Investment 2019/20 =</i>                                                                                                                                                                                                                                                      | <b>+0.774</b>             | <b>+0.500</b>                                  | <b>+0.500</b>                                  |
| <b>Planning and sustainable development procurement (Capital Investment subject to a detailed Business Case) (111)</b><br><br>The existing Planning system is coming to end of contract. It is a key tool and system for planning and building control management. Funding is required to determine business requirements and procure systems appropriately in 2017/18 as the current Swift APAS contract terminates. <b>This will be subject to affordability and is included in the Addendum to the Capital Programme, see Financial Summary tables, Annex 12</b><br><br><i>New Capital Investment 2017/18 =</i>           | <b>+1.000</b>             |                                                |                                                |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                           |                                                |                                                |



| <b>Investment in services</b><br><i>Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.</i>                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>2017/18</b><br><br><b>£m*</b> | <b>2018/19</b><br><b>Indicative values</b><br><br><b>£m*</b> | <b>2019/20</b><br><b>Indicative values</b><br><br><b>£m*</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Regulatory Services and Environmental Health ICT procurement (Capital Investment subject to a detailed Business Case) (112)</b><br><br>The Civica APP (Flare) system is used by Regulatory Services and Environmental Health for environmental health, licensing and trading standards use. It is the services core technical application. The compliant procurement of a replacement system must be undertaken during 2017/18 before the existing contract expires. <b>This will be subject to affordability and is included in the Addendum to the Capital Programme, see Financial Summary tables, Annex 12</b><br><br><i>New Capital Investment 2017/18 =</i> | <b>+0.800</b>                    |                                                              |                                                              |
| <b>Elections system procurement (Capital Investment subject to a detailed Business Case) (113)</b><br><br>The existing Elections system is coming to the end of its contract. It is a key system for maintaining the electoral register and undertaking various types of elections. Funding is required to determine business requirements and procure systems appropriately in 2017/18 as the current IDOX contract terminates. <b>This will be subject to affordability and is included in the Addendum to the Capital Programme, see Financial Summary tables, Annex 12</b><br><br><i>New Capital Investment 2017/18 =</i>                                        | <b>+0.500</b>                    |                                                              |                                                              |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>           Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                  |                                                              |                                                              |



| <b>Development based on economic growth</b><br><i>Driving more growth in the local economy will promote sustainable development of the domestic and non-domestic tax bases which will result in increased local taxes available for collection.</i>                                                                                                                                                                                                                                                                                                                                            | <b>2017/18</b><br><br>£m* | <b>2018/19</b><br>Indicative values<br><br>£m* | <b>2019/20</b><br>Indicative values<br><br>£m* |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|------------------------------------------------|------------------------------------------------|
| <b>Increase forecast Domestic Tax Base Growth (Revenue Savings) (114)</b><br><br>Forecast increases In Domestic Rates taxbase growth of c.1,500 new or brought back into use homes per annum. This is an increase of 300 homes per annum when compared to previous estimates already factored into base budgets. There is also the assumption that there will be a reduction of £0.5m in Council Tax Support scheme claimant payments in 2017/18 based on current year trends since the introduction of the revised scheme from April 2016.<br><br><i>Impact on Corporate Service Budget =</i> | -0.800                    | -1.100                                         | -1.400                                         |
| <b>Increase forecast Non Domestic Tax Base Growth (Revenue Savings) (115)</b><br><br>Forecast increases In Business Rates taxbase growth due to net business additions in the area. The proposal estimates c.0.35% cumulative growth per annum from increased economic activity and the rise of inward investment.<br><br><i>Impact on Corporate Service Budget =</i>                                                                                                                                                                                                                          | -0.500                    | -1.000                                         | -1.500                                         |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                                                                                                                               |                           |                                                |                                                |

### Did you know?

Cheshire East won the 2016 Excellence in Innovation (Service Delivery) Award from The Institute of Revenues Rating and Valuation!



| Reducing subsidy<br><i>Ensure limited resources are redirected to the areas with the most critical need.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2017/18<br>£m* | 2018/19<br>Indicative<br>values<br>£m* | 2019/20<br>Indicative<br>values<br>£m* |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------------------------------|----------------------------------------|
| <b>Increasing cost recovery / charges for existing statutory work-streams (Revenue Savings) (116)</b><br><br>Increased charges to industrial customers for work carried out by the Joint Cheshire Emergency Planning Service to fulfil our statutory responsibility to prepare and test the off-site emergency plans for hazardous installations within the Borough governed by COMAH, REPPiR and PSR legislation. The increase in charges will maximise cost recovery for the work undertaken for these activities.<br><br><i>Impact on Communities Service Budget =</i> | -0.020         | -0.020                                 | -0.020                                 |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                                                                                                          |                |                                        |                                        |





# 2. Financial Stability

## Introduction

1. Local residents and businesses contribute to sustainable Council services through local taxation, contributions and charges; and Central Government provides grants funded mainly from national taxation. The Council manages these resources to achieve maximum efficiency and diverts as much funding as possible to front line services.
2. The Government's Autumn Statement for 2016 confirmed no change to the funding available for Local Government and therefore the continuing need to reduce the national public sector deficit and debt to secure economic recovery. Cheshire East Council is proposing to continue supporting this approach in a number of ways:
  - No additional external borrowing in 2017/18.
  - Maintain appropriate reserves levels that protect against risks.
  - React to changes in demand and develop budget proposals that can reduce net expenditure.
  - Focusing on economic wellbeing for local residents by investing in local development and infrastructure.

3. The key areas being covered in this section include:

| Source of Funding                                                                                           | Paragraphs |
|-------------------------------------------------------------------------------------------------------------|------------|
| Balance of National vs Local Funding                                                                        | 4 to 13    |
| Government Grant Funding of Local Expenditure                                                               | 14 to 49   |
| Collecting Local Taxes for Local Expenditure                                                                | 50 to 84   |
| Charges to Local Service Users                                                                              | 85 to 89   |
| <b>Income and expenditure are also influenced by decisions and estimates of the Council in relation to:</b> |            |
| Investment, Borrowing and the Capital Programme                                                             | 90 to 122  |
| Other Economic Factors                                                                                      | 123 to 125 |
| Managing the Reserves Position                                                                              | 126 to 130 |

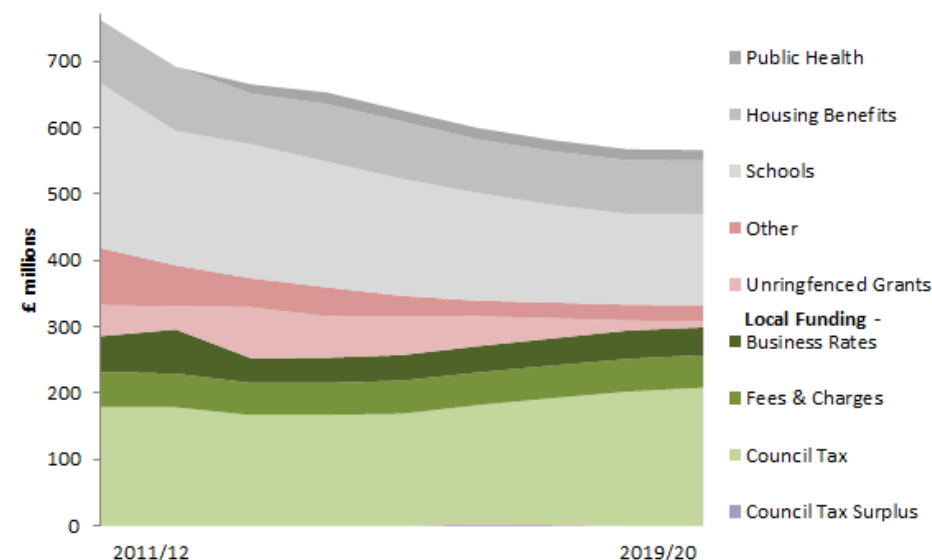


## Balance of National vs Local Funding

4. Cheshire East Council is becoming more reliant on local funding and less reliant on Central Government grant. The Provisional Local Government Settlement 2016/17 provided a shift in approach, where government used potential Council Tax income to determine levels of Local Authority spending. This is highlighted by the fact that funding for Council Services from Council Tax and Business Rates will have increased to over 88% of the total net funding for 2017/18.
5. The financial stability of the Council, which determines the amount of money available for service expenditure, should be exposed to less risk from further Government funding shortfalls in the medium term. This has been strengthened by the submission to DCLG of our [4-Year Efficiency Plan](#) in October 2016. This confirmed our acceptance of the 2016/17 Finance Settlement funding levels which are now guaranteed up to the end of 2019/20. These were reconfirmed in the Provisional Finance Settlement released on 15<sup>th</sup> December 2016.
6. Financial planning for the Council must now reflect the potential for year on year increases in demand to fall on local funding sources such as council tax, business rates and fees and charges.
7. **Chart 1** illustrates how the balance between funding sources is changing over time placing emphasis on support from local funding sources.
8. The 2017/18 Budget Report is based on the Provisional Local Government Finance Settlement released on 15<sup>th</sup> December 2016. The final settlement is expected in early February 2017 with a

debate in the House of Commons shortly after. Any further information on funding will be reported to Members as soon as practical and may require management through reserves.

**Chart 1: The Council is becoming more reliant on local funding sources (update after Council Tax levels agreed)**



Source: Cheshire East Finance

9. **Table 2** sets out the revised funding forecast for Cheshire East Council for the period 2016/17 and 2017/18. This shows how Government Grants are reducing and how local funding sources are being increased to minimise the financial impact on services.



| Table 2 - Funding available to services has reduced | 2016/17<br>£m | 2017/18<br>£m | Change<br>£m | Change<br>%  |
|-----------------------------------------------------|---------------|---------------|--------------|--------------|
| Council Tax                                         | -179.4        | -191.1        | 11.7         | 6.5%         |
| Government Grants                                   | -45.1         | -30.3         | -14.8        | -32.8%       |
| Business Rates Retention                            | -39.7         | -41.0         | 1.3          | 3.3%         |
| Collection Fund Contribution                        | -2.5          | -1.4          | -1.1         | -44.0%       |
| <b>Funding Available to Services</b>                | <b>-266.7</b> | <b>-263.8</b> | <b>-2.9</b>  | <b>-1.1%</b> |

Sources: Cheshire East Finance

Department for Communities and Local Government

10. The Business Rates Retention funding system and control over Council Tax levels are placing greater responsibility on all councils to determine their own funding levels.
11. The government consultation of fairer funding for schools has the potential to result in reduced spending for Cheshire East Schools. Work is ongoing to ensure implications are fully understood by all stakeholders
12. In Cheshire East the Council is meeting this challenge in a number of ways and focusing on longer term financial stability through its actions.
13. Cheshire East Council is putting residents first:  
**Growing the domestic tax base** - each new home brings additional Council Tax revenue, New Homes Bonus and potentially Community Infrastructure Levy together with additional costs, such as education, waste collection and highways. The Council ensures that any subsidy from its general funding sources is carefully managed to achieve maximum value.

**Promoting Economic Growth** - business growth can result in additional income being retained for local investment, subject to certain thresholds. Therefore, the Council is investing heavily in economic growth and infrastructure projects that will unlock development land and support inward investment.

**Increasing employment opportunities** - through economic growth will result in fewer people relying on welfare benefits from the Council which releases funding for further investment or for direct provision of front line services.

**Maintaining strong collection rates and challenge of tax bases** - to ensure fairness to all involved and ensure the Council maximises local income for local use.

This approach is very important and is embedded in the Council's actions.

## Government Grant Funding of Local Expenditure

14. The detailed funding settlement from Government impacts on longer term financial planning. Key dates for 2017/18 include:
  - The release of the Autumn Statement on 23<sup>rd</sup> November 2016.
  - The release of the Provisional Settlement on 15<sup>th</sup> December 2016 confirming the approach to grants, Council Tax and calculation of business rates estimates
  - Final Settlement expected in early February 2017.
  - Late announcement of Specific Grants.

These have set out changes to:

- General funding levels – confirming a 49% reduction in Revenue Support Grant.



- Funding from Business Rates – use of RPI inflation to increase the multiplier (adjusted for the effects of the revaluation due to be implemented in April 2017).
15. The Council receives grant funding from the Government under several main headings:
- Revenue Support Grant (£13.4m in 2017/18)
  - Specific Grants (unring-fenced revenue) (£16.9m in 2017/18)
  - Specific Grants (ring-fenced revenue) (£251.0m in 2017/18)
  - Capital Grants (£95.5m in 2017/18)

More detail is provided on each of these funding elements below.

## Revenue Support Grant (RSG)

16. In addition to retained business rates the Government provides RSG which is not ring-fenced for specific purposes. Historically, RSG and retained business rates were allocated based on a complicated formula that reflected local characteristics such as deprivation, age profiles and road lengths. Links to this complex approach have been dropped in favour of promoting economic growth through named grants. The provisional settlement has confirmed previous indications that RSG will be phased out, and that no payments will be received in 2019/20.
17. The substantial reduction in RSG, from £26.3m to £13.4m, has been partially offset in later years by a small decrease in the Business Rate tariff. However, this remains a significant challenge and means that all grants rolled into RSG, including Social Care new burdens, and previous Council Tax Freeze Grants, will also be nil in 2019/20. Any further changes to the amount of Business Rates retained are expected to come with additional responsibilities.
18. Transitional grants to town and parish councils for the implementation of the local Council Tax support scheme are due to cease in 2017/18 following consultation as part of the previous business planning cycle. The Council has communicated this message to all Town and Parish Councils so that they could plan for this reduction in setting their financial plans for 2017/18.

## Unring-fenced Specific Grants

19. A number of separately identified but unring-fenced Specific Grants have been retained totalling £16.9m in 2017/18. The detailed list is shown in **Annex 8** and summarised in **Table 3**.
20. Other than RSG, the list of Specific Grants mainly relates to funding for the New Homes Bonus and Social Care Grants. Together they equate to 63% of the total unring-fenced specific grants expected in 2017/18.
21. A new one off Adult Social Care Grant was announced as part of the Provisional Finance Settlement in December 2016. The allocation for Cheshire East is £1.5m which is payable in 2017/18 only. This, along with increased council tax raising powers for adult social care use, is designed to reduce the impact of growth demand in this area on local authorities and Cheshire East Council will allocate this grant accordingly.



| <b>Table 3 - Specific grants and RSG have decreased by 33.0%</b> | <b>2016/17</b> | <b>2017/18</b> | <b>Overall Change</b> | <b>Overall Change</b> |
|------------------------------------------------------------------|----------------|----------------|-----------------------|-----------------------|
|                                                                  | <b>£m</b>      | <b>£m</b>      | <b>£m</b>             | <b>%</b>              |
| Revenue Support Grant                                            | -26.4          | -13.4          | -                     | -                     |
| New Homes Bonus                                                  | -9.2           | -8.3           | -                     | -                     |
| Transitional Funding                                             | -3.0           | -3.0           | -                     | -                     |
| Social Care Grants                                               | -0.9           | -2.3           | -                     | -                     |
| Independent Living Fund                                          | -0.9           | -0.9           | -                     | -                     |
| Education Services Grant                                         | -2.9           | -0.7           | -                     | -                     |
| Other Grants                                                     | -1.9           | -1.7           | -                     | -                     |
| <b>Total Specific Grants</b>                                     | <b>-45.2</b>   | <b>-30.3</b>   | <b>-14.9</b>          | <b>-33.0%</b>         |

Sources: Cheshire East Finance

Department for Communities and Local Government

Education Funding Agency

22. New Homes Bonus (NHB) funding is provided to the Council based on the net increase in properties and affordable homes. The scheme is now completing its final year of a six year rolling programme. Cheshire East anticipates unring-fenced funding of £8.3m for 2017/18. This is a £1m reduction compared to anticipated levels before the Provisional Finance Settlement announcements in December 2016.
23. In 2016, the Government launched a review of the scheme with potential changes to the NHB that would free up at least £800m nationally by the end of the Parliament to help meet the rising costs of Adult Social Care in England. The Provisional Settlement in December confirmed the changes to the scheme as follows. It is these restrictions on the scheme that has resulted in the reduction of £1m for Cheshire East for 2017/18:
  - a. Reducing the number of years the NHB is paid from 6 to 4 years with an interim period to smooth the transition (5 years worth of payments in 2017/18 and 4 years from 2018/19 onwards)
  - b. Introduction of a 0.4% threshold in growth before the bonus becomes payable
24. These changes have been factored into the future funding estimates included within this document.
25. Education Support Grant (ESG) was previously allocated as an unring-fenced grant from the Department for Education (DfE) to local authorities and to academies proportionate to the number of pupils for which they are responsible. In recent years the grant has been split between a retained duties element and a general rate element.
26. In 2016/17 the retained duties rate was paid to local authorities to fund services to both maintained schools and academies (at £15 per pupil). A 'general rate' was paid to local authorities or academies depending on where the pupils are located to fund certain services (at £77 per pupil in 2016/17). The Council is due to receive a total of £2.7m for ESG in 2016/17 (slight reduction on budget due to academy conversions).
27. For 2017/18 the general rate has been removed as part of national austerity savings and the retained rate has been transferred into the ring-fenced Dedicated Schools Grant (DSG). Transitional Funding has also been made available to reflect the intended start date of September 2017. The distinction between services within the retained and general rates was released in mid-December 2016 to help inform how those services are treated.



28. **Table 4** summarises the amount of ESG received in 2017/18. The relatively short notice period for the change in grant, split of functions and transitional funding means that further work is required to clarify the position regarding budgets and services that need to continue via DSG, be traded or be reduced. This relates to services within both Children and Families Services, in the People Directorate as well as a number of services in the Corporate Directorate.

| <b>Table 4 - Education Services Grant</b> | <b>Estimated<br/>£m</b> |
|-------------------------------------------|-------------------------|
| ESG retained duties transferred to DSG    | 0.8                     |
| Transitional Grant (one off)              | 0.7                     |
| <b>Total Receiveable</b>                  | <b>1.5</b>              |

Sources: Cheshire East Finance  
Education Funding Agency

## Ring-fenced Specific Grants

### Dedicated Schools Grant (DSG)

29. The Government announced the indicative allocations of DSG for 2017/18 in December 2016. DSG is a ring-fenced grant provided to the Council to meet certain educational costs. Following national funding reforms several years ago DSG continues to be allocated in notional funding blocks, namely the Schools Block, Early Years Block and High Needs Block.
30. The Schools Block is based on the schools block units of funding (SBUF) released in July 2016. The SBUF has been multiplied by the pupil numbers from the October 2016 school census and the

January 2016 alternative provision census, plus the reception uplift, minus high needs places.

31. The Early Years Block is mainly comprised of:
- Funding for the universal 15-hour entitlement for all three- and four-year-olds
  - Funding for the additional 15 hours for three- and four-year-old children of eligible working parents
  - Funding for the Early years pupil premium plus a few other areas
32. This area has been the subject of a national consultation to address the increase from 15 to 30 hours free childcare for working parents in terms of how funding is allocated to the authority and how that is distributed to providers. The Council is currently consulting on proposed methods of distributing funding to providers and will be formally reporting the results.
33. The High Needs Block is a single block for local authorities' high needs pupils / students aged 0-24. The block includes place funding for pre-16 and post-16 places in appropriate establishments such as maintained mainstream schools, maintained special schools and pupil referral units. The block includes top-up funding for pupils and students occupying places in such settings.
34. For 2017/18 the high needs block is made up of each local authority's 2016/17 high needs block baseline, based on the information local authorities returned to the Education Funding Agency through the 2016/17 baselines exercise early in 2016.
35. Both the schools block and high needs block are subject to current consultations which will change the way they operate from 2018/19.



36. **Table 5** shows the actual DSG received for 2016/17, the indicative DSG for 2017/18, the actual guaranteed unit of funding (GUF amount per Pupil) received for 2016/17 and the Block GUFs to be received for 2017/18 (excluding the adjustment for Academy recoupment).

| <b>Table 5 - Dedicated Schools Grant are allocated in three notional blocks from 2016/17</b> | <b>Actual<br/>2016/17<br/>£m</b> | <b>Estimated<br/>2017/18<br/>£m</b> | <b>Change<br/>£m</b> | <b>Change<br/>%</b> |
|----------------------------------------------------------------------------------------------|----------------------------------|-------------------------------------|----------------------|---------------------|
| Total Dedicated Schools Grant                                                                | 246.0                            | 255.0                               | 9.0                  | 3.66%               |
| Comprising:                                                                                  |                                  |                                     |                      |                     |
| Schools Block (notional)                                                                     | 195.8                            | 205.5                               | 9.7                  | 4.95%               |
| Early Years Block (notional)                                                                 | 16.4                             | 19.7                                | 3.3                  | 20.12%              |
| High Needs Block (notional)                                                                  | 33.8                             | 29.8                                | -4.0                 | -11.83%             |
| New responsibilities                                                                         | 0.1                              | 0.0                                 | -0.1                 | -100.00%            |
| <b>Per Pupil Funding</b>                                                                     | <b>£ / pupil<br/>2016/17</b>     | <b>£ / pupil<br/>2017/18</b>        |                      |                     |
| Dedicated Schools Grant:                                                                     |                                  |                                     |                      |                     |
| Schools Block (notional)                                                                     | 4,206                            | 4,340                               |                      |                     |
| Early Years Block (notional)                                                                 | 4,048                            | 4,085                               |                      |                     |
| Figures quoted are before the Academy recoupment                                             |                                  |                                     |                      |                     |

Sources: Cheshire East Finance  
Education Funding Agency

37. 92% of Dedicated Schools Grant (DSG) is passported directly through to schools.

## Dedicated Schools Grant (DSG) ~ Academy Funding

38. The DfE are clear that becoming an academy should not bring about a financial advantage or disadvantage to a school but rather, enable academies to have greater freedom over how they use their budgets.
39. The Schools Block funding receivable for the 62 academies which opened before or during 2017/18 has not been removed from the total DSG award to be received (as reflected in **Table 5**). The funding for these academies of approximately £112.5m will be deducted from the Authority's DSG as part of the academy recoupment process (see **Annex 8**).

## Sixth Form Funding

40. Total sixth form funding of £4.1m is receivable for maintained schools (this is an estimated figure to be confirmed when actual sixth form pupil numbers are known). In 2016/17 a balance of £12m was allocated directly to academies by the Education Funding Agency. The allocation for 2017/18 is not yet known.

## Pupil Premium Grant & Pupil Premium Plus

41. The indicator for eligibility will be Free School Meals received in any of the prior six years by any pupil. The allocations for 2017/18 are the same as in 2016/17 at £1,320 for primary-aged pupils and £935 for secondary-aged pupils for every eligible child in both maintained schools and academies. All looked after children, adopted children and children with guardians will attract funding of £1,900 and children whose parents are in the armed forces continue to attract £300 per annum. It is estimated that Cheshire East Council will receive £5.3m in relation to the Pupil Premium for 2017/18. The use of this funding is under review.



### Physical Education Grant

42. The Council expects to receive £0.8m for 2017/18. This is an estimate after any reduction for academies.

### Universal Infant Free School Meals (UIFSM)

43. The Council expects to receive £2.9m for 2017/18. This is an estimate for maintained schools. The figure is normally based on a set amount per eligible pupil. The grant is paid directly to local authorities or academies. The Council will comply with the requirement to pass on the grant to maintained schools in full.

### School Improvement Monitoring and Brokering Grant

44. This is a new grant from September 2017 for local authorities to continue to monitor and broker school improvement provision for low-performing maintained schools and intervene in certain cases, nationally £50m is being allocated with the first £30m allocated in September 2017. The Council expects to receive £0.2m for 2017/18 based on 89 maintained schools. This will be adjusted for any further conversions prior to being paid.

### SEND Implementation Grant

45. The allocations were released on 9th January. The Council expects to receive £0.2m for 2017/18. This is to assist the conversion of all eligible children to an Education, Health and Care Plan.

### Public Health Grant

46. Central Government transferred the responsibility of commissioning and delivering public health services from Health to Local Authorities from April 2013.

47. Public Health responsibilities cover a wide range of services including: sexual health services; NHS Health Check programmes; Drug Misuse; Alcohol Misuse and Obesity.

48. Public Health grant will remain ring-fenced for the first five years as a minimum, so expenditure is incurred in line with the definition of public health.

Funding from Public Health England for the first five years is shown below:

- 2013/14 – originally £12.7m subsequently revised to £13.8m.
- 2014/15 - £14.3m.
- 2015/16 – originally £14.3m then increased by £2.4m for 0-5 year olds new responsibility (half year funding) and reduced by £1.1m in year. Total £15.6m.
- 2016/17 – Originally £15.6m then increased by £2.4m for the remaining six months of 0-5 year old funding, reduced by £0.4m in year and reduced by £0.3m transfer of base funding to EC CCG for Community special school nursing
- Total £17.3m
- 2017/18 - anticipated original funding £17.3m then reduced by £0.4m. Total £16.9m.
- During 2018/19 and 2019/20 if PHE grant funding continues the assumption would be a yearly reduction of 2.6% (assumed in this report). However, if business rates are used to fund PH the assumption is funding would remain at £16.9m

49. For 2017/18, confirmation of the grant is expected before the end of March 2017 and the grant is expected to be ring-fenced until 2018/19.



## Collecting Local Taxes for Local Expenditure

### Business Rate Retention Scheme (BRRS)

50. The Council anticipates collection of approximately £140.5m in business rates in 2016/17 (based on the Council's NNDR1 return to the DCLG 31<sup>st</sup> January 2016). Under the BRRS arrangements 50% of this funding is paid to Government with 49% being retained specifically to support Cheshire East Council services. 1% is paid to the Fire Authority. In addition to this reduction a tariff of £29.1m must be paid to government which is used to top-up funding allocations to other local authorities.
51. Up to and including 2016/17, the Council continued to use the DCLG Business Rates baseline figures, plus levy savings as a result of being in the Greater Manchester Pool, for budget setting purposes. This was slightly below the NNDR 1 level reflecting a prudent approach to business rates growth.
52. For 2017/18 this approach has been maintained. However, in addition to the forecast £0.7m levy saving (as a result of being in the Pool), a further £0.5m in retained business rate growth income is being forecast (see **Table 6**).

| <b>Table 6 - Business Rates Retention</b> | <b>2016/17<br/>£m</b> | <b>2017/18<br/>£m</b> | <b>Change<br/>£m</b> | <b>Change<br/>%</b> |
|-------------------------------------------|-----------------------|-----------------------|----------------------|---------------------|
| Business Rate Retention Scheme            | -39.7                 | -40.9                 | 1.2                  | 3.0%                |

Source: Cheshire East Finance

53. Growth in business rates can increase local funding, but this does take time and recent trends in rateable values have remained at a constant level. The Council's reaction is to promote inward investment to the area. There are positive signs of investment and

**Annex 6** sets out the forecasts for business rate growth over the medium term.

54. During 2016/17, the Council continued to be part of a BRRS Pool with Greater Manchester authorities (and Cheshire West and Chester: new member for 2016/17). This allows the authorities included within the pool to be treated as one entity for the purposes of tariff / top up and levy / safety net payments potentially reducing the amounts to be paid over to Central Government.
55. The Pool has been selected as a pilot for a 100% growth retention scheme. This will allow growth above 0.5% to be retained in full if achieved. Further information on business rates growth is set out in **Annex 6**.
56. The Impact Assessment at **Annex 3** (Page 107) identifies how changes in business rates could affect local business.

### Council Tax

57. Locally collected taxes that are directly retained by the Council will provide over 88% of the Council's net funding in 2017/18. The Council therefore takes a very careful approach to managing the domestic and commercial taxbases in a way that reflects local growth ambitions and supports sustainable services in the medium term.
58. The Council had not increased Council Tax for the five consecutive years up to and including 2015/16. In response to changes in government funding for local authorities in 2016/17, the Council Tax charge was increased by 3.75% (2% was ring-fenced specifically for use within the Adult Social Care area).



59. With the increase in demand for services, such as Social Care and Waste Collection, spending on local services is expected to remain consistent. Grant reductions over the four year period take into account the Council's ability to raise Council Tax levels, which remains part of Central Governments key funding policy.
60. The ability to raise additional ringfenced council tax for use solely on Adult Social Care (ASC) has been increased further for 2017/18 with the measures announced as part of the Provisional Settlement in December 2016. Local authorities are now able to raise a maximum of 6% over the three year period from 2017/18 to 2019/20. Cheshire East are proposing to apply this increase equally over the coming two years. As such it is recommended that Council Tax is increased by 4.99% (including the 3% rise for ASC) to give a Band D charge of £1,324.92 for 2017/18.
61. The proposed increase for 2018/19 is therefore 4.99% (including 3% for ASC) and 1.99% (no additional ASC element) for 2019/20 at this time.

The calculation of the Council Tax for 2017/18 is shown in **Table 7**.

| <b>Table 7 - The calculation of the Cheshire East Council Band D Council Tax</b> |                           | <b>2017/18</b> | <b>2017/18</b>   |
|----------------------------------------------------------------------------------|---------------------------|----------------|------------------|
|                                                                                  |                           | <b>£m</b>      | <b>£m</b>        |
| Total Net Revenue Budget 2017/18                                                 |                           |                | 263.8            |
| Specific Grants                                                                  |                           |                | 16.9             |
| Revenue Budget recommended to Council on 23 <sup>rd</sup> February 2017          |                           |                | 246.9            |
| Less:                                                                            |                           |                |                  |
| Business Rates Retention Scheme                                                  | 16.6% <sup>1</sup>        | 41.0           |                  |
| Revenue Support Grant                                                            | 5.4% <sup>1</sup>         | 13.4           | 54.4             |
| Surplus on Council Tax                                                           | 0.6% <sup>1</sup>         | 1.4            | 1.4              |
| <b>Amount to be Raised from Council Tax</b>                                      | <b>77.4% <sup>1</sup></b> |                | <b>191.1</b>     |
| No. of Band D Equivalent Properties                                              |                           |                | 144,201.51       |
| <b>Band D Council Tax</b>                                                        |                           |                | <b>£1,324.92</b> |

<sup>1</sup> Percentage of Cheshire East net budget  
Source: Cheshire East Finance

The impact on each Council Tax Band and the number of dwellings in each band is shown in **Table 8**.



**Table 8 - Impact of Council Tax on each Band**

| Band            | A        | B        | C        | D        |
|-----------------|----------|----------|----------|----------|
| Council Tax £   | 883.28   | 1,030.49 | 1,177.71 | 1,324.92 |
| No of Dwellings | 30,230   | 35,492   | 33,564   | 25,134   |
| Band            | E        | F        | G        | H        |
| Council Tax £   | 1,619.35 | 1,913.77 | 2,208.20 | 2,649.84 |
| No of Dwellings | 19,429   | 13,302   | 11,996   | 1,795    |

Source: Cheshire East Finance

## Council Tax Base

62. The Council Tax Base quantifies the number of properties from which the Council is able to collect Council Tax. The tax base is presented as an equivalent number of domestic properties in Council Tax Band D terms after adjusting for relevant discounts and exemptions (for example a Band H property counts as two Band D properties, whereas a Band A property counts as two thirds of a Band D). The level of Council Tax multiplied by the tax base equals the expected income from local taxation.
63. The gross tax base for 2017/18 (before making an allowance for non-collection) is calculated as 145,658.09. After taking into account current high collection rates, the non-collection rate has been reduced to 1.00% (from 1.25%) for 2017/18. This results in a final tax base of **144,201.51** Band D equivalent domestic properties.
64. The tax base for 2017/18 reflects an increase of 1.4% on the 2016/17 equivalent position. This reflects the overall increase in properties in Cheshire East after allowing for the impact of Council Tax Support. The Council Tax Base was approved by [Council on 15<sup>th</sup> December 2016](#).

65. Cheshire East has a relatively high Council Tax Base compared to its nearest neighbours. This is partly due to the much higher proportion of properties in Bands F to H in the Cheshire East area (16% in Cheshire East compared to the England average of 9% based on [2013/14 data](#)).

## The impact of the Council Tax Support Scheme

66. From 1<sup>st</sup> April 2013 the Council Tax Benefit system was replaced by a locally designed Council Tax Support Scheme. Claimants under this scheme receive appropriate discounts to their bills depending on their circumstances. It is important to note that pensioner claimants remain unaffected by this change.
67. The impact of Council Tax Support reductions is decreasing in Cheshire East, reflecting a positive trend away from a dependence on support from the local authority. The local Council Tax Support Scheme was reviewed and consulted on during 2015 and a revised scheme was implemented from April 2016.
68. Cheshire East compensated local town and parish councils for reductions in tax base as a result of the Council Tax Support Scheme up to an including 2016/17 (with a reduction of 50% in the level of support during 2016/17). This funding has been removed fully for 2017/18.

## Collection Fund

69. Receipts from Council Tax payers and businesses are paid into the Collection Fund which is then distributed to all precepting organisations (Cheshire East Council, Fire Authority, Police and Crime Commissioner and local Town & Parish Councils).



70. A predicted surplus in the Collection Fund can be drawn down to support revenue funding for the following annual budget, and vice versa in the case of a deficit. This can happen if actual changes in the tax base vary from the predicted changes, or if collection rates exceed forecasts.
71. The estimated balance on the Council Tax Collection Fund has been forecast to be a £1m surplus at 31<sup>st</sup> March 2017. £0.85m of this surplus is retained by the Council and is factored in to the 2017/18 budget.
72. The year-end balance on the Business Rates Collection Fund is estimated to be a cumulative deficit position of £4.5m. This is derived from the carried forward deficit from 2015/16 of £14.7m, less the in-year repayment of £7.6m plus the 2016/17 predicted in-year surplus of £2.5m. This carried forward deficit equates to 3.2% of the net rates forecast to be received for 2016/17 (£140.5m).
73. The main reason for the carried forward position on the fund has been due to much larger than anticipated appeals for rateable valuation reductions being successful. This will continue to be managed through the earmarked reserve. The in year surplus has resulted from growth in the Rateable Value of businesses which is a positive sign that regeneration plans and the drive for local growth is starting to come on stream.
74. The forecasts for the use of the Collection Fund Management earmarked reserve reflect a risk based approach to future BRRS income streams. At this time it is estimated that £0.5m can be released from the reserve into the revenue account for use in 2017/18.

## Council Tax on Second Homes

75. During 2006 the Cheshire Local Government Association (LGA) agreed to reduce the level of discount on Second Homes across Cheshire from 50% to 25% on the basis that the additional funds would be utilised as follows:-
  - 50% to be retained by local authorities.
  - The balance to be paid over to Local Crime and Disorder Reduction Partnerships (CDRPs) for local activities including the appointment of Community Support Officers.
76. The final figures cannot be calculated until each authority has set its 2017/18 Council Tax. Contributions under the Second Homes agreement to the CDRP from the Police and Crime Commissioner and Cheshire Fire and Rescue Authority will be made during 2017/18 by adjusting the precept payments to those authorities. The provisional contribution from Cheshire East Council is £188,000.
77. Any further changes to Second Homes discounts are not part of the local agreement and therefore the additional income from any change is not included in the figure shown.

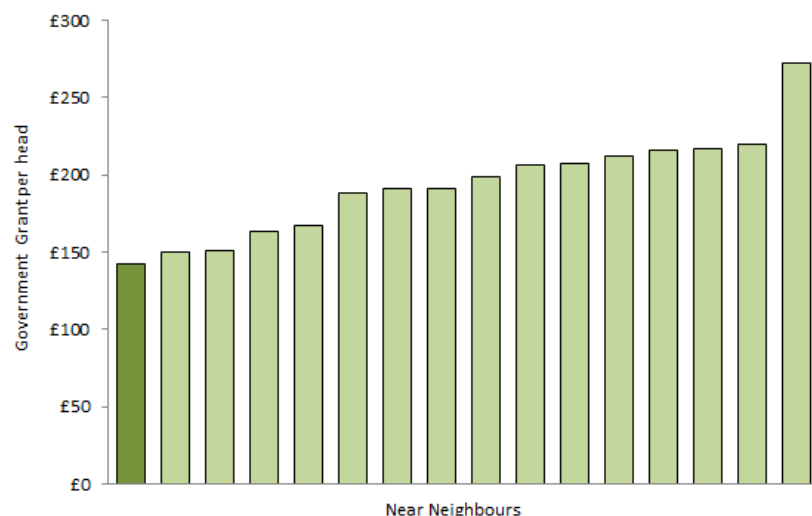
## Funding Comparisons to similar Councils

78. Comparisons, based on available data, add context to Cheshire East's funding position. For further analysis of the Council's financial position please refer to the [Council's Value for Money](#) document.



**Chart 2**

**Cheshire East Council receives the lowest level of Government Grant per head compared to its Near Neighbours.**



Sources: Cheshire East Finance  
CIPFA Council Tax Demands and Precept Statistics 2016/17  
Department for Communities and Local Government

### What is the Council doing about it?

79. There are several areas where the Council is attempting to ensure its voice is heard. These are:

#### Responding to Key Consultations

80. 2016/17 has seen several consultations on changes to local government finance. The Council has had the opportunity to input into the relevant responses collated by the Society of County Treasurers and the Local Government Association (Cheshire East Council is a member of both) and therefore, in some cases, relied on their collective responses to make any relevant comments. The

Council also joined the Society of Unitary Treasurers in 2015 to assist with influencing collective messages. The consultations that have taken place so far in 2016/17 are as follows:

- Rates Retention and Formula Grant
  - Self-Sufficient Local Government: 100% Retention (closed Sept 2016)
  - Fair Funding Review: Needs and Redistribution (closed Sept 2016)
  - 2017/18 Local Government Finance Settlement (closed Oct 2016)
  - 2017 Provisional Local Government Finance Settlement (closed Jan 2017)
- Adult Social Care
  - Former Independent Living Fund (ILF) Recipient Grant (closed Mar 2016)
- Schools and Academies
  - Early Years Funding: changes to funding for 3 and 4 year olds (closed Sept 2016)
  - Schools Fair Funding: Stage 1 (closed Apr 2016)
  - High Needs National Funding Formula: Stage 1 (closed Apr 2016)
  - School National Funding Formula: Stage 1 (closed Apr 2016)
  - 30 hours of Childcare Entitlement (closed Nov 2016)
  - High Needs National Funding Formula: Stage 2 (closes Mar 2017)
  - School National Funding Formula: Stage 2 (closes Mar 2017)



- **Local Taxation**
  - Business Rates: Delivering more frequent revaluations (closed Jul 2016)
  - Transitional arrangements for the 2017 business rates revaluation (closed Oct 2016)
  - Reforming Business Rates Appeals (closed Oct 2016)
- **Pensions**
  - Local Government Pension Scheme Regulations (closed Aug 2016)
  - Developing an insolvency regime for the further education and sixth-form sector (closed Aug 2016)
- **General**
  - New Homes Bonus (closed March 2016)
  - Shale Wealth Fund (closed Oct 2016)
  - Draft legislation: regulations for the calculation, payment and recovery of the Apprenticeship Levy: Stage 1 (closed Nov 2016)
  - Local Audit (Public Access to Documents) Bill (closed Dec 2016)
  - Draft legislation: regulations for the calculation, payment and recovery of the Apprenticeship Levy: Stage 2 (closes Feb 2017)

### **Membership of Collective Groups**

81. The Council has membership of several collective groups which provide a stronger voice at a national level. They are:
- The Local Government Association
  - The Society of County Treasurers
  - The Society of Unitary Treasurers

- The Sparse Rural Network
- The F40 Group

82. The Council is also making use of the CIPFA / Pixel Financial Management Service to assist with financial forecasts and strategy.

### **Monitoring Developments**

83. The Council is monitoring news alerts and public sector journals for any developments with Business Rates and grant funding arrangements. There are various authorities involved in the pilot scheme to trial the 100% business rates retention scheme early. The results of these pilots will be closely followed.

### **On-going briefing with Members of Parliament**

84. The Council provides an update on key issues to local MPs on a regular basis, or when special updates are required. At certain times these focus on the Budget and funding issues.

## **Charges to Local Service Users**

85. In some key service areas the Council makes a charge directly to the service user. The prices charged will sometimes be set nationally, but should always be related to recovering some or preferably all of the Council's costs in delivering discretionary services.
86. Approximately 8.2% of the Council's gross income is received through Fees & Charges and the prices are reviewed at least annually.
87. The Cheshire East Council pricing structure has over 1,500 different charges. With the overall objective to reduce subsidy in charged for



services some prices rises may exceed inflation in the medium term. In such cases users are consulted and alternative service options are discussed.

88. To assist officers and Members to recover full cost, the Council has produced a Charging and Trading Strategy to provide the relevant guidance to be applied. This document is available on request.
89. The fees and charges list is subject to review given the change in commissioning arrangements in some areas. A revised version will be available in due course.

## Investment, Borrowing and the Capital Programme

90. The capital programme is intentionally aspirational, reflecting the Council's priority to promote local economic wellbeing. To support this ambition the Council actively pursues funding from private sector organisations and government as well as attempting to maximise receipts from asset sales. Resources will be utilised accordingly to allow flexibility within the overall programme. Major highway infrastructure projects, for example, may require Council resources before capital receipts and developer contributions can be realised and therefore the funding requirement for future years will be updated as plans and funding streams are secured.
91. The Council has continued its policy of utilising investment balances instead of taking out new external borrowing in order to finance capital expenditure. This has allowed external loans amounting to £28m to be repaid since 2009. Together with debt restructuring this has reduced external interest costs by £2m per year.

92. The Treasury Management Strategy aims to hold net capital financing requirements at £14m per year in the medium term. Over time the percentage of the net revenue budget required for capital financing will show as an increase, but this reflects the Council's significant capital ambitions for local investment and the fact the actual net budget is reducing. This is acceptable as the Council targets investment in infrastructure that can support the local economy and provide future revenue savings or additional income.
93. The capital financing budget for 2017/18 is shown in **Table 9**. This includes repayment of debt and interest payable on the Council's long-term loans. Costs are partly offset by the interest earned on the Council's investments. This approach is strategically designed to retain CFR at £14m.

| Table 9 - Capital Financing Budget                                 |  | 2017/18     |
|--------------------------------------------------------------------|--|-------------|
|                                                                    |  | £m          |
| Repayment of Outstanding Debt                                      |  | 11.2        |
| Contribution re: Schools Transforming Learning Communities Schemes |  | -0.9        |
| Interest on Long Term Loans                                        |  | 4.0         |
| Less: Interest Receivable on Cash Balances                         |  | -0.3        |
| <b>Net Capital Financing Budget</b>                                |  | <b>14.0</b> |

Source: Cheshire East Finance

94. Charges for the amount borrowed are made to the Council's income and expenditure account and, for 2017/18, comprise of the following elements:
  - **For borrowing incurred prior to April 2008:** Cost is calculated as 4% of the outstanding balance at 31<sup>st</sup> March 2016.



- **For borrowing incurred after April 2008:** Cost is calculated as equal instalments over the anticipated life of the asset. These periods vary from five years to 50 years depending on the type of expenditure funded from the borrowing.
95. Details of the Council's Minimum Revenue Provision Policy are shown at **Annex 10**.
  96. The amount of interest paid on the Council's portfolio of long-term loans is mainly at a fixed rate of interest (circa 3.9%). This provides a degree of certainty to the capital financing budget.
  97. Currently, long-term fixed interest rates are around 3.1%.
  98. The rate of interest to be earned on the Council's cash balances that are temporarily invested is budgeted to be £0.3m.
  99. The Council will continue to use cash balances to fund capital expenditure. This strategy is sound, particularly with the 1% margin on Public Work Loan Board rates, low-investment yields and on-going concerns regarding credit risk.
  100. The Council sets out the approach to these issues in its Treasury Management Strategy which is also being reported to Cabinet and Council in February 2017.
  102. The Third Quarter Review of Performance and the revised profile of spend for 2017/18 onwards forms the base for the 2017/20 programme, which is detailed in **Annex 12**.
  103. Capital commitments have been reviewed to identify the profile of expenditure. There is recognition that the complexities around planning applications, public consultation and dependencies on third parties for external funding can mean that projects are delayed from one year to the next.
  104. Services are required to provide business cases in accordance with the HM Treasury five case model. Schemes are also assessed for technical viability by the Technical Enabler Group (TEG) and then reviewed and challenged by a member led Executive Monitoring Board (EMB).
  105. Spending plans are monitored to ensure a robust quality assurance framework is followed for each project. The governance arrangements safeguard against projects proceeding where costs may escalate beyond budgets. Potential variances from approved budgets may become subject to supplementary approval in accordance with financial regulations.

## Capital Programme Planning

101. The 2016/19 capital programme was approved by Council on 25<sup>th</sup> February 2016. Updates have been provided via quarterly reports to Cabinet during 2016/17.

## Capital Programme Financing

106. The level of resources required to fund capital investment in the medium term is set out in **Table 10** and is based on the level of borrowing that the Council can undertake on a prudential basis, the level of Government grant, the level of capital receipts and external contributions that can be generated over the period.



| <b>Table 10 - Capital Programme Summary</b> | <b>2017/18</b> | <b>2018/19</b> | <b>2019/20</b> | <b>Total<br/>2017/20</b> |
|---------------------------------------------|----------------|----------------|----------------|--------------------------|
|                                             | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>                |
| Committed Schemes                           | 84.8           | 104.2          | 68.5           | 257.5                    |
| New Schemes                                 | 31.5           | 31.8           | 11.7           | 75.0                     |
| <b>Total Capital Programme</b>              | <b>116.3</b>   | <b>136.0</b>   | <b>80.2</b>    | <b>332.5</b>             |
| <b>Financing</b>                            |                |                |                |                          |
| Prudential Borrowing                        | 60.6           | 14.3           | 7.6            | 82.5                     |
| <b>Government Grants</b>                    | <b>39.2</b>    | <b>105.6</b>   | <b>23.0</b>    | <b>167.7</b>             |
| Capital Receipts                            | 10.4           | 13.1           | 17.2           | 40.7                     |
| External Contributions                      | 5.6            | 3.0            | 32.5           | 41.0                     |
| Other Revenue Contributions                 | 0.6            | 0.0            | 0.0            | 0.6                      |
| <b>Total Sources of Funding</b>             | <b>116.3</b>   | <b>136.0</b>   | <b>80.2</b>    | <b>332.5</b>             |
| <b>Source: Cheshire East Finance</b>        |                |                |                |                          |

Source: Cheshire East Finance

107. The Council will attempt to maximise external resources such as grants and external contributions in the first instance to fund the capital programme. Where the Council resources are required the preference will be to utilise capital receipts from asset disposals. The forecast for £40.7m capital receipts for the period 2017-20 assumes a prudent approach based on the work of the Asset Management team and their most recently updated Disposals Programme.

108. The schemes in the Capital Programme, both existing and new proposals, have been through a challenge process to ensure they represent value for money, attract external funding or alternatively will not breach the capital financing budget cap by committing the

Council to additional debt repayments that are not affordable in the medium term.

109. The budget process identified a number of new projects that are to be included in an addendum to the programme reflecting their strategic importance to the Council but also their current state of development.
110. Detailed business cases will be developed for schemes listed in the addendum as the precise details are not yet known. Before work can commence, on schemes listed on the addendum, the business case will be required to provide significant certainty linked to:
- Strategic impact of the scheme
  - Expenditure profiles
  - Funding sources or associated return on investment
111. The schemes separately identified on the Addendum to the capital programme are still submitted for approval; subject to them meeting the above requirements in the future. At the stage where the business cases are sufficiently robust and are deemed to be affordable the Portfolio Holder for Finance & Assets and the Chief Operating Officer will provide the additional approval for these schemes to proceed and form part of the main capital programme. Updates on these schemes will be provided to Cabinet through the quarterly reporting process. As detailed in **Table 11**:



| Table 11 - Capital Programme<br>Summary - ADDENDUM | 2017/18     | 2018/19     | 2019/20      | Total<br>2017/20 |
|----------------------------------------------------|-------------|-------------|--------------|------------------|
|                                                    | £m          | £m          | £m           | £m               |
| <b>Directorate</b>                                 |             |             |              |                  |
| People                                             | 1.7         | 12.6        | 0.0          | 14.3             |
| Place                                              | 15.8        | 64.2        | 92.3         | 172.2            |
| Corporate                                          | 4.5         | 2.5         | 9.6          | 16.6             |
| <b>Total Capital Schemes</b>                       | <b>22.0</b> | <b>79.3</b> | <b>101.9</b> | <b>203.1</b>     |
| <b>Financing</b>                                   |             |             |              |                  |
| Prudential Borrowing                               | 17.9        | 49.1        | 38.9         | 105.9            |
| Government Grants                                  | 0.8         | 17.1        | 38.1         | 56.0             |
| Capital Receipts                                   | 3.4         | 9.6         | 6.3          | 19.3             |
| External Contributions                             | 0.0         | 3.4         | 18.5         | 21.9             |
| <b>Total Sources of Funding</b>                    | <b>22.0</b> | <b>79.3</b> | <b>101.9</b> | <b>203.1</b>     |

Source: Cheshire East Finance

## Borrowing for Capital Expenditure

112. The Council's capital investment complies with the "Prudential Code for Capital Finance in Local Authorities". Under the Code, local authorities have greater discretion over the funding of capital expenditure especially with the freedom to determine, within the regulatory framework of the Code, the level of borrowing they wish to undertake to deliver their capital programmes.
113. The level of Prudential Borrowing required in 2017/18 and in future years is detailed in **Annex 11** Prudential Borrowing Indicators. The revenue consequences have been considered as part of the medium term strategy to ensure they can be afforded in future years.

## Government Capital Grants

114. Government capital grants are generally allocated by specific Government departments to fund projects either as part of a block allocation or following a specific application process. The Council must therefore allocate such funding to support the spending programmes for which they are specifically approved.
115. The Council seeks to maximise allocations of grant, developing appropriate projects and programmes which reflect Government-led initiatives and agendas but address priority needs for local residents. Overall Government funding has reduced in recent years but the Council still receives external support towards a number of projects such as school improvements and major highways infrastructure. Over the medium term these resources equate to £222m, which is 41% of the total Capital Programme. **Annex 9** provides a list of Government Grants that are supporting the Cheshire East capital programme.

## Capital Receipts

116. A capital receipt is an amount of money which is generated from the sale of an asset. The asset rationalisation process is managed by the Asset Management Service and continues to explore opportunities to generate capital receipts by disposing of surplus property assets after considering potential development opportunities. An asset disposal schedule is maintained to indicate the timing and estimated values of future receipts.
117. Capital receipts are pooled in the Council's capital reserve and are allocated each year in line with corporate priorities. Asset disposals also have revenue benefits by reducing the costs relating to retaining assets, such as business rates, insurance and utility costs.



118. Guidance, issued by the government in 2016/17, allows the Council to fund certain costs of efficiency from Capital Receipts. At present, the Council's 2017/18 budget does not rely on this flexibility to balance the revenue budget. If this opportunity would benefit the longer term financial stability of the Council then the quarterly reporting cycle will be used to raise awareness with members and seek appropriate Council approval based on the value for money associated with the approach.

### External Contributions to Capital Expenditure

119. The Council receives contributions from developers towards the provision of public assets or facilities, such as Section 106 contributions to mitigate the impact of their developments.
120. Section 106 agreements are drawn up during the planning process which identifies and addresses the local needs of the community in relation to new developments. The agreement obligates the developer to provide a sum of money to enable the provision of facilities such as play areas and open spaces, increased education placements and road improvements.
121. As at 31<sup>st</sup> March 2016 the authority held Section 106 balances totalling £8.6m. The use of the funding is restricted by the terms of the original agreement and the timing of developer contributions is less predictable than other sources.

### Other Revenue Contributions to Capital Expenditure

122. Capital expenditure may be funded directly from revenue, but not vice-versa. Overall financial pressure on the Council makes returns on capital investment a key element of the overall financial stability of the Medium Term Financial Strategy. Business cases for schemes with revenue returns will be monitored throughout the year to ensure revenue returns are realised.

## Other Economic Factors

123. The Council makes an assessment of its financial position over the next three years by using a model known as the financial scenario. It is based on a series of planning assumptions which were published in the [Pre-Budget Consultation](#) 2017-20 issued in November 2016, and updated through the year via the Central Finance Group. Allowance will be made in the 2017/18 budget for other economic factors, such as inflation and pension costs, totalling **£5.5m**.
124. The Budget Report for 2016/17 continues the theme of not including any central allowance for non-pay inflationary pressures on the basis this is being mitigated by service efficiency proposals, increased charges or specifically bid for as a separate policy proposal.

## Employer Pensions Contributions

125. The Workforce Planning section (**Annex 4**) provides further details on the Pensions provision.

## Managing the Reserves Position

126. The Council Reserves Strategy 2017/18 states that the Council will maintain reserves to protect against risk and support investment. The strategy is updated each year and latest update is provided in the MTFS 2017-20 Report at **Annex 13**.



127. The Strategy identifies two types of reserves:

#### General Reserves

128. Balances in this category are not identified for specific purposes, but will be used to cushion against the impact of emerging events or genuine emergencies.

#### Earmarked Reserves

129. Balances in this category have been set aside for a specific purpose and will either be spent on that purpose or otherwise returned to General Reserves.

130. Further details, such as opening and closing balances and protection against financial risks, are contained within the strategy.

## Summary of Financial Stability

131. **Table 12** summarises the position for 2017/18 to 2019/20.

| <b>Table 12 - Summary position for 2017/18 to 2019/20</b>                          | <b>Estimated Net Budget 2017/18</b> | <b>Estimated Net Budget 2018/19</b> | <b>Estimated Net Budget 2019/20</b> |
|------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                                                                                    | <b>£m</b>                           | <b>£m</b>                           | <b>£m</b>                           |
| Outcome 1 - Our Local Communities are strong and supportive                        | 25.0                                | 25.3                                | 25.7                                |
| Outcome 2 - Cheshire East has a strong and resilient economy                       | 30.0                                | 28.1                                | 28.1                                |
| Outcome 3 - People have the life skills and education they need in order to thrive | 33.8                                | 32.5                                | 32.7                                |
| Outcome 4 - Cheshire East is a green and sustainable place                         | 29.8                                | 30.0                                | 29.1                                |
| Outcome 5 - People live well and for longer                                        | 96.5                                | 96.4                                | 95.8                                |
| Outcome 6 - Efficiency                                                             | 33.6                                | 32.8                                | 32.8                                |
| <b>Total Outcomes</b>                                                              | <b>248.7</b>                        | <b>245.1</b>                        | <b>244.2</b>                        |
| Corporate Contributions and Adjustments                                            | 1.2                                 | 1.2                                 | 1.2                                 |
| Capital Financing                                                                  | 14.0                                | 14.0                                | 14.0                                |
| Use of / Contribution to Earmarked Reserve                                         | -0.1                                | -0.1                                | -0.1                                |
| <b>TOTAL:</b>                                                                      | <b>263.8</b>                        | <b>260.2</b>                        | <b>259.3</b>                        |
| <i>CENTRAL BUDGETS</i>                                                             |                                     |                                     |                                     |
| Business Rate Retention Scheme                                                     | -41.0                               | -42.7                               | -41.8                               |
| Revenue Support Grant                                                              | -13.4                               | -5.4                                | 0.0                                 |
| Specific Grants                                                                    | -16.9                               | -9.8                                | -9.4                                |
| Council Tax                                                                        | -191.1                              | -202.3                              | -208.1                              |
| Sourced from Collection Fund                                                       | -1.4                                | 0.0                                 | 0.0                                 |
| <b>TOTAL: Central Budgets</b>                                                      | <b>-263.8</b>                       | <b>-260.2</b>                       | <b>-259.3</b>                       |
| <b>Funding Position</b>                                                            | <b>0.0</b>                          | <b>0.0</b>                          | <b>0.0</b>                          |

132. Service expenditure for 2017/18 is shown as **£263.8m**. This represents a decrease of £2.9m (0.1%) on the Budget at the [Three Quarter Year Review](#) position.



133. The Funding Available to Services in 2017/18 is estimated at **£263.8m** to give a balanced position.
134. Proposals were received in a Better Business Cases Five Case Model format, with associated Equality Impact Assessment, and were subject to detailed scrutiny by corporate enabling services through several iterations before being accepted into this budget; these business cases will be developed into the delivery phase and are subject to oversight and assurance from the Executive Monitoring Board.

## Balancing the Medium Term Budget 2017/18 to 2019/20

135. The Council has a track record of balancing the revenue budget, spending in-line with the budget and maintaining adequate reserves to protect against risk and provide necessary investment.
136. Work with other organisations, as detailed from Para 79 (the “What are we doing about it?” section), will primarily aim to lengthen the planning process. The overall approach to funding is sound, and has been for some time, in that local sources such as Council Tax and Business Rates will fund a greater share of local costs in the future so a pro-growth approach is appropriate.
137. Council funding is now guaranteed to reduce over the medium term and it is almost certain that inflationary pressure on services will continue to increase.
138. The Medium Term Financial Strategy reflects a balanced position for 2017/18 with a mix of specific policy proposals in each Service.

139. The position for 2018/19 and 2019/20 is provisionally balanced as per the estimates in this document. However, this position will continue to be monitored during 2017/18 as changes are bedded in and cost pressures are firmed up.
140. The Council adopts a standard five measures approach to balancing the budget and each measure is explored in relation to the medium term balancing of the MTFs. The measures are :

| Measure                                                    | Description                                                                                                                                                                  |
|------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Measure One ~<br>Challenge<br>Financial Assumptions        | Estimates related to Government funding and inflation in particular are checked against up to date indices and policies.                                                     |
| Measure Two ~<br>Review Local Taxation                     | Flexibility in Council Tax and Business Rates is explored in relation to emerging Government policy, demographic changes, local service ambitions and growth in the taxbase. |
| Measure Three ~<br>Manage Reserves                         | The impact of the Council’s Reserves Strategy is analysed, particularly in relation to risk and investment.                                                                  |
| Measure Four and Five ~<br>Manage Cost Drivers &<br>Income | Options for future service delivery are challenged to ensure outcomes will be achieved in a cost effective and efficient way.                                                |



## Options related to each of the five measures are set out below:

| Measure                                                   | Table 13 – Balancing the Medium Term Budget                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Measure One</p> <p>Challenge Financial Assumptions</p> | <ul style="list-style-type: none"> <li>- In December 2016 the Government issued provisional Core Spending Power figures for the next three years (2017/18 to 2019/20). This confirmed the estimates set out in the 2016/17 Final Settlement released in February 2016 and, due to the submission of our <a href="#">4-Year Efficiency Plan</a> in October 2016, guarantee the central funding levels for the medium term.</li> <li>- The overall ambition, within the announcements from government, is to maintain core spending over the life of the parliament in cash terms.</li> <li>- Core Spending Power includes: <ul style="list-style-type: none"> <li>○ <b>Business Rates</b></li> </ul> </li> <li>- Business Rate income will rise with inflation, as controlled by the government set multiplier. Above inflation increases of £0.5m per annum have been factored in to the Cheshire East medium term financial plans. The increase is prudent due to the current significant risk associated with business rates income. Government are consulting on changes to the scheme, appeals against rates payable still distort annual payments and there is a national revaluation of non-domestic premises being implemented in April 2017 which can increase appeals levels further.</li> <li>- The business rates baseline will increase in later years of the settlement as new burdens are added in the move towards 100% retention of business rates. For example Public Health Grant, currently provided as a separate grant from government, could be funded from business rates instead. This may increase the level of business rates retained, but makes no actual difference in the level of core funding for the Council.</li> </ul> |



| Measure                                                   | Table 13 – Balancing the Medium Term Budget                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Measure One</p> <p>Challenge Financial Assumptions</p> | <ul style="list-style-type: none"> <li>○ <b>Revenue Support Grant (RSG)</b> <ul style="list-style-type: none"> <li>- RSG will reduce to nil by 2019/20 for Cheshire East Council. The government settlement continues to assume authorities can replace an element of lost grant with Council Tax increases, however this is a local discretion.</li> </ul> </li> <li>○ <b>New Homes Bonus (NHB)</b> <ul style="list-style-type: none"> <li>- NHB funding is provided to the Council based on the net increase in properties and affordable homes. The scheme is now completing its final year of a six year rolling programme. Cheshire East anticipates unring-fenced funding of £8.3m for 2017/18.</li> <li>- During 2016/17, the Government launched a review of the scheme with potential changes to the NHB that would free up at least £800m by the end of the Parliament to help meet the rising costs of Adult Social Care. The Provisional Settlement in December confirmed the changes to the scheme as follows – <ul style="list-style-type: none"> <li>- Reducing the number of years the NHB is paid from 6 to 4 years with an interim period to smooth the transition (5 years worth of payments in 2017/18 and 4 years from 2018/18 onwards)</li> <li>- Introduction of a 0.4% threshold in growth before the bonus becomes payable.</li> </ul> </li> </ul> </li> <li>○ <b>Specific Grants</b> <ul style="list-style-type: none"> <li>- These remain subject to ad-hoc information releases from Government departments. Where no information is available assumptions are used based on the reductions in general funding levels or past trends.</li> </ul> </li> </ul> |



| Measure                                 | Table 13 – Balancing the Medium Term Budget                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
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| Measure Two<br>Review Local<br>Taxation | <p>The Council retains the opportunity to review current funding assumptions:</p> <ul style="list-style-type: none"> <li>- Council Tax will rise in line with Government policy and to support Adult Social Care (4.99% in total).</li> <li>- Increases for later years will be reviewed annually but current assumptions are for 4.99% and 1.99% increases per annum in 2018/19 and 2019/20 respectively.</li> <li>- The Council will continue to maximise its tax base through any further flexibility made available by legislation. The potential for development in the area, backed by the Council's continued support for economic growth, is also likely to increase the domestic and non-domestic tax bases over time.</li> <li>- Impacts from the continuation of the local Council Tax Support (CTS) Scheme will be reviewed and scrutinised during the medium term. The scheme may be amended where appropriate, but overall the ambition is to reduce claimant numbers in relation to out of work residents through the promotion of economic growth in the area. A further £0.5m reduction in the CTS budget has been included for 2017/18.</li> <li>- Increasing employment opportunities – through economic growth, resulting in fewer people relying on welfare benefits from the Council and releasing funding for further improvements.</li> <li>- As the potential benefits of investment in local infrastructure are realised local business may engage with the Council to consider the introduction of a Business Rate Supplement to raise funds for specific local purposes. For example, if businesses opted to pay an additional rate of 1p on the rating multiplier they could raise as much as £2.1m each year, this level of funding could support a 15% increase in the Council's Capital funding costs for an agreed scheme.</li> <li>- There is potential to work with local businesses to introduce business improvement districts for specific purposes.</li> <li>- Continued high collection rates may result in a surplus that can be released to support investment in improved services in the local area.</li> </ul> |



| Measure                                                                | Table 13 – Balancing the Medium Term Budget                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Measure Three</b><br><b>Manage Reserves</b>                         | <ul style="list-style-type: none"> <li>- The Council adopts a rigorous approach to managing in year expenditure. Service heads will sign off their Budget allocations to endorse accountability. In-year reporting will identify variances to budget.</li> <li>- The robustness of the proposals in the budget will improve budget management, significantly reducing the risks of unforeseen budget pressure.</li> <li>- The Reserves Strategy for 2017-20 aims to maintain adequate reserve levels over the medium term, although emerging risks or opportunities may require short-term use of reserves.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Measures Four and Five</b><br><b>Manage Cost Drivers and Income</b> | <p>The Council's current proposals for change are contained within <b>Section 1</b> of the Medium Term Financial Strategy. Although the financial implications focus on 2017/18, many of these programmes will deliver further savings through to 2019/20 as highlighted by further savings figures in the later two years.</p> <p>Some of the financial areas being reviewed by budget holders and the Finance Team are:</p> <ul style="list-style-type: none"> <li>- Pay Inflation will continue to be assumed at 1% in the medium term in line with government projections.</li> <li>- Reviewing management control and staffing structures. Expenditure on employees accounts for c.35% of the Council's expenditure on services, and the reviews will look to ensure that the Council operates an effective commissioning model that focuses best fit service providers while achieving cost benefits and efficiency.</li> <li>- Ensuring Corporate Services, which account for c.15% of the Council's net budget, continue to reflect changes that are making the Council a smaller organisation.</li> <li>- Challenging discretionary services to ensure these meet priority needs, are paid for in the most effective way or are instead ceased or transferred to alternative providers.</li> <li>- Review and challenge of all Council contracts to ensure the most cost effective services are procured.</li> </ul> |



| Measure                                                             | Table 13 – Balancing the Medium Term Budget                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Measures Four and Five</p> <p>Manage Cost Drivers and Income</p> | <ul style="list-style-type: none"> <li>- Maximising development opportunities from the increasing broadband coverage. Increasing commercial development located in Cheshire East would see returns from Business Rate Retention. For example a 1% increase in Business Rates would realise c.£0.3m of additional income per year.</li> <li>- Exploring opportunities to improve health and reduce dependency through integration of the local health programme with key partners. Net expenditure on Adult Services is continues to account for c.38% of the Council’s budget. This is the largest budget area so managing costs in this area is essential.</li> <li>- Engaging with community groups and local town and parish councils to explore ways of maintaining service delivery at a local level. There are c.300 such groups already financially engaged with Cheshire East Council. The third sector is a powerful economic partner, employing nearly 4,000 staff and generating an income of over £125m per annum, the vast proportion of which is invested back into our local communities and economies. Further opportunities will be explored as part of the Council’s Corporate Plan.</li> <li>- Carrying out a further Capital Challenge to ensure the benefits of the ambitious programme are realised.</li> <li>- Promoting “Digital Customer Services” approach across the Council where suitable to improve access to services.</li> <li>- Continuing to rationalise the Council’s assets to minimise costs associated with utilities and rates and maximise receipts that can support economic growth outcomes.</li> <li>- Making sure that ways of working maximise the technology we have within the organisation and helping staff to take advantage of expertise and development opportunities that can increase productivity.</li> </ul> |



# Annexes to the Medium Term Financial Strategy Report 2017/20



February 2017



# 1. Corporate Plan 2017 to 2020





# 2. Business Planning Process - Engagement

## Introduction

1. Cheshire East Council is conducting an engagement process on its Medium Term Financial Plans through a number of stages running from November 2016 to Council in February 2017, and beyond that as proposals are implemented.
2. The [Pre-Budget Consultation](#), published on the 4<sup>th</sup> November 2016, included details of the proposals from each service area for the next three years. This report was made available to various stakeholder groups and through a number of forums.
3. Where consultation with specific stakeholder groups is required in relation to specific proposals, this is being identified as part of the proposal's High Level Business Case. Therefore, some of the major proposals remain "subject to consultation", that is further targeted consultation activity will be undertaken in advance of those specific proposals being implemented.
4. The Council acknowledges that such consultation activity may alter the outcome of the final proposal and mean the expected financial impact included within the budget is subject to change. The Council deals with financial risk by factoring into its minimum level of reserves an allowance for negative changes to proposals arising from consultation or delayed implementation.

## Background

5. Local authorities have a statutory duty to consult on their Budget with certain stakeholder groups including the Schools Forum and businesses. In addition, the Council chooses to consult with other stakeholder groups. The Council continues to carry out stakeholder analysis to identify the different groups involved in the budget setting process, what information they need from us, the information we currently provide these groups with, and where we can improve our engagement process.
6. This analysis helps to inform the consultation process for each Budget and continues to identify additional channels of communication which are used to facilitate consultation with more of our stakeholder groups.

## Business Planning Process

7. The Business Planning Process for 2017-20 followed the standard timescale for consultation and allowed nearly four months for consultation on the [Pre-Budget Consultation](#). The engagement exercise used existing meetings, as well as specific events, to provide a briefing on the Council's Priorities, Outcomes, the Budget Setting Process, and updates on progress for various stakeholder groups. It was based around the proposals that were published in the Council's [Pre-Budget Consultation](#) 2017-20, issued on 4<sup>th</sup> November 2016 and shared with [Corporate Overview and Scrutiny Committee](#) on 3<sup>rd</sup> November 2016. An All Member Finance Briefing was organised for the 12<sup>th</sup> January 2017.



8. The key events are outlined in **Table 1**.
9. All the feedback received by the Council, including the use of an online survey, is set out in detail in **Appendix C** to The Council's

Corporate Plan 2017/20 and Medium Term Financial Strategy 2017/20 Report.

**Table 1 – Key Engagement Events**

| Event                                                     | Date                            | Comments                                                                                                           |
|-----------------------------------------------------------|---------------------------------|--------------------------------------------------------------------------------------------------------------------|
| Corporate Leadership Team / Cabinet Away Day              | 15 <sup>th</sup> June 2016      | First consideration of budget changes being proposed.                                                              |
| Cabinet                                                   | 12 <sup>th</sup> July 2016      | <a href="#">Revenue 2015/16 Outturn.</a>                                                                           |
| Corporate Leadership Team / Cabinet Away Day              | 5 <sup>th</sup> September 2016  | Further update on the process and revisiting of the proposals being considered for consultation.                   |
| Cabinet                                                   | 13 <sup>th</sup> September 2016 | Receive <a href="#">First Quarter Review of Performance.</a>                                                       |
| Team Voice                                                | 2 <sup>nd</sup> November 2016   | Issued to all staff and Members to headline release of <a href="#">Pre-Budget Consultation.</a>                    |
| <a href="#">Corporate Overview and Scrutiny Committee</a> | 3 <sup>rd</sup> November 2016   | Received <a href="#">Pre-Budget Consultation</a> and <a href="#">Mid-Year Review of Performance.</a>               |
| Cheshire East Council website                             | 4 <sup>th</sup> November 2016   | <a href="#">Pre-Budget Consultation</a> placed on Council's website and Centranet to launch consultation exercise. |
| Cabinet                                                   | 8 <sup>th</sup> November 2016   | Received the <a href="#">Mid-Year Review of Performance</a> Report.                                                |
| Trades Unions                                             | 14 <sup>th</sup> November 2016  | Considered <a href="#">Pre-Budget Consultation.</a>                                                                |
| Town and Parish Councils                                  | 28 <sup>th</sup> November 2016  | Considered <a href="#">Pre-Budget Consultation.</a>                                                                |



| Event                                                    | Date                                               | Comments                                                                                                                                         |
|----------------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| Conference                                               |                                                    |                                                                                                                                                  |
| Schools Forum                                            | 1 <sup>st</sup> December 2016                      | Considered <a href="#">Pre-Budget Consultation</a> .                                                                                             |
| Cabinet                                                  | 6 <sup>th</sup> December 2016                      | Consider the <a href="#">Domestic and Non-Domestic Tax Base</a> for recommendation to Council.                                                   |
| Council                                                  | 15 <sup>th</sup> December 2016                     | Agree the <a href="#">Domestic and Non-Domestic Tax Bases</a> .                                                                                  |
| Funding announcements                                    | 15 <sup>th</sup> December 2016                     | From Government                                                                                                                                  |
| Third Quarter Review of Performance – Challenge sessions | 12 <sup>th</sup> to 21 <sup>st</sup> December 2016 | Provided updated baseline spending calculations for services and potential impact on calculations proposed within the MTFS.                      |
| All Member Briefing                                      | 12 <sup>th</sup> January 2017                      | Considered <a href="#">Pre-Budget Consultation</a> including an overview of the Council's Finances and the impact of the Provisional Settlement. |
| South Cheshire Chambers of Commerce                      | 12 <sup>th</sup> January 2017                      | Considered <a href="#">Pre-Budget Consultation</a> .                                                                                             |
| Macclesfield Chamber of Commerce Business Event          | 26 <sup>th</sup> January 2017                      | Considered <a href="#">Pre-Budget Consultation</a> .                                                                                             |
| Corporate Overview and Scrutiny Committee                | 2 <sup>nd</sup> February 2017                      | Receive MTFS Report / Review Budget Proposals                                                                                                    |
| Cabinet                                                  | 7 <sup>th</sup> February 2017                      | Consider MTFS Report and recommend proposals to Council                                                                                          |
| Council                                                  | 23 <sup>rd</sup> February 2017                     | Debate and approval of 2017/18 budget                                                                                                            |



# 3. Impact Assessment

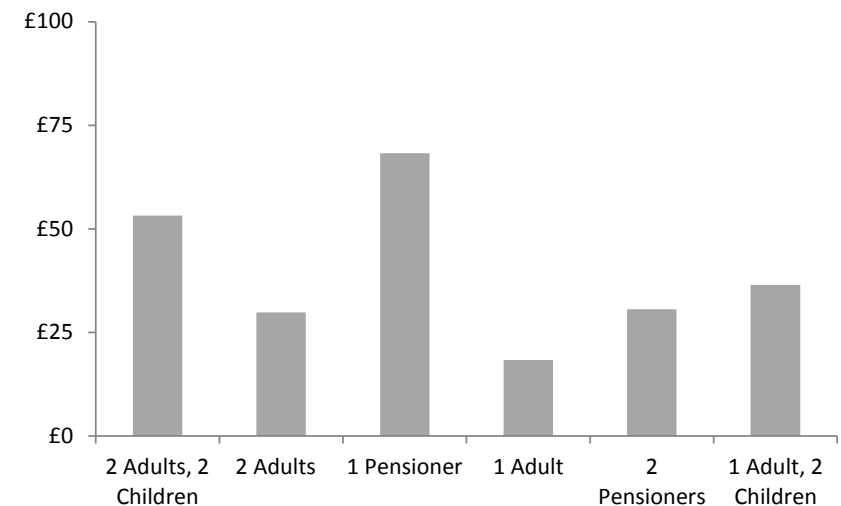
## Household Calculator

The 2017/18 Budget is the result of a major process to set a balanced budget that can meet the needs of local people in the local environment. The details of the Budget have been set out in previous sections in terms of financial stability and allocation to services. This section considers the impact of the Budget on typical groups of service users in terms of the changes they may see and the charges they may pay.

1. A number of assumptions must be made in relation to property sizes and service usage. The Council uses existing data to inform this process.
2. **Chart 3** below illustrates the annual impact on six typical households accessing a variety of different services if a blanket increase in line with Retail Price Index (RPI), as at December 2016, were to be applied.

**Chart 3**

**Without a strategic approach households could face £18 to £68 increases in costs if simple inflation was applied to charges**



Source: Cheshire East Finance

3. Every service within the Authority is refining and updating a Charging and Trading Strategy which sets out the rationale for setting / changing fees and charges within that area.
4. The Strategies calculate full cost of the service being provided and therefore set out the resulting subsidy or surplus each time a charge is made. This will then be used to inform the setting of

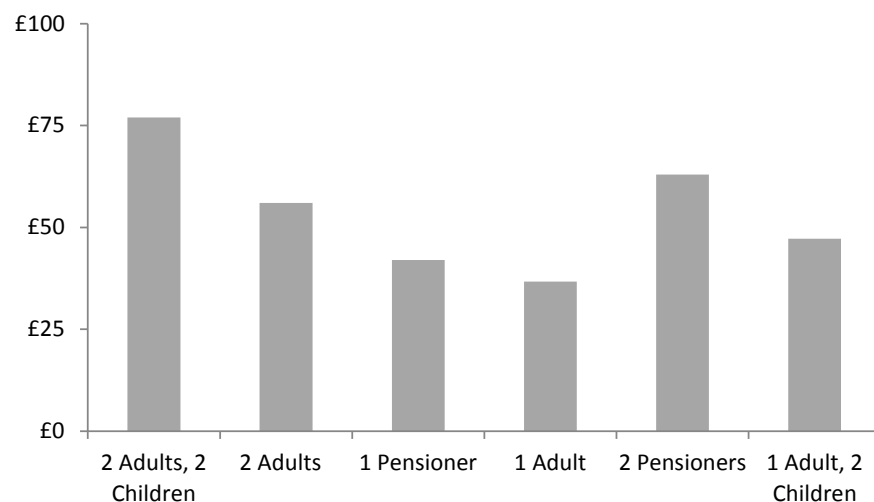


future levels of fees and charges to ensure fairness and that the Council meets any statutory obligations.

5. **Chart 4** below illustrates the anticipated annual increases per household when applied to the same variety of services.

**Chart 4**

**Forecast increases in costs are split appropriately across all groups**



Source: Cheshire East Finance

6. The anticipated average increase per household is £54. This is higher than an average increase of £39 if RPI at 1.6% had been applied across all services. This is due wholly to the Council Tax charge increase of 4.99%. Fees and charges in these typical household examples are not forecast to rise for 2017/18. These increases do not however exceed the financial impact from current pay inflation and index linked increases in state benefits on average household income in Cheshire East.

**Note:**

Typical households are made up as follows:

- 2 Adults with 2 Children living in a Band E property
- 2 Adults no Children living in a Band C property
- 1 Pensioner living in a Band D property
- 1 Adult (not Pensioner) living in a Band B property
- 2 Pensioners living in a Band D property
- 1 Adult with 2 Children living in a Band D property.

Each household average is based on typical use of chargeable services expected for that category such as school meals, libraries and environmental, and leisure services.

7. Further details on the impact on businesses, communities and the environment are shown in **Table 1** on the following pages.



**Table 1: Impact of the 2017/18 Budget Proposals on Businesses**

**Typical Facts:**

- Non Domestic Rates are set by Government
- Supplementary Rates could be set by Cheshire East Council
- Businesses are liable to pay some Fees and Charges (for example licensing)



**Working with Businesses**

The Council takes a pro-active role in engaging with and supporting local businesses. They are the engines of our economy, and the borough's future prosperity is driven by their capacity to thrive and grow. Cheshire East Council has established The Skills and Growth Company to deliver business support services in the borough. It also takes the leading role in promoting regeneration across the Borough, creating the conditions for job creation and economic growth, by working closely with other teams across the Council (e.g. planning, licensing, trading standards) and partners from the business community, voluntary and wider public sectors.

The Skills and Growth Company Engages provides support though,

- A team of dedicated business advisors that engage with 500 businesses per annum, focussing on the Science, Energy and Technology sectors.
- A programme of business engagement events covering procurement, sustainable transport, sustainable energy solutions, apprenticeships, commercial property and access to finance.
- Specialist support to access new markets, improve productivity and develop new products.
- A dedicated programme of activity to assist rural businesses.

The Council has a strong commitment to the development and regeneration of our town centres. This will be supplemented further over the 2017-20 period, through further investment in its regeneration programme, alongside the strategic use of its own land and property, to lever in additional private sector investment. This will enhance the attractiveness of our towns to residents and visitors, and increase confidence in the developer and investor communities.

**Government sets new Business Rates multipliers for 2017/18**

- The multiplier will reduce to ensure that the revaluation does not raise any more money in rates. Using the latest data from the revaluation (draft rating list published on 30<sup>th</sup> September 2016 and RPI inflation for September) the multiplier will fall.
  - Provisional 2017/18 Standard Multiplier at 47.9p\* in the £.
  - Provisional Small Business Multiplier 46.6p\*\* in the £.

\* Includes supplement to fund small business relief.

\*\* All occupied properties with a rateable value below £51,000 are charged using the lower multiplier – except for those ratepayers receiving mandatory rate relief.





### **New Transitional Scheme for 2017 rating list**

- The Government is putting in place measures to help businesses that would face a large increase or decrease in their rates payable following the revaluation. Any relief under the new transition scheme will be automatically calculated and will appear on rate demands issued from 1<sup>st</sup> April 2017.

### **Small Business Rate Relief (SBRR)**

- The Government announced in the budget in March 2016 that SBRR will permanently double.
- The 6,000 and 12,000 thresholds for relief to increase to 12,000 and 15,000 respectively, therefore properties with RV below 12,000 where the ratepayer meets the criteria will receive 100% relief and properties between 12,000 to 15,000 will receive tapered relief.
- Continuation of amended SBRR criteria to allow businesses in receipt of SBRR to keep it for one year when they take on an additional property that would currently cause them to lose SBRR, in order to help small businesses with expansion costs.

### **Rural Rate Relief**

The Government have announced in the autumn statement that mandatory relief for rural businesses will increase from 50% to 100%.

### **Supplementary Business Rates**

There are no proposals for Cheshire East Council to charge supplementary rates in 2017/18.

### **Local Retention of Business Rates**

From 1<sup>st</sup> April 2013 Cheshire East Council will retain c.28% of any local growth in the rates generated through increased occupancy of commercial premises subject to certain tolerances. This may take several years to stabilise but will assist funding for the Council's activities over time. The Medium Term Financial Strategy sets out the Council's ambition to promote economic development.





### **Local Discretionary Rate Relief**

Cheshire East Council has the discretion to award rate relief to any ratepayer. Applications are considered on an individual basis. Relief would only be awarded where it was in the Council Tax payer's interest to do so.

### **Other measures to support local businesses with business rates**

Continuation of the option to spread business rates bills over 12 months rather than 10 months.





## Council Partners and Stakeholders



Councillor Olivia Hunter was appointed as Mayor on 11<sup>th</sup> May, she is Cheshire East's eighth Mayor and represents the High Legh Ward.

For Example:  
Town and Parish Councils,  
Health, Fire, Police, Schools,  
Colleges, Universities,  
Community, Voluntary and Faith  
Organisations, Housing  
Providers, Community  
Partnerships.

The Council proactively works with partners to deliver services in Cheshire East. We seek to commission and deliver jointly with our partners, both across Cheshire East and at a local level. We are working with partners to focus our joint resources on early intervention and prevention, and supporting the development of resilient, self-reliant communities.

The Council will continue its work with Town and Parish Councils to develop local service delivery options including the transfer of assets and devolution of services where appropriate. The budget includes the planned phasing out of payments to Town and Parish Councils which supported changes in funding arising through Council Tax Support. This reflects the reductions that Cheshire East is facing in its own central support funding.

The Council is committed to further developing and managing collaborative partnership working in local areas to deliver services as locally as possible and to develop strong communities. We are leading activity to secure outcomes based on understanding the needs of the community through:

- Developing our strategic partnerships across Cheshire East to enable joint commissioning and improve integration of local services.
- Bringing local partners together to better share resources and redesigning public sector services across Cheshire East to better meet local needs.
- Connecting Communities through our new and ambitious approach agreed by Cabinet in Dec 2016.
- This connecting communities approach will enable us to:
  - Engage communities to identify and be involved in addressing their local issues.
  - Promote and support community networks, neighbourhood and town partnerships to further develop communities with a stronger sense of neighbourliness.
  - Deliver differently in neighbourhoods which provide services where local people will use them, so that services are delivered in the way which gives best value for local people.
  - Work collaboratively with partners to deliver against our joint rural priorities, and to rural proof key decisions.
  - Work with partners and communities to ensure that local people feel safe and are safe in their communities.
  - Develop positive relationships between the Council and the community, voluntary and faith sector, at both a local and strategic level, and supporting the sectors to become commissioning ready.
  - Invest in our Community Grants scheme to ensure communities can develop their initiatives.



## The Local Environment



Cheshire East Council is committed to continuing to reduce its energy consumption and carbon emissions from its buildings and will continue to develop strategies during 2017/18, and beyond, to reduce the environmental impact of its activities.

The Council has achieved its Carbon Management Plan target of reducing carbon emissions by 25% by March 2016 - a full two years early. The target for reducing energy use in its corporate buildings was increased to 35% by 2016. The Council has embedded carbon reduction into its service delivery and continues to improve by undertaking carbon reducing projects:

- Energy saving measures and property rationalisation in our own Council buildings to continue to reduce our carbon footprint including the major refurbishment of heating and ventilation equipment in two leisure centres
- Reducing carbon emissions from its own vehicles by undertaking a whole fleet review, installing technology and educating staff to reduce fuel consumption.
- The Highway service carbon reduction programme set a target of a 27% reduction in carbon from street lighting by March 2016 supported by the Council's £5.2m capital investment in street lighting. The target was exceeded with 31% savings achieved from two completed initiatives:
  1. a borough wide replacement of traffic signal lamps with LEDs. Carbon reduction delivered - 6%.
  2. the conversion of traditional street lights to LED on the Borough's inter urban routes. Carbon reduction delivered - 25%.

The programme continues to make good progress with a three year programme (2016 – 2019) to convert 24,000 street lights to LED in residential areas. Ongoing (Year 1 of 3) with a target to deliver a further reduction in carbon of 27%.

- Reducing the impact of our staff travel through a number of measures including changes to staff travel rates and promotion of alternatives to single car occupancy.



|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Equality and Diversity</b> | <p>The Council recognises that promoting equality and diversity will improve public services for everyone. Cheshire East wants to be an area of equal opportunity, where everyone has a fair chance and people from all backgrounds take part in community life. The aim, therefore, is to make equality an integral part of the way the Council works by putting it at the centre of everything it does.</p> <p>It is important to consider all individuals when carrying out day-to-day work. To ensure this, services provide equality analysis for everything carried out as a way of considering the effect on different groups protected from discrimination by the Equality Act 2010.</p> <p>The Equality Impact Assessment (EIA) process helps to consider if there are any unintended consequences for each of the ‘protected characteristics’ of age, disability, gender reassignment, marriage and civil partnership, maternity and pregnancy, race, religion or belief, sex and sexual orientation.</p> <p>An EIA is carried out on:</p> <ul style="list-style-type: none"> <li>• new functions, policies, procedures and services as they are developed</li> <li>• significantly altered functions, policies, procedures and services</li> <li>• Overtime, on existing functions and policies.</li> </ul> <p>For all of the budget proposals an EIA has been carried out where appropriate. For some of the proposals presented it is recognised that these are still very much at a concept stage, therefore for these an initial screening has been carried out with the expectation that a full and detailed EIA will be completed in due course.</p> |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



# 4. Workforce Strategy

## Complex world

We are living and working in a complex world where residents and communities have high expectations of both business and public services.

Greater resident and community choice and control is driving the shape of public services, with a growing public expectation that services will meet their needs, helping them achieve personal goals and aspirations. This becomes even more challenging within this era of austerity and the significant financial pressures that all public services face.

Doing more of the same won't work. Increasing demand, greater complexity, rising expectations and severe financial constraints mean that the current situation is not sustainable. Tomorrow's solutions will need to engage people as active participants, delivering accessible, responsive services of the highest quality. We don't have all of the answers to the challenges that we face. We need to work closely with other partners and providers in all sectors to find new ways to design and deliver services across the public sector and to seize the opportunities as they emerge.

As the rules of delivering public service are being re-written, making people and relationships the key to sustainable success is more important than ever. Only through deepened relationships with and between employees, partners, residents and communities will the Council innovate and adapt fast enough whilst maintaining service delivery. Tomorrow's solutions will need to bring together the diverse skills and talents and unlock the potential of people across the public sector.

## Connected Council

Consciously building and strengthening connections in the way we lead, manage and work together within and across the Council, with members, partners and our communities is at the heart of our workforce strategy. We aim to build a more connected Council and workforce through:

1. **Purpose and direction** – ensuring our workforce have a common understanding of why they exist as an entity, a clear sense of what they are trying to achieve and the strategy to get there around which people can unite and flourish.
2. **Authenticity** - leaders who act in a way that is in line with our FIRST values and who build relationships of trust and respect.
3. **Devolved decision making** – the sharing of power across the organisation with decisions being made as close to the customer as possible, whilst key strategic decisions are made centrally.



4. **Collaborative achievement** – close working within and across teams and organisations, so that end to end processes work efficiently and effectively.
5. **Agility** – colleagues are encouraged to share what they learn and to operate in a culture that supports experimentation.

## People Plan 2017/18

Recognising the complex world we operate within, placing the right people in the right places at the right times, is at the heart of the Council's success. To support and enable the delivery of the Council's ambitious plans, eight inter-connected workforce priorities come together to form the basis of the Council's People Plan. These priorities are:

1. **Organisation Design** – to provide change management support to services, enabling our workforce to be flexible and adaptable in a rapidly changing local, regional and national environment.
2. **Recruitment, Resourcing and Retention** – to deliver a strategic workforce assessment and plan that ensures the Council has the right people with the right capabilities, skills and attitudes in the right places at the right time to deliver organisational objectives.
3. **Leadership** – to develop and implement a connected leadership and management model and strategy which increases leadership presence, governance and accountability.
4. **Employee Development** – to continue to develop highly skilled and competent professionals who operate safe practice and risk awareness and can work effectively across internal and external boundaries as the structure and form of public service changes.
5. **Engagement and Wellbeing** – to build from the findings of the Staff Survey 2016 with particular focus on improving staff wellbeing, resilience and attendance management, to ensure our workforce are engaged and performing at the highest level.
6. **Employee Rewards** – to review and further develop financial and non financial rewards and employee benefits, whilst meeting equal pay and gender pay gap requirements.
7. **Service Delivery** – to enable staff to work in a safe, healthy and supportive environment, which equips the workforce to contribute effectively, reach their potential and put residents first.
8. **HR Business Development** – to ensure the Council's HR service is in the best position to fully support the delivery of business priorities and exploit further business opportunities.



## Productivity improvements

A key outcome of the People Plan for 2017/18 will be the programme of work to realise £5m savings outlined in the budget report through a combination of a reduction in consultancy and agency requirements and core staffing costs, alongside increased productivity and further workforce initiatives. Working closely with Members, Trade Unions and staff, consultation will take place to ensure that resources are maximised and service changes are based on resident and community need. As the Council's workforce is a major component in delivering our Corporate Plan and Residents First outcomes we have to ensure our resources are sufficient to deliver our outcomes through increased productivity and workforce planning, whilst meeting our statutory obligations regarding pay inflation and ensuring non-essential staff, travel and supplies are minimised. Any business change or efficiency proposal with a FTE impact will be shared and consulted on with the relevant staff and Trade Unions at the appropriate time.

## Living Wage

The Council implemented on the 1<sup>st</sup> November 2015 a "local" Living Wage of £7.85 an hour for directly employed staff (excluding apprentices, work placements and traineeships, which have been created to enable access to work place training and job opportunities). The National Living Wage will rise to £7.50 from April 2017 and is due to rise to £9 an hour in 2020. The Council will continue to monitor its position in relation to the National Living Wage.

## National Pay

Local government national pay negotiations for JNC and NJC Officers have concluded for the period 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2018. The individual basic salaries and salary scales of officers within scope have and will increase by 1.0% with effect from 1<sup>st</sup> April 2016 and 1.0% with effect from 1<sup>st</sup> April 2017.

As part of these pay negotiations a review of the national NJC Pay Spine was agreed. The purpose being to consider its ability to respond to the future needs of the sector and the progressive impact of the National Living Wage. The NJC pay spine review is expected to conclude by 30<sup>th</sup> June 2017 and before any final agreement is reached, the proposed restructured pay spine will be subject to consultation. It is anticipated that a restructured pay spine will incur some additional cost.

## Apprenticeship levy

The Government is committed to significantly increasing the quantity and quality of apprenticeships in England and achieving three million apprenticeships by 2020. In order to achieve this, a number of new measures are being introduced from April 2017.

The first of these is a levy on UK employers to help fund growth in the apprenticeship programme. The levy will come into effect from April 2017, at a rate of 0.5% of pay bill, paid through PAYE. It applies to employers in all sectors with an annual pay bill of more than £3m. The Council's total liability in terms specifically of the payment of the levy (including maintained schools and our ASDVs) is approximately £0.9m per annum. As an employer who pays the levy, we will benefit from a 10% 'top-up' of this figure, which will be paid for by Central Government. This money will then be made available for the Council to spend on the training of apprentices.



The second major incoming change is a public sector target for apprentices. This set's out that 2.3% of our total workforce should be made up of apprentices. Based on headcount figures from September 2016, this indicates our incoming target for apprentices as 187. Apprenticeships will be available to existing employees as well as new employees.

These large scale changes to apprenticeships offer a range of development opportunities for staff but also have a potential knock-on effect for salary costs and in terms of the administration that will be required to support the new levy.

## **Pension – employer contribution review**

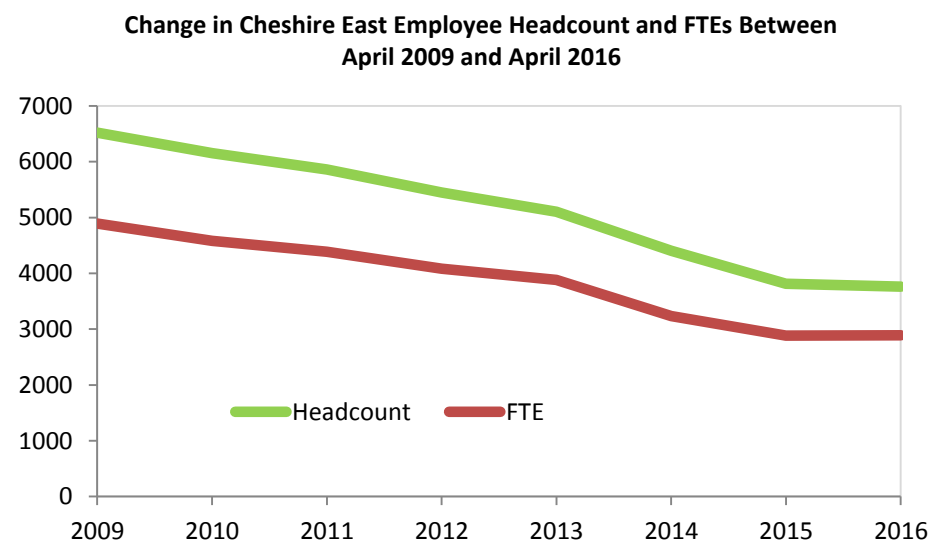
A valuation of the Cheshire Pension Fund has been completed to determine the employer contribution rates for the Local Government Pension Scheme which will come into effect from 1<sup>st</sup> April 2017. Where employees have exercised their statutory right to become members of the Local Government Pension Scheme, the Council must make a contribution to the scheme representing a percentage of the pensionable remuneration due under the contract of employment of that employee.

The rate of contribution is set by the Actuary advising the Cheshire Pension Fund and reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The Actuary provides the Council with a certified primary employer contribution rate and also a certified monetary amount which needs to be paid to the Fund to cover the past service deficit. The results of the recent valuation have resulted in an increased primary rate of 17.2% payable from 1<sup>st</sup> April 2017 (up from 16.4% in 2016/17) and a past service deficit cash contribution of £14m. The two are combined to give a total employer contribution rate of 30.5% in 2017/18.



## Headcount analysis and trend

### Headcount Analysis and Trend



Source: Cheshire East Human Resources

Between April 2009 and December 2016 the Cheshire East Council employee headcount has reduced by 43%, (equivalent to a 41% reduction in full time equivalent employees). This is mainly attributable to the restructuring of services and the TUPE transfer of staff to Alternative Service Delivery Vehicles.



## Measuring success

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

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





| Workforce                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2017/18       | 2018/19       | 2019/20       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|
| <i>Increasing productivity through workforce planning whilst meeting our statutory obligations regarding pay inflation and ensuring non essential staff travel and supplies are minimised.</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | £m*           | £m*           | £m*           |
| <b>Budget reductions resulting from Productivity / Staffing Efficiencies (Revenue Savings) (130)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |               |               |               |
| We are expecting to see significant cumulative cash reductions over the three year period 2017 to 2020. This will have a significant impact on us as an organisation and the ways we deliver services. While we will make every effort to save through other efficiencies, such as improving productivity and by seeking to reduce agency staff costs and consultancy spend, these measures alone will not be enough to reduce the potential gap. We have an average staff turnover of around 5% per year – this should offer opportunities for review and we will work with staff and trade union representatives to redesign services and structures to achieve the required savings. |               |               |               |
| PEOPLE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -2.100        | -2.100        | -2.100        |
| PLACE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | -1.500        | -1.500        | -1.500        |
| CORPORATE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | -1.400        | -1.400        | -1.400        |
| <i>Impact on Cross Service Budgets =</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>-5.000</b> | <b>-5.000</b> | <b>-5.000</b> |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |               |               |               |



| <b>Workforce</b><br><i>Increasing productivity through workforce planning whilst meeting our statutory obligations regarding pay inflation and ensuring non essential staff travel and supplies are minimised.</i>                                                                                                                                                                                                                                                                   | 2017/18<br><br>£m* | 2018/19<br><br>£m* | 2019/20<br><br>£m* |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|
| <b>Allocation of cross service savings relating to staff travel (Revenue Savings) (131)</b><br>Cross authority saving of c.£150,000 split between all relevant areas from the reduction in staff mileage claims on the back of introducing new technology to facilitate digital meetings.<br><i>Impact on Cross Service Budgets =</i>                                                                                                                                                | -0.150             | -0.150             | -0.150             |
| <b>Car Mileage Review (Revenue Savings) (132)</b><br>To undertake a review of current mileage rates paid to Cheshire East Council employees when undertaking business mileage. This review will consider reducing the current rates paid to reduce mileage costs. This review will need to be undertaken with the Trade Unions and would require a formal change to the Harmonisation Agreement before potential savings can be realised.<br><i>Impact on Cross Service Budget =</i> | -0.100             | -0.100             | -0.100             |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>           Values are not cumulative</i>                                                                                                                                                                                                                                                                                                                          |                    |                    |                    |



| Workforce                                                                                                                                                                                                                                                                                                                                                                                                     | 2017/18       | 2018/19       | 2019/20        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|----------------|
| <i>Increasing productivity through workforce planning whilst meeting our statutory obligations regarding pay inflation and ensuring non essential staff travel and supplies are minimised.</i>                                                                                                                                                                                                                | £m*           | £m*           | £m*            |
| <b>Pay and Pensions Allocation (Revenue Investment) (133)</b>                                                                                                                                                                                                                                                                                                                                                 |               |               |                |
| Increases in employee related costs over the medium term. Items covered by this proposal include spinal point incremental increases for eligible staff, annual nationally negotiated pay awards of 1%, and annual employer pension contribution increases of 0.5%. An element of the increases will be offset by vacancy provisions therefore an overall increase of 1% on pay budgets has been provided for. |               |               |                |
| PEOPLE                                                                                                                                                                                                                                                                                                                                                                                                        | +1.510        | +3.020        | +4.530         |
| PLACE                                                                                                                                                                                                                                                                                                                                                                                                         | +0.460        | +0.920        | +1.380         |
| CORPORATE                                                                                                                                                                                                                                                                                                                                                                                                     | +1.550        | +3.100        | +4.650         |
| <i>Impact on Cross Service Budgets =</i>                                                                                                                                                                                                                                                                                                                                                                      | <b>+3.520</b> | <b>+7.040</b> | <b>+10.560</b> |
| <b>Apprentice Levy (Revenue Investment) (134)</b>                                                                                                                                                                                                                                                                                                                                                             |               |               |                |
| The Government has set a target of three million new apprenticeship starts by 2020 and new legislation has been put in place in relation to help achieve this. From April 2017, an 'apprenticeship levy' is to be introduced, payable by employers on 0.5% of pay bill. This will be supported by an incoming public sector target of 2.3% of the total workforce to be made up of apprentices.               |               |               |                |
| <i>Impact on Cross Service Budgets =</i>                                                                                                                                                                                                                                                                                                                                                                      | <b>+0.460</b> | <b>+0.460</b> | <b>+0.460</b>  |
| <i>*Values represent a +/- variation to the Cheshire East Council approved budget for <a href="#">2016/17</a>.<br/>Values are not cumulative</i>                                                                                                                                                                                                                                                              |               |               |                |



# 5. Risk Management

The Council recognises that there are risks involved in everything it does and that it has a duty to manage threats and opportunities in a balanced, structured and cost effective way. In doing this the Council is better placed to achieve its objectives and enhance the services it provides.

The Council's risk management arrangements were recently reviewed and a new Risk Management Policy Statement and Strategy was approved by Cabinet in February 2016.

The policy statement formally acknowledges the Council's commitment to the effective management of risks, both threats and opportunities. The aim of the Policy is not to have risk eliminated completely from Council activities, but rather to ensure that every effort is made to maximise potential opportunities and minimise the adverse effects of risk.

Supporting the policy statement is the strategy, which gives the scope, direction and priorities for risk management activity across the Council.

Underpinning the strategy and policy are risk management procedures articulated in a framework document. Taken together, the documents provide practical guidance to assist Officers and Members in the identification, evaluation and control of risks that may impact upon the achievement of corporate and service level objectives and priorities.

The Corporate Assurance Group (CAG) and Risk Management Sub Group (which include officer and portfolio holder representation) were involved in the development of the policy, strategy and procedures within the framework.

Further work is ongoing to integrate risk management into service planning and decision making to ensure that:

- Risks are recognised and responded to appropriately throughout business management and decision making lifecycles.
- Risk activity is focused on the delivery of key organisational objectives.
- Risk registers are critically examined and refreshed throughout the year.

Against the backdrop of continued fiscal austerity, the Council is looking to the future with a sense of confidence in its ability to deliver on an ambitious agenda. As we look to 2020, there will also be new threats and opportunities arising and so the Council's corporate risk register has been updated. Corporate Leadership Team and Cabinet were included as part of the process to identify existing, new and emerging risks.

There will likely be new threats arising:-

- from the shift from grant funding to a reliance on self-funding and in rethinking sources of income
- from a focus on delivering outcomes rather than services alone
- from the need for reinvestment in resources and services, ranging from health and social care to education and infrastructure
- from the potential and power of digital and data to transform services and engage businesses, residents and communities and opportunities arising
- from devolution to deliver both growth and whole system reform
- from influencing debate on legislative agendas



- from new collaborations across the public and private sector
- from ambitious regeneration projects to stimulate local growth

A risk around financial resilience is included as a corporate risk and general reserves are focused on the Council's potential exposure to risk. In addition, where a particular area has been identified as specific risk or investment opportunity, then an amount will be earmarked for that specific purpose.





## 6. Business Rates – Forecasting over the medium term

1. The Government introduced the Business Rates Retention Scheme on 1<sup>st</sup> April 2013. There has been much uncertainty around the scheme as a result of appeals to the local list. This has resulted in the need to create and build upon a specific earmarked reserve and provision for appeals to protect against large fluctuations in any given year. This Annex provides an illustration of how the scheme has worked over time and what changes are likely over the medium term including estimates of future income.
2. The basic concept is that a baseline position is established and an element of growth over and above that can be retained. The DCLG set the baseline over which growth is measured but the Council can budget on locally set figures. This can be informed by the NNDR1 form which contains estimates that must be provided to Government at the end of January each year.
3. As part of the MTFS 2016-19, growth estimates were calculated and the taxbase has been monitored over the last year to assess the robustness of those estimates. This has proved to be reasonably accurate so for 2017/18 and beyond the methodology is being used to estimate growth and this income has been included in the funding assumptions contained within this document. The methodology has been set out below.
4. For 2016/17 the NNDR1 return is forecasting retained rates above the DCLG baseline for Cheshire East to be £1.3m. The assumption was still to use the baseline for budgeting purposes due to the inherent volatility in the business rates tax base which can be affected substantially, if a large business moves out of the area or an approach to valuing business rates is successfully challenged.
5. This year has also seen the introduction of a new Enterprise Zone on the former Astra Zeneca site in Alderley Edge. The special rating that was given to the large pharmaceutical company has been transferred out and replaced by many small businesses that can all gain from being part of an Enterprise Zone. There was much estimation around the value of these new businesses however which also dictated the decision to budget on the DCLG baseline level.
6. A Non Domestic taxbase for 2017/18 was formally reported to Cabinet and Council in December 2016 which included current hereditaments valued at 2017 levels due to the national revaluation due to be implemented in April 2017. This saw Cheshire East hereditaments increase by 1.0%. Work has been carried out to estimate new business growth in the area and this was included in the calculation for the taxbase. More information on the Business Rates taxbase for 2017/18 is available in the report that was approved at [Council](#) on 15<sup>th</sup> December 2016.
7. The use of the Collection Fund Management Earmarked Reserve, to hold differences between the NNDR1 and the baseline budget, continues to provide an element of protection against future risks.



## Available Data

8. The Council has gathered information from several sources to judge likely levels of economic growth including:
  - a. Information from the business engagement team.
  - b. Data from the Council's planning system.
  - c. Data from the team working to generate capital receipts.
  - d. Data from the Revenues collection service in terms of appeals and expected growth.
  - e. Data from the valuation office.
  - f. Financial Strategy & Reporting knowledge of the BRRS calculations.

## Method

9. This available data has been reviewed to generate broad estimates of the potential increase in Rateable Value (RV) over the medium term.
10. An allowance has been made for the average impact of timing delays, on appeals, on other RV nearby (displacement) and likely loss of RV.
11. The end result has been converted to business rates and processed via a BRRS model developed and maintained by Strategy Finance.
12. This model also takes account of any impact of pooling or additional growth retention (from being a pilot for the new 100% growth retention scheme).

## Results

13. **Table 1** sets out the results.
14. As expected there is more knowledge around likely local developments in the first two years.
15. Retained rate income forecast from growth in the taxbase for 2017/18 is forecast to be £2m. After the central share and levy payments have been made it results in a net increase for Cheshire East of £0.78m as per **Table 1**.
16. The mix of data sources and balance of results provides a good indication that this methodology is creating a reliable baseline for future estimates in this area. Therefore the prudent estimate of **£0.5m** growth per annum (incremental basis) has been factored into the medium term budget forecast based on the information below.

| <b>Table 1 - Estimated Increased Net Business Rates Income (incremental)</b> |                       |                       |
|------------------------------------------------------------------------------|-----------------------|-----------------------|
| <b>Business Type</b>                                                         | <b>2017/18<br/>£m</b> | <b>2018/19<br/>£m</b> |
| Retail                                                                       | 0.31                  | 1.13                  |
| Other                                                                        | 0.39                  | 0.00                  |
| Manufacturing                                                                | 0.52                  | 0.18                  |
| Offices                                                                      | 0.73                  | 0.00                  |
| Industrial                                                                   | 0.02                  | 0.00                  |
| Leisure                                                                      | 0.07                  | 0.00                  |
| <b>Total Net Growth</b>                                                      | <b>2.04</b>           | <b>1.30</b>           |
| <b>Total Retention for Cheshire East</b>                                     | <b>0.78</b>           | <b>0.75</b>           |

Source: Cheshire East Finance



# 7. The Budget Setting Process

| Set Parameters                                                                                                                                                                                                                                                                                                                                                                                | Gather Evidence             | Consult and refine            | Approve       |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-------------------------------|---------------|----------------|--|--|------------------|-------|---|-------------|--------|---|--------------------|-------|---|-------|-----|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----|--|-----------------------------------------------------|-------|---|-----------------------------|-------|---|-------------------------------------------------------------|------|---|-------------------------------------------|------|--|----------------------------------------|------|---|-----|------|--|-------|------|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----|--|-----------------------------------------|------|---|--------------------------------------------------|------|---|-------------------------------------------------------------|------|---|----------------------------|------|---|-------|-----|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----|------------------|-------|-------------|--------|--------------------|-------|-----------------------------|------|-------|-----|
| May to June 2016                                                                                                                                                                                                                                                                                                                                                                              | July 2016 to September 2016 | November 2016 to January 2017 | February 2017 |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| Assumptions reported to Cabinet / Council in Feb 2016: <table><tr><th>Revenue</th><th>£m</th><th></th></tr><tr><th>Budget 2017/18</th><td></td><td></td></tr><tr><td>Cost of services</td><td>261.6</td><td>➔</td></tr><tr><td>Council Tax</td><td>-180.7</td><td>➔</td></tr><tr><td>Government Funding</td><td>-72.0</td><td>➔</td></tr><tr><td>Total</td><td>8.9</td><td></td></tr></table> | Revenue                     | £m                            |               | Budget 2017/18 |  |  | Cost of services | 261.6 | ➔ | Council Tax | -180.7 | ➔ | Government Funding | -72.0 | ➔ | Total | 8.9 |  | Develop Pre-Budget Consultation: <table><tr><th>Review Assumptions</th><th>£m</th><th></th></tr><tr><td>Growth Pressures (including Pay, and demand growth)</td><td>+10.9</td><td>➔</td></tr><tr><td>Draft Proposals for 2017/18</td><td>-11.2</td><td>➔</td></tr><tr><td>Est Domestic Tax Base increases (new props / cts reduction)</td><td>-0.8</td><td>➔</td></tr><tr><td>Estimated Non Domestic Tax Base increases</td><td>-0.5</td><td></td></tr><tr><td>Increase in Council Tax charge (3.99%)</td><td>-7.8</td><td>➔</td></tr><tr><td>ESG</td><td>+0.5</td><td></td></tr><tr><td>Total</td><td>-8.9</td><td></td></tr></table> | Review Assumptions | £m |  | Growth Pressures (including Pay, and demand growth) | +10.9 | ➔ | Draft Proposals for 2017/18 | -11.2 | ➔ | Est Domestic Tax Base increases (new props / cts reduction) | -0.8 | ➔ | Estimated Non Domestic Tax Base increases | -0.5 |  | Increase in Council Tax charge (3.99%) | -7.8 | ➔ | ESG | +0.5 |  | Total | -8.9 |  | Changes post Pre-Budget Consultation: <table><tr><th>Confirm Proposals</th><th>£m</th><th></th></tr><tr><td>Proposed changes following consultation</td><td>+3.7</td><td>➔</td></tr><tr><td>Tax base agreed / Council Tax increased by 4.99%</td><td>-1.8</td><td>➔</td></tr><tr><td>Funding estimates further refined following Prov Settlement</td><td>-0.5</td><td>➔</td></tr><tr><td>Use of Council Tax Surplus</td><td>-1.4</td><td>➔</td></tr><tr><td>Total</td><td>0.0</td><td></td></tr></table> | Confirm Proposals | £m |  | Proposed changes following consultation | +3.7 | ➔ | Tax base agreed / Council Tax increased by 4.99% | -1.8 | ➔ | Funding estimates further refined following Prov Settlement | -0.5 | ➔ | Use of Council Tax Surplus | -1.4 | ➔ | Total | 0.0 |  | Budget Report: <table><tr><th>Latest Position</th><th>£m</th></tr><tr><td>Cost of services</td><td>263.8</td></tr><tr><td>Council Tax</td><td>-191.1</td></tr><tr><td>Government Funding</td><td>-71.3</td></tr><tr><td>Council Tax Collection Fund</td><td>-1.4</td></tr><tr><td>Total</td><td>0.0</td></tr></table> | Latest Position | £m | Cost of services | 263.8 | Council Tax | -191.1 | Government Funding | -71.3 | Council Tax Collection Fund | -1.4 | Total | 0.0 |
| Revenue                                                                                                                                                                                                                                                                                                                                                                                       | £m                          |                               |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| Budget 2017/18                                                                                                                                                                                                                                                                                                                                                                                |                             |                               |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| Cost of services                                                                                                                                                                                                                                                                                                                                                                              | 261.6                       | ➔                             |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| Council Tax                                                                                                                                                                                                                                                                                                                                                                                   | -180.7                      | ➔                             |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| Government Funding                                                                                                                                                                                                                                                                                                                                                                            | -72.0                       | ➔                             |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| Total                                                                                                                                                                                                                                                                                                                                                                                         | 8.9                         |                               |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| Review Assumptions                                                                                                                                                                                                                                                                                                                                                                            | £m                          |                               |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| Growth Pressures (including Pay, and demand growth)                                                                                                                                                                                                                                                                                                                                           | +10.9                       | ➔                             |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| Draft Proposals for 2017/18                                                                                                                                                                                                                                                                                                                                                                   | -11.2                       | ➔                             |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| Est Domestic Tax Base increases (new props / cts reduction)                                                                                                                                                                                                                                                                                                                                   | -0.8                        | ➔                             |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| Estimated Non Domestic Tax Base increases                                                                                                                                                                                                                                                                                                                                                     | -0.5                        |                               |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| Increase in Council Tax charge (3.99%)                                                                                                                                                                                                                                                                                                                                                        | -7.8                        | ➔                             |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| ESG                                                                                                                                                                                                                                                                                                                                                                                           | +0.5                        |                               |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| Total                                                                                                                                                                                                                                                                                                                                                                                         | -8.9                        |                               |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| Confirm Proposals                                                                                                                                                                                                                                                                                                                                                                             | £m                          |                               |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| Proposed changes following consultation                                                                                                                                                                                                                                                                                                                                                       | +3.7                        | ➔                             |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| Tax base agreed / Council Tax increased by 4.99%                                                                                                                                                                                                                                                                                                                                              | -1.8                        | ➔                             |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| Funding estimates further refined following Prov Settlement                                                                                                                                                                                                                                                                                                                                   | -0.5                        | ➔                             |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| Use of Council Tax Surplus                                                                                                                                                                                                                                                                                                                                                                    | -1.4                        | ➔                             |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| Total                                                                                                                                                                                                                                                                                                                                                                                         | 0.0                         |                               |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| Latest Position                                                                                                                                                                                                                                                                                                                                                                               | £m                          |                               |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| Cost of services                                                                                                                                                                                                                                                                                                                                                                              | 263.8                       |                               |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| Council Tax                                                                                                                                                                                                                                                                                                                                                                                   | -191.1                      |                               |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| Government Funding                                                                                                                                                                                                                                                                                                                                                                            | -71.3                       |                               |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| Council Tax Collection Fund                                                                                                                                                                                                                                                                                                                                                                   | -1.4                        |                               |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |
| Total                                                                                                                                                                                                                                                                                                                                                                                         | 0.0                         |                               |               |                |  |  |                  |       |   |             |        |   |                    |       |   |       |     |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                    |    |  |                                                     |       |   |                             |       |   |                                                             |      |   |                                           |      |  |                                        |      |   |     |      |  |       |      |  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                   |    |  |                                         |      |   |                                                  |      |   |                                                             |      |   |                            |      |   |       |     |  |                                                                                                                                                                                                                                                                                                                       |                 |    |                  |       |             |        |                    |       |                             |      |       |     |



## 8. Grant Funding Details

| Corporate Grants Register 2017/18                 | Revised Budget<br>2016/17<br>£000 | Forecast<br>2017/18<br>£000 | Forecast<br>2018/19<br>£000 | Forecast<br>2019/20<br>£000 |
|---------------------------------------------------|-----------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>SPECIFIC USE (Held within Services)</b>        |                                   |                             |                             |                             |
| <b>Schools</b>                                    |                                   |                             |                             |                             |
| Dedicated Schools Grant                           | 246,241                           | 255,016                     | 255,373                     | 255,373                     |
| Less Academy Recoupment                           | 106,489                           | 112,470                     | 114,470                     | 116,470                     |
| Dedicated Schools Grant (Cheshire East)           | 139,752                           | 142,546                     | 140,903                     | 138,903                     |
| Pupil Premium Grant (maintained schools only)     | 4,366                             | 4,366                       | 4,366                       | 4,366                       |
| Pupil Premium Plus (maintained schools only)      | 964                               | 964                         | 964                         | 964                         |
| Sixth Form Funding (maintained schools only)      | 4,115                             | 4,115                       | 4,115                       | 4,115                       |
| Physical Education Grant                          | 774                               | 774                         | 774                         | 774                         |
| Universal Infant Free School Meals                | 2,940                             | 2,940                       | 2,940                       | 2,940                       |
| School Improvement Monitoring and Brokering Grant |                                   | 169                         | 290                         | 290                         |
| SEND Implementation Grant                         | 215                               | 239                         |                             |                             |
| High Needs Strategic Planning Fund                | 147                               |                             |                             |                             |
| <b>Total Schools</b>                              | <b>153,273</b>                    | <b>156,113</b>              | <b>154,352</b>              | <b>152,352</b>              |
| Housing Benefit Subsidy                           | 78,150                            | 78,068                      | 78,068                      | 78,068                      |
| Public Health                                     | 17,258                            | 16,833                      | 16,395                      | 15,969                      |
| <b>TOTAL SPECIFIC USE</b>                         | <b>248,681</b>                    | <b>251,014</b>              | <b>248,815</b>              | <b>246,389</b>              |



| Corporate Grants Register 2017/18                        | Revised Budget<br>2016/17<br>£000 | Forecast<br>2017/18<br>£000 | Forecast<br>2018/19<br>£000 | Forecast<br>2019/20<br>£000 |
|----------------------------------------------------------|-----------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>GENERAL PURPOSE (Held Corporately)</b>                |                                   |                             |                             |                             |
| <b>Central Funding</b>                                   |                                   |                             |                             |                             |
| Revenue Support Grant                                    | 26,340                            | 13,415                      | 5,416                       | 0                           |
| <b>PEOPLE - Children and Families</b>                    |                                   |                             |                             |                             |
| Troubled Families                                        | 875                               | 110                         | 110                         | 110                         |
| Troubled Families - Co-ordinator                         |                                   | 85                          | 85                          | 85                          |
| Youth Justice Grant                                      | 264                               |                             |                             |                             |
| Youth Rehabilitation Order - Junior Attendance Centre    | 35                                |                             |                             |                             |
| Staying Put Grant                                        | 109                               |                             |                             |                             |
| Remand Funding                                           | 18                                |                             |                             |                             |
| <b>PEOPLE - Adult Social Care and Independent Living</b> |                                   |                             |                             |                             |
| Local Reform and Community Voices                        | 198                               |                             |                             |                             |
| Independent Living Fund                                  | 948                               | 917                         | 888                         | 861                         |
| Adult Social Care                                        |                                   | 1,457                       |                             |                             |
| Social Care in Prison Grant                              | 73                                |                             |                             |                             |



| Corporate Grants Register 2017/18                                  | Revised Budget<br>2016/17<br>£000 | Forecast<br>2017/18<br>£000 | Forecast<br>2018/19<br>£000 | Forecast<br>2019/20<br>£000 |
|--------------------------------------------------------------------|-----------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>PLACE</b>                                                       |                                   |                             |                             |                             |
| Skills Funding Agency                                              | 763                               | 706                         | 706                         | 706                         |
| Extended Rights to Free Transport                                  | 118                               |                             |                             |                             |
| Capacity Support for Self Build and Custom House Building Register | 6                                 |                             |                             |                             |
| Property Search Fees New Burdens                                   | 22                                |                             |                             |                             |
| Lead Local Flood Authorities                                       | 1                                 | 14                          | 15                          | 16                          |
| <b>CORPORATE - Customer Operations</b>                             |                                   |                             |                             |                             |
| Housing Benefit and Council Tax Administration                     | 1,336                             | 1,209                       | 1,209                       | 1,209                       |
| NDR Admin Allowance                                                | 562                               | 506                         | 456                         | 410                         |
| Business Rates Revaluation 2017 - S31 Grant Reimbursement          | 1                                 |                             |                             |                             |
| <b>CORPORATE - Chief Operating Officer</b>                         |                                   |                             |                             |                             |
| New Homes Bonus / Affordable Homes - ALL YEARS                     | 9,293                             | 8,253                       | 6,310                       | 6,050                       |
| Education Services Grant                                           | 2,689                             |                             |                             |                             |
| Education Services Grant - Transitional Funding                    |                                   | 678                         |                             |                             |
| Transitional Funding                                               | 2,973                             | 2,974                       |                             |                             |
| Individual Electoral Registration                                  | 58                                |                             |                             |                             |
| Additional Election Funding                                        | 46                                |                             |                             |                             |
| Local Government Transparency Code 2016                            | 13                                |                             |                             |                             |
| <b>TOTAL GENERAL PURPOSE</b>                                       | <b>46,741</b>                     | <b>30,324</b>               | <b>15,195</b>               | <b>9,447</b>                |
| <b>TOTAL GRANT FUNDING</b>                                         | <b>295,422</b>                    | <b>281,338</b>              | <b>264,010</b>              | <b>255,836</b>              |



# 9. Capital Grants

|                                            | Prior Years Grant<br>Received<br>£000 | Expected<br>Receipt 2017/18<br>£000 | Application of<br>Grants in<br>2017/18<br>£000 | Expected<br>Receipt 2018/19<br>£000 | Application of<br>Grants in<br>2018/19<br>£000 | Expected<br>Receipt Future<br>Years<br>£000 | Application of<br>Grants in Future<br>Years<br>£000 |
|--------------------------------------------|---------------------------------------|-------------------------------------|------------------------------------------------|-------------------------------------|------------------------------------------------|---------------------------------------------|-----------------------------------------------------|
| <b>SPECIFIC PURPOSE (Held Corporately)</b> |                                       |                                     |                                                |                                     |                                                |                                             |                                                     |
| <b>PEOPLE</b>                              |                                       |                                     |                                                |                                     |                                                |                                             |                                                     |
| <b>Adults Social Care</b>                  |                                       |                                     |                                                |                                     |                                                |                                             |                                                     |
| Social Care Capital Grant                  | 680                                   |                                     | 680                                            |                                     |                                                |                                             |                                                     |
| <b>Children's Social Care</b>              |                                       |                                     |                                                |                                     |                                                |                                             |                                                     |
| Short Breaks Disabled Children Grant       | 30                                    |                                     | 30                                             |                                     |                                                |                                             |                                                     |
| <b>Education and 14-19 Skills</b>          |                                       |                                     |                                                |                                     |                                                |                                             |                                                     |
| School Condition Grant 2017/18             |                                       | 2,774                               | 2,774                                          |                                     |                                                |                                             |                                                     |
| School Condition Grant 2018/19             |                                       |                                     |                                                | 2,774                               | 2,774                                          |                                             |                                                     |
| Department for Education Grant 17/18       |                                       | 150                                 | 150                                            | 4,250                               | 4,250                                          |                                             |                                                     |
| Capital Maintenance Grant 2014/15          | 2,000                                 |                                     | 2,000                                          |                                     |                                                |                                             |                                                     |
| Capital Maintenance Grant 2015/16          | 3,144                                 |                                     | 3,144                                          |                                     |                                                |                                             |                                                     |
| Universal Infant School Meals 2014/15      | 37                                    |                                     | 37                                             |                                     |                                                |                                             |                                                     |
| Devolved Formula Capital 2016/17           | 541                                   |                                     | 541                                            |                                     |                                                |                                             |                                                     |
| Devolved Formula Capital 2017/18           |                                       | 571                                 | 59                                             |                                     | 512                                            |                                             |                                                     |
| Devolved Formula Capital 2018/19           |                                       |                                     |                                                | 571                                 | 21                                             |                                             | 550                                                 |
| Basic Need Grant 2015/16                   | 1,914                                 |                                     | 1,914                                          |                                     |                                                |                                             |                                                     |
| Basic Need Grant 2016/17                   | 2,937                                 |                                     | 2,937                                          |                                     |                                                |                                             |                                                     |
| Basic Need Grant 2017/18                   |                                       | 6,286                               | 2,344                                          |                                     | 3,942                                          |                                             |                                                     |
| Basic Need Grant 2018/19                   |                                       |                                     |                                                | 15,055                              | 15,055                                         |                                             |                                                     |
| <b>TOTAL PEOPLE</b>                        | <b>11,283</b>                         | <b>9,781</b>                        | <b>16,610</b>                                  | <b>22,650</b>                       | <b>26,554</b>                                  | <b>0</b>                                    | <b>550</b>                                          |



|                                                                            | Prior Years Grant<br>Received<br>£000 | Expected<br>Receipt 2017/18<br>£000 | Application of<br>Grants in<br>2017/18<br>£000 | Expected<br>Receipt 2018/19<br>£000 | Application of<br>Grants in<br>2018/19<br>£000 | Expected<br>Receipt Future<br>Years<br>£000 | Application of<br>Grants in Future<br>Years<br>£000 |
|----------------------------------------------------------------------------|---------------------------------------|-------------------------------------|------------------------------------------------|-------------------------------------|------------------------------------------------|---------------------------------------------|-----------------------------------------------------|
| <b>SPECIFIC PURPOSE (Held Corporately)</b>                                 |                                       |                                     |                                                |                                     |                                                |                                             |                                                     |
| <b>PLACE</b>                                                               |                                       |                                     |                                                |                                     |                                                |                                             |                                                     |
| <b>Growth and Regeneration</b>                                             |                                       |                                     |                                                |                                     |                                                |                                             |                                                     |
| Disabled Facilities Grant 2017/18                                          |                                       | 1,500                               | 1,500                                          |                                     |                                                |                                             |                                                     |
| Disabled Facilities Grant 2018/19                                          |                                       |                                     |                                                | 1,500                               | 1,500                                          |                                             |                                                     |
| Crewe Town Centre Regeneration / Local Growth Fund                         |                                       |                                     |                                                | 3,075                               | 3,075                                          | 6,925                                       | 6,925                                               |
| Gypsy Traveller Sites/ Housing Communities Agency                          |                                       | 900                                 | 900                                            |                                     |                                                |                                             |                                                     |
| <b>Rural and Green Infrastructure</b>                                      |                                       |                                     |                                                |                                     |                                                |                                             |                                                     |
| Rights of Way Improvement Plan Cycle/Walking Schemes                       |                                       | 189                                 | 189                                            |                                     |                                                |                                             |                                                     |
| Tatton Vision / Heritage Lottery Funding                                   |                                       | 782                                 | 782                                            |                                     |                                                |                                             |                                                     |
| <b>Client Commissioning</b>                                                |                                       |                                     |                                                |                                     |                                                |                                             |                                                     |
| Connecting Cheshire Phase 1 & 2 and Digital 2020 - Super Fast<br>Broadband |                                       | 1,663                               | 1,663                                          | 3,300                               | 3,300                                          | 3,100                                       | 3,100                                               |



|                                                               | Prior Years Grant<br>Received<br>£000 | Expected<br>Receipt 2017/18<br>£000 | Application of<br>Grants in<br>2017/18<br>£000 | Expected<br>Receipt 2018/19<br>£000 | Application of<br>Grants in<br>2018/19<br>£000 | Expected<br>Receipt Future<br>Years<br>£000 | Application of<br>Grants in Future<br>Years<br>£000 |
|---------------------------------------------------------------|---------------------------------------|-------------------------------------|------------------------------------------------|-------------------------------------|------------------------------------------------|---------------------------------------------|-----------------------------------------------------|
| <b>Infrastructure and Highways</b>                            |                                       |                                     |                                                |                                     |                                                |                                             |                                                     |
| A6 MARR CMM / Department for Transport                        |                                       | 46                                  | 46                                             | 15                                  | 15                                             |                                             |                                                     |
| A34 Corridor Improvements / Department for Transport          |                                       |                                     |                                                | 250                                 | 250                                            | 9,200                                       | 9,200                                               |
| Archives                                                      |                                       |                                     |                                                | 400                                 | 400                                            | 3,625                                       | 3,625                                               |
| Crewe Green Roundabout / Local Growth Fund                    |                                       | 1,773                               | 1,773                                          | 1,527                               | 1,527                                          |                                             |                                                     |
| Crewe Transformation Project / Phase 3                        |                                       |                                     |                                                | 6,000                               | 6,000                                          | 2,368                                       | 2,368                                               |
| Congleton Relief Road / Local Growth Fund                     |                                       | 1,511                               | 1,511                                          | 41,958                              | 41,958                                         | 1,531                                       | 1,531                                               |
| King Street Enhancement / Department for Transport            |                                       |                                     |                                                | 1,500                               | 1,500                                          |                                             |                                                     |
| Macclesfield Movement Strategy / Local Growth Fund            | 100                                   |                                     | 100                                            |                                     |                                                |                                             |                                                     |
| NorthWest Crewe Package                                       |                                       | 600                                 | 600                                            | 1,900                               | 1,900                                          | 16,000                                      | 16,000                                              |
| Poynton Relief Road / Local Growth Fund                       |                                       | 264                                 | 264                                            | 16,960                              | 16,960                                         | 6,776                                       | 6,776                                               |
| Sydney Road Bridge / Local Growth Fund                        |                                       |                                     |                                                | 5,586                               | 5,586                                          |                                             |                                                     |
| Integrated Transport Block 2016/17 / Department for Transport | 180                                   |                                     | 180                                            |                                     |                                                |                                             |                                                     |
| Integrated Transport Block 2017/18 / Department for Transport |                                       | 2,000                               | 2,000                                          |                                     |                                                |                                             |                                                     |
| Incentive Fund 2017/18 / Department for Transport             |                                       | 1,000                               | 1,000                                          |                                     |                                                |                                             |                                                     |
| Maintenance Block 2017/18 / Department for Transport          |                                       | 9,000                               | 9,000                                          |                                     |                                                |                                             |                                                     |
| Maintenance Block 2018/19 / Department for Transport          |                                       |                                     |                                                | 9,000                               | 9,000                                          |                                             |                                                     |
| Integrated Transport Block 2018/19 / Department for Transport |                                       |                                     |                                                | 2,000                               | 2,000                                          |                                             |                                                     |
| Incentive Fund 2018/19 / Department for Transport             |                                       |                                     |                                                | 1,000                               | 1,000                                          |                                             |                                                     |
| Maintenance Block 2019/20 / Department for Transport          |                                       |                                     |                                                |                                     |                                                | 8,200                                       | 8,200                                               |
| Integrated Transport Block 2019/20 / Department for Transport |                                       |                                     |                                                |                                     |                                                | 2,000                                       | 2,000                                               |
| Incentive Fund 2019/20 / Department for Transport             |                                       |                                     |                                                |                                     |                                                | 800                                         | 800                                                 |
| A500 Dualling                                                 |                                       | 1,815                               | 1,815                                          | 153                                 | 153                                            |                                             |                                                     |
| <b>TOTAL PLACE</b>                                            | <b>280</b>                            | <b>23,043</b>                       | <b>23,323</b>                                  | <b>96,124</b>                       | <b>96,124</b>                                  | <b>60,525</b>                               | <b>60,525</b>                                       |
| <b>TOTAL SPECIFIC PURPOSE - CAPITAL GRANT FUNDING</b>         | <b>11,563</b>                         | <b>32,824</b>                       | <b>39,933</b>                                  | <b>118,774</b>                      | <b>122,678</b>                                 | <b>60,525</b>                               | <b>61,075</b>                                       |



# 10. Minimum Revenue Provision

1. The annual Minimum Revenue Provision (MRP) Statement sets out the Council's responsibility to ensure it makes adequate provision for funding the consequences of its capital investment decisions.
2. Capital expenditure is expenditure that provides on-going benefits to the Council for a period of longer than one year. Accounting rules require that where this capital expenditure is not funded through external contributions, external grants, capital receipts or contributions from revenue budgets it must be charged against the Council's General Fund Balances. The period over which this charge is made should reflect the length of time that the expenditure will provide benefits to the Council.
3. The Local Government Act 2003 requires the Authority to have regard to the Department for Communities and Local Government's *Guidance on Minimum Revenue Provision* (the CLG Guidance) most recently issued in 2012.
4. Prior to 2010 the major proportion of MRP relates to the more historic debt liability that was outstanding at the time the Guidance was adopted. This will continue to be charged at the rate of 4%, in accordance with Option 2 of the Guidance (*England and Wales*).
5. New capital expenditure for each subsequent year will in general be charged in accordance with Option 3 of the Guidance, which recommends that the annual charge should broadly equate to the anticipated life, or period of benefit, which is reflective of the nature of the expenditure. For example, capital expenditure on a new building, or on the refurbishment or enhancement of a building, will be related to the estimated life of that building.
6. Charges to the revenue budget will commence in the year following the creation of the asset, i.e., in the asset's first full year of operation. This allows the Council to constantly review the most cost effective way of funding capital expenditure.
7. For those types of capital expenditure incurred by the Council which are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure.
8. For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational.
9. For assets acquired by finance leases or the Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
10. The MRP Statement will be submitted to Council before the start of the 2017/18 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement will be put to Council at that time.



# 11. Prudential Borrowing Indicators

## Prudential Indicators revisions to: 2016/17 and 2017/18 – 2019/20, and future years

### Background

1. There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

### Gross Debt and the Capital Financing Requirement

2. This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.
3. If in any of these years there is a reduction in the capital financing requirement, this reduction is ignored in estimating the cumulative increase in the capital financing requirement which is used for comparison with gross external debt.
4. The Chief Operating Officer reports that the Authority had no difficulty meeting this requirement in 2016/17, nor are there any difficulties envisaged for future years. This view takes into account

current commitments, existing plans and the proposals in the approved budget.

### Estimates of Capital Expenditure

5. This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax.

| Table 1 - Capital Expenditure | 2016/17 Estimate<br>£m | 2017/18 Estimate<br>£m | 2018/19 Estimate<br>£m | 2019/20 Estimate<br>£m | Future Years Estimate<br>£m |
|-------------------------------|------------------------|------------------------|------------------------|------------------------|-----------------------------|
| Total                         | 92.9                   | 116.3                  | 136.0                  | 56.4                   | 23.8                        |

Source: Cheshire East Finance

6. Capital expenditure will be financed or funded as follows:



| Table 2 - Capital Financing        | 2016/17 Estimate<br>£m | 2017/18 Estimate<br>£m | 2018/19 Estimate<br>£m | 2019/20 Estimate<br>£m | Future Years Estimate<br>£m |
|------------------------------------|------------------------|------------------------|------------------------|------------------------|-----------------------------|
| Capital Receipts                   | 10.8                   | 10.4                   | 13.1                   | 17.2                   | 0.0                         |
| Government Grants                  | 26.7                   | 39.2                   | 105.6                  | 23.0                   | 0.0                         |
| External Contributions             | 7.4                    | 5.6                    | 3.0                    | 10.8                   | 21.6                        |
| Revenue Contributions              | 1.1                    | 0.6                    | 0.0                    | 0.0                    | 0.0                         |
| <b>Total Financing</b>             | <b>46.0</b>            | <b>55.7</b>            | <b>121.6</b>           | <b>50.9</b>            | <b>21.6</b>                 |
| Prudential Borrowing               | 46.9                   | 60.6                   | 14.3                   | 5.5                    | 2.2                         |
| <b>Total Funding</b>               | <b>46.9</b>            | <b>60.6</b>            | <b>14.3</b>            | <b>5.5</b>             | <b>2.2</b>                  |
| <b>Total Financing and Funding</b> | <b>92.9</b>            | <b>116.3</b>           | <b>136.0</b>           | <b>56.4</b>            | <b>23.8</b>                 |

Source: Cheshire East Finance

7. The above table shows how the capital expenditure plans of the Authority will be funded.

### Ratio of Financing Costs to Net Revenue Stream

8. This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.
9. The ratio is based on costs net of investment income.

| Table 3 - Ratio of Financing Costs to Net Revenue Stream | 2016/17 Estimate<br>% | 2017/18 Estimate<br>% | 2018/19 Estimate<br>% | 2019/20 Estimate<br>% |
|----------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total                                                    | 5.65                  | 5.67                  | 5.59                  | 5.60                  |

Source: Cheshire East Finance

### Capital Financing Requirement

10. The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and financing.

| Table 4 - Capital Financing Requirement | 2016/17 Estimate<br>£m | 2017/18 Estimate<br>£m | 2018/19 Estimate<br>£m | 2019/20 Estimate<br>£m |
|-----------------------------------------|------------------------|------------------------|------------------------|------------------------|
| Total                                   | 256                    | 274                    | 293                    | 324                    |

Source: Cheshire East Finance



## Actual External Debt

11. This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit. Since 1 April 2009 the level of external debt has reduced by £28m from £137m.

| Table 5 - Actual External Debt as at 31 <sup>st</sup> March 2016 |  | £m         |
|------------------------------------------------------------------|--|------------|
| Borrowing                                                        |  | 109        |
| Other Long-term Liabilities                                      |  | 30         |
| <b>Total</b>                                                     |  | <b>139</b> |

Source: Cheshire East Finance

## Incremental Impact of Capital Investment Decisions

12. This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

| Table 6 - Incremental Impact of Capital Investment Decisions | 2017/18 Estimate<br>£ | 2018/19 Estimate<br>£ | 2019/20 Estimate<br>£ |
|--------------------------------------------------------------|-----------------------|-----------------------|-----------------------|
| Band D Council Tax                                           | 12.15                 | 15.17                 | 7.30                  |

Source: Cheshire East Finance

## Authorised Limit and Operational Boundary for External Debt

13. The Authority has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Authority and not just those arising from capital spending reflected in the CFR.
14. The **Authorised Limit** sets the maximum level of external debt on a gross basis (i.e. excluding investments) for the Authority. It is measured on a daily basis against all external debt items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Authority's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.
15. The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).
16. The Operational Boundary has been set on the estimate of the most likely, i.e. prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.
17. The Operational Boundary links directly to the Authority's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.



| <b>Table 7</b>                                       | <b>2016/17<br/>Estimate<br/>£m</b> | <b>2017/18<br/>Estimate<br/>£m</b> | <b>2018/19<br/>Estimate<br/>£m</b> | <b>2019/20<br/>Estimate<br/>£m</b> |
|------------------------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Authorised Limit for Borrowing                       | 240                                | 260                                | 275                                | 310                                |
| Authorised Limit for Other Long-term Liabilities     | 30                                 | 28                                 | 27                                 | 25                                 |
| <b>Authorised Limit for External Debt</b>            | <b>270</b>                         | <b>288</b>                         | <b>302</b>                         | <b>335</b>                         |
| Operational Boundary for Borrowing                   | 230                                | 250                                | 265                                | 300                                |
| Operational Boundary for Other Long-term Liabilities | 30                                 | 28                                 | 27                                 | 25                                 |
| <b>Authorised Limit for External Debt</b>            | <b>260</b>                         | <b>278</b>                         | <b>292</b>                         | <b>325</b>                         |

Source: Cheshire East Finance

## Adoption of the CIPFA Treasury Management Code

18. This indicator demonstrates that the Authority has adopted the principles of best practice.

### Adoption of the CIPFA Code of Practice in Treasury Management

The Council approved the adoption of the CIPFA Treasury Management Code at its Council meeting on 23<sup>rd</sup> February 2012

19. The Authority has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

## Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

20. These indicators allow the Authority to manage the extent to which it is exposed to changes in interest rates. This Authority calculates these limits on net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments).

21. The upper limit for variable rate exposure has been set to ensure that the Authority is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments.

| <b>Table 8</b>                                  | <b>Existing<br/>Level (or<br/>Benchmark<br/>level) at<br/>31/03/2017<br/>%</b> | <b>2016/17<br/>Approved<br/>%</b> | <b>2016/17<br/>Revised<br/>%</b> | <b>2017/18<br/>Estimate<br/>%</b> | <b>2018/19<br/>Estimate<br/>%</b> | <b>2019/20<br/>Estimate<br/>%</b> |
|-------------------------------------------------|--------------------------------------------------------------------------------|-----------------------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Upper Limit for Fixed Interest Rate Exposure    | 100%                                                                           | 100%                              | 100%                             | 100%                              | 100%                              | 100%                              |
| Upper Limit for Variable Interest Rate Exposure | 0%                                                                             | 100%                              | 100%                             | 100%                              | 100%                              | 100%                              |

Source: Cheshire East Finance

22. The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by



expectations of anticipated interest rate movements as set out in the Authority's Treasury Management Strategy.

## Maturity Structure of Fixed Rate borrowing

23. This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.
24. It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.
25. The Lenders Option Borrowers Option (LOBO) is classified as maturing on the next call date i.e. the earliest date that the lender can require repayment. As all LOBOs can be called within 12 months the upper limit for borrowing maturing within 12 months has remained at 35% to allow for the value of LOBOs and any potential short term borrowing that could be undertaken in 2015/16.

| Table 9 - Maturity structure of fixed rate borrowing | Level as at 31 <sup>st</sup> March 2017 (based on Current Borrowing) | Lower Limit for 2017/18 | Upper Limit for 2017/18 |
|------------------------------------------------------|----------------------------------------------------------------------|-------------------------|-------------------------|
|                                                      | %                                                                    | %                       | %                       |
| Under 12 months                                      | 23                                                                   | 0                       | 35                      |
| 12 months and within 24 months                       | 6                                                                    | 0                       | 25                      |
| 24 months and within 5 years                         | 11                                                                   | 0                       | 35                      |
| 5 years and within 10 years                          | 0                                                                    | 0                       | 50                      |
| 10 years and within 20 years                         | 26                                                                   | 0                       | 100                     |
| 20 years and within 30 years                         | 9                                                                    | 0                       | 100                     |
| 30 years and within 40 years                         | 23                                                                   | 0                       | 100                     |
| 40 years and within 50 years                         | 2                                                                    | 0                       | 100                     |
| 50 years and above                                   | 0                                                                    | 0                       | 100                     |

Source: Cheshire East Finance

## Credit Risk

26. The Authority considers security, liquidity and yield, in that order, when making investment decisions.
27. Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Authority's assessment of counterparty credit risk.
28. The Authority also considers alternative assessments of credit strength, and information on corporate developments and market sentiment towards counterparties. The following key tools are used to assess credit risk:



- Published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP;
- Corporate developments, news, articles, markets sentiment and momentum;
- Subjective overlay.

The only indicators with prescriptive values remain credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.



# 12. Financial Summary Tables

Note: the 2016/17 Budget, shown as the starting point in the following tables, takes account of any permanent changes made during the 2016/17 financial year to date. There may be differences from the budget position at the [Three Quarter Year](#) Review which includes both permanent and temporary budget changes. The table below summarises these changes. Further details are available on request.

| Service                  | Current Net<br>Budget 2016/17<br>at Three Quarter<br>Review<br>£m | Less Temporary<br>Specific Grants<br>Allocations<br>£m | Less Other<br>Temporary In<br>Year Budget<br>Adjustments<br>£m | Permenant Base<br>Budget Carried<br>Forward to<br>2017/18<br>£m | Virements<br>since TQR<br>£m | Permenant Base<br>Budget Carried<br>Forward to<br>2017/18 (adjusted)<br>£m |
|--------------------------|-------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------|------------------------------|----------------------------------------------------------------------------|
| SERVICE DIRECTORATES     |                                                                   |                                                        |                                                                |                                                                 |                              |                                                                            |
| Directorate              | 0.8                                                               | 0.0                                                    | 0.0                                                            | 0.8                                                             | 9.2                          | 10.0                                                                       |
| Children's Social Care   | 32.0                                                              | -0.3                                                   | 0.0                                                            | 31.7                                                            | 0.0                          | 31.7                                                                       |
| Education & 14-19 Skills | 2.4                                                               | 0.0                                                    | 0.0                                                            | 2.4                                                             | 0.0                          | 2.4                                                                        |
| Prevention & Support     | 10.4                                                              | -0.8                                                   | -0.3                                                           | 9.3                                                             | 0.0                          | 9.3                                                                        |
| Adult Social Care        | 94.0                                                              | -0.1                                                   | -0.1                                                           | 93.9                                                            | 0.0                          | 93.9                                                                       |
| Public Health            | 0.0                                                               | 0.0                                                    | 0.0                                                            | 0.0                                                             | 0.0                          | 0.0                                                                        |
| Community & Partnerships | 4.3                                                               | 0.0                                                    | 0.0                                                            | 4.3                                                             | 0.0                          | 4.3                                                                        |
| People                   | 143.9                                                             | -1.2                                                   | -0.4                                                           | 142.4                                                           | 9.2                          | 151.6                                                                      |



| Service                                      | Current Net<br>Budget 2016/17<br>at Three Quarter<br>Review<br>£m | Less Temporary<br>Specific Grants<br>Allocations<br>£m | Less Other<br>Temporary In<br>Year Budget<br>Adjustments<br>£m | Permenant Base<br>Budget Carried<br>Forward to<br>2017/18<br>£m | Virements<br>since TQR<br>£m | Permenant Base<br>Budget Carried<br>Forward to<br>2017/18 (adjusted)<br>£m |
|----------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------|------------------------------|----------------------------------------------------------------------------|
| SERVICE DIRECTORATES                         |                                                                   |                                                        |                                                                |                                                                 |                              |                                                                            |
| Directorate                                  | 0.4                                                               | 0.0                                                    | 0.0                                                            | 0.4                                                             | 0.0                          | 0.4                                                                        |
| Planning & Sustainable Development           | 0.6                                                               | -0.2                                                   | 0.0                                                            | 0.5                                                             | -0.1                         | 0.4                                                                        |
| Infrastructure & Highways (incl Car Parking) | 22.4                                                              | -0.1                                                   | 0.0                                                            | 22.3                                                            | -9.3                         | 13.0                                                                       |
| Growth & Regeneration                        | 6.1                                                               | -0.2                                                   | -0.1                                                           | 5.8                                                             | 0.1                          | 5.9                                                                        |
| Rural & Green Infrastructure                 | 2.8                                                               | 0.0                                                    | 0.0                                                            | 2.8                                                             | 0.0                          | 2.8                                                                        |
| Place                                        | 32.3                                                              | -0.5                                                   | -0.1                                                           | 31.7                                                            | -9.2                         | 22.5                                                                       |
| Directorate                                  | 0.1                                                               | 0.0                                                    | 0.4                                                            | 0.6                                                             | 0.0                          | 0.6                                                                        |
| Client Commissioning                         | 29.5                                                              | 0.0                                                    | 0.0                                                            | 29.5                                                            | 0.1                          | 29.6                                                                       |
| Customer Operations                          | 9.1                                                               | -0.1                                                   | 0.0                                                            | 9.1                                                             | 0.0                          | 9.1                                                                        |
| Legal Services                               | 4.4                                                               | 0.0                                                    | 0.0                                                            | 4.4                                                             | 0.0                          | 4.4                                                                        |
| Democratic Services                          | 4.0                                                               | -0.1                                                   | 0.0                                                            | 3.9                                                             | 0.0                          | 3.9                                                                        |
| Human Resources                              | 2.7                                                               | 0.0                                                    | 0.0                                                            | 2.7                                                             | 0.0                          | 2.7                                                                        |
| Finance & Performance                        | 3.2                                                               | 0.0                                                    | 0.0                                                            | 3.2                                                             | 0.0                          | 3.2                                                                        |
| Professional Services                        | 13.9                                                              | 0.0                                                    | 0.0                                                            | 13.9                                                            | 0.0                          | 13.9                                                                       |
| ICT                                          | 6.7                                                               | 0.0                                                    | 0.0                                                            | 6.7                                                             | 0.0                          | 6.7                                                                        |
| Communications                               | 0.6                                                               | 0.0                                                    | 0.0                                                            | 0.6                                                             | 0.0                          | 0.6                                                                        |
| Corporate                                    | 74.3                                                              | -0.2                                                   | 0.5                                                            | 74.6                                                            | 0.1                          | 74.7                                                                       |
| <b>Total Services Net Budget</b>             | <b>250.5</b>                                                      | <b>-1.8</b>                                            | <b>0.0</b>                                                     | <b>248.7</b>                                                    | <b>0.1</b>                   | <b>248.8</b>                                                               |

Note: £9.3m transferred from Place to People for share of Transport budget



# Cheshire East Council Revenue Budget Summary

## REVENUE

|                                             | 2017/18 Budget Calculation    |                 |                | 2018/19 Budget Calculation       |                 |                | 2019/20 Budget Calculation |                 |                |
|---------------------------------------------|-------------------------------|-----------------|----------------|----------------------------------|-----------------|----------------|----------------------------|-----------------|----------------|
|                                             |                               |                 |                | Previous Balance Brought Forward |                 |                |                            |                 |                |
|                                             | Expenditure<br>£000           | Income<br>£000  | Net<br>£000    | Expenditure<br>£000              | Income<br>£000  | Net<br>£000    | Expenditure<br>£000        | Income<br>£000  | Net<br>£000    |
| People                                      | 362,617                       | -211,014        | 151,603        | 369,192                          | -214,179        | 155,013        | 365,723                    | -212,080        | 153,643        |
| Place                                       | 40,347                        | -17,889         | 22,458         | 39,707                           | -18,539         | 21,168         | 38,527                     | -19,079         | 19,448         |
| Corporate                                   | 187,565                       | -112,871        | 74,694         | 185,305                          | -112,821        | 72,484         | 184,695                    | -112,821        | 71,874         |
| <b>Base Budget</b>                          | <b>590,529</b>                | <b>-341,774</b> | <b>248,755</b> | <b>594,204</b>                   | <b>-345,539</b> | <b>248,665</b> | <b>588,945</b>             | <b>-343,980</b> | <b>244,965</b> |
|                                             | Changes to Budget Requirement |                 |                |                                  |                 |                |                            |                 |                |
| People                                      | 6,575                         | -3,165          | 3,410          | -3,469                           | 2,099           | -1,370         | -2,566                     | 2,326           | -240           |
| Place                                       | -640                          | -650            | -1,290         | -1,180                           | -540            | -1,720         | -770                       | -310            | -1,080         |
| Corporate                                   | -2,260                        | 50              | -2,210         | -610                             | 0               | -610           | 460                        | 0               | 460            |
| <b>Financial Impact of Policy Proposals</b> | <b>3,675</b>                  | <b>-3,765</b>   | <b>-90</b>     | <b>-5,259</b>                    | <b>1,559</b>    | <b>-3,700</b>  | <b>-2,876</b>              | <b>2,016</b>    | <b>-860</b>    |
| <b>Total Cost of Service</b>                | <b>594,204</b>                | <b>-345,539</b> | <b>248,665</b> | <b>588,945</b>                   | <b>-343,980</b> | <b>244,965</b> | <b>586,069</b>             | <b>-341,964</b> | <b>244,105</b> |



## Executive Director Summary: People

## REVENUE

|                                                              | 2017/18 Budget Calculation       |                 |                | 2018/19 Budget Calculation       |                 |                | 2019/20 Budget Calculation       |                 |                |
|--------------------------------------------------------------|----------------------------------|-----------------|----------------|----------------------------------|-----------------|----------------|----------------------------------|-----------------|----------------|
|                                                              | Previous Balance Brought Forward |                 |                | Previous Balance Brought Forward |                 |                | Previous Balance Brought Forward |                 |                |
|                                                              | Expenditure<br>£000              | Income<br>£000  | Net<br>£000    | Expenditure<br>£000              | Income<br>£000  | Net<br>£000    | Expenditure<br>£000              | Income<br>£000  | Net<br>£000    |
| Schools                                                      | 153,273                          | -153,273        | 0              | 156,113                          | -156,113        | 0              | 154,352                          | -154,352        | 0              |
| Directorate                                                  | 11,122                           | -1,100          | 10,022         | 10,262                           | -1,000          | 9,262          | 10,362                           | -1,000          | 9,362          |
| Strategic Director Adult Social Care, Health and Communities | 151,824                          | -53,634         | 98,190         | 155,019                          | -53,889         | 101,130        | 153,591                          | -53,551         | 100,040        |
| Children's Social Care                                       | 33,289                           | -1,586          | 31,703         | 35,029                           | -1,696          | 33,333         | 34,649                           | -1,696          | 32,953         |
| Education and 14-19 Skills                                   | 3,411                            | -1,027          | 2,384          | 3,271                            | -1,067          | 2,204          | 3,271                            | -1,067          | 2,204          |
| Children's Prevention and Support                            | 9,698                            | -394            | 9,304          | 9,498                            | -414            | 9,084          | 9,498                            | -414            | 9,084          |
| <b>Base Budget</b>                                           | <b>362,617</b>                   | <b>-211,014</b> | <b>151,603</b> | <b>369,192</b>                   | <b>-214,179</b> | <b>155,013</b> | <b>365,723</b>                   | <b>-212,080</b> | <b>153,643</b> |
|                                                              | Changes to Budget Requirement    |                 |                | Changes to Budget Requirement    |                 |                | Changes to Budget Requirement    |                 |                |
| Schools                                                      | 2,840                            | -2,840          | 0              | -1,761                           | 1,761           | 0              | -2,000                           | 2,000           | 0              |
| Directorate                                                  | -860                             | 100             | -760           | 100                              | 0               | 100            | 1,350                            | 0               | 1,350          |
| Strategic Director Adult Social Care, Health and Communities | 3,195                            | -255            | 2,940          | -1,428                           | 338             | -1,090         | -1,916                           | 326             | -1,590         |
| Children's Social Care                                       | 1,740                            | -110            | 1,630          | -380                             | 0               | -380           | 0                                | 0               | 0              |
| Education and 14-19 Skills                                   | -140                             | -40             | -180           | 0                                | 0               | 0              | 0                                | 0               | 0              |
| Children's Prevention and Support                            | -200                             | -20             | -220           | 0                                | 0               | 0              | 0                                | 0               | 0              |
| <b>Financial Impact of Policy Proposals</b>                  | <b>6,575</b>                     | <b>-3,165</b>   | <b>3,410</b>   | <b>-3,469</b>                    | <b>2,099</b>    | <b>-1,370</b>  | <b>-2,566</b>                    | <b>2,326</b>    | <b>-240</b>    |
| <b>Total Cost of Service</b>                                 | <b>369,192</b>                   | <b>-214,179</b> | <b>155,013</b> | <b>365,723</b>                   | <b>-212,080</b> | <b>153,643</b> | <b>363,157</b>                   | <b>-209,754</b> | <b>153,403</b> |



# Schools: Grant Funded Expenditure (Memorandum Page)

## REVENUE

|                                                                                 |           | 2017/18 Budget Calculation    |                |                | 2018/19 Budget Calculation       |                |                | 2019/20 Budget Calculation |                |                |
|---------------------------------------------------------------------------------|-----------|-------------------------------|----------------|----------------|----------------------------------|----------------|----------------|----------------------------|----------------|----------------|
|                                                                                 |           |                               |                |                | Previous Balance Brought Forward |                |                |                            |                |                |
| Outcome                                                                         | Reference | Expenditure<br>£000           | Income<br>£000 | Net<br>£000    | Expenditure<br>£000              | Income<br>£000 | Net<br>£000    | Expenditure<br>£000        | Income<br>£000 | Net<br>£000    |
| Dedicated Schools Grant (DSG) Allocation before Academy School Block recoupment | 3         | 246,241                       |                | 246,241        | 255,016                          |                | 255,016        | 255,373                    |                | 255,373        |
| Academy Schools Block Recoupment                                                | 3         | -106,489                      |                | -106,489       | -112,470                         |                | -112,470       | -114,470                   |                | -114,470       |
| Pupil Premium Grant (maintained schools only)                                   | 3         | 4,366                         |                | 4,366          | 4,366                            |                | 4,366          | 4,366                      |                | 4,366          |
| Pupil Premium Plus (maintained schools only)                                    | 3         | 964                           |                | 964            | 964                              |                | 964            | 964                        |                | 964            |
| Sixth Form Funding (maintained schools only)                                    | 3         | 4,115                         |                | 4,115          | 4,115                            |                | 4,115          | 4,115                      |                | 4,115          |
| Physical Education Grant                                                        | 3         | 774                           |                | 774            | 774                              |                | 774            | 774                        |                | 774            |
| Universal Infant Free School Meals                                              | 3         | 2,940                         |                | 2,940          | 2,940                            |                | 2,940          | 2,940                      |                | 2,940          |
| School Improvement Monitoring and Brokering Grant                               | 3         |                               |                | 0              | 169                              |                | 169            | 290                        |                | 290            |
| SEND Implementation Grant                                                       | 3         | 215                           |                | 215            | 239                              |                | 239            |                            |                | 0              |
| High Needs Strategic Planning Fund                                              |           | 147                           |                | 147            |                                  |                | 0              |                            |                | 0              |
| <b>DSG and Specific Grants Budget</b>                                           |           | <b>153,273</b>                | <b>0</b>       | <b>153,273</b> | <b>156,113</b>                   | <b>0</b>       | <b>156,113</b> | <b>154,352</b>             | <b>0</b>       | <b>154,352</b> |
|                                                                                 |           | Changes to Budget Requirement |                |                |                                  |                |                |                            |                |                |
| DSG Growth - Schools Block                                                      | 3         | 8,991                         |                | 8,991          | -4,653                           |                | -4,653         |                            |                | 0              |
| DSG Growth - New Central Schools Block                                          | 3         |                               |                | 0              | 2,901                            |                | 2,901          |                            |                | 0              |
| DSG Growth - Early Years Block 3-4 Year Old's                                   | 3         | 263                           |                | 263            |                                  |                | 0              |                            |                | 0              |
| DSG Growth - Early Years Block Additional 15 hours                              | 3         | 2,953                         |                | 2,953          | 2,109                            |                | 2,109          |                            |                | 0              |
| DSG Reduction - Early Years Block Pupil Premium                                 | 3         | -92                           |                | -92            |                                  |                | 0              |                            |                | 0              |
| DSG Growth - Early Years Block 2 Year Old's                                     | 3         | 188                           |                | 188            |                                  |                | 0              |                            |                | 0              |
| DSG Growth - Early Years Block Disability Access Fund                           | 3         | 62                            |                | 62             |                                  |                | 0              |                            |                | 0              |
| DSG Growth - High Needs Block                                                   | 3         | -2,450                        |                | -2,450         |                                  |                | 0              |                            |                | 0              |
| ESG Retained Duties funded through DSG                                          | 3         | 773                           |                | 773            |                                  |                | 0              |                            |                | 0              |
| High Needs Place deductions (movement)                                          | 3         | -1,846                        |                | -1,846         |                                  |                | 0              |                            |                | 0              |
| In Year Academy Conversions                                                     | 3         | -6,048                        |                | -6,048         | -2,000                           |                | -2,000         | -2,000                     |                | -2,000         |
| SEND Implementation Grant                                                       | 3         | 24                            |                | 24             | -239                             |                | -239           |                            |                | 0              |
| High Needs Strategic Planning Fund                                              | 3         | -147                          |                | -147           |                                  |                | 0              |                            |                | 0              |
| School Improvement Grant                                                        | 3         | 169                           |                | 169            | 121                              |                | 121            |                            |                | 0              |
| <b>Financial Impact of Policy Proposals</b>                                     |           | <b>2,840</b>                  | <b>0</b>       | <b>2,840</b>   | <b>-1,761</b>                    | <b>0</b>       | <b>-1,761</b>  | <b>-2,000</b>              | <b>0</b>       | <b>-2,000</b>  |
| <b>Total Cost of Service</b>                                                    |           | <b>156,113</b>                | <b>0</b>       | <b>156,113</b> | <b>154,352</b>                   | <b>0</b>       | <b>154,352</b> | <b>152,352</b>             | <b>0</b>       | <b>152,352</b> |



# People Directorate

# REVENUE

|                                                                                     |                   | 2017/18 Budget Calculation       |             |          | 2018/19 Budget Calculation    |             |          | 2019/20 Budget Calculation |             |          |        |
|-------------------------------------------------------------------------------------|-------------------|----------------------------------|-------------|----------|-------------------------------|-------------|----------|----------------------------|-------------|----------|--------|
|                                                                                     |                   | Previous Balance Brought Forward |             |          |                               |             |          |                            |             |          |        |
|                                                                                     | Outcome Reference | Expenditure £000                 | Income £000 | Net £000 | Expenditure £000              | Income £000 | Net £000 | Expenditure £000           | Income £000 | Net £000 |        |
| Directorate - Children and Families                                                 |                   | 3 / 5                            | 1,680       | -1,100   | 580                           | 2,380       | -1,000   | 1,380                      | 1,380       | -1,000   | 380    |
| Directorate - Communities                                                           |                   | 1                                | 139         |          | 139                           | 139         |          | 139                        |             |          | 139    |
| Directorate - Client Commissioning: Transport                                       |                   | 3                                | 9,303       |          | 9,303                         | 8,913       |          | 8,913                      | 8,503       |          | 8,503  |
| Directorate - Cross Cutting                                                         |                   | 1 / 3 / 5                        | 0           |          | 0                             | -1,170      |          | -1,170                     | 340         |          | 340    |
| Base Budget                                                                         |                   |                                  | 11,122      | -1,100   | 10,022                        | 10,262      | -1,000   | 9,262                      | 10,362      | -1,000   | 9,362  |
|                                                                                     |                   |                                  |             |          | Changes to Budget Requirement |             |          |                            |             |          |        |
| Directorate - Children and Families:                                                |                   |                                  |             |          |                               |             |          |                            |             |          |        |
| Complex Dependency Programme                                                        |                   | 3 / 5                            |             | 100      | 100                           |             | 0        |                            |             | 0        |        |
| End of Early Intervention short term funding allocation (non Public Health element) |                   | 3 / 5                            |             |          | 0                             | -1,000      | -1,000   |                            |             | 0        |        |
| Cared for Children and Care Leavers                                                 |                   | 3 / 5                            | 700         |          | 700                           |             | 0        |                            |             | 0        |        |
| Transport policy review                                                             |                   | 3                                | -390        |          | -390                          | -410        | -410     | -160                       |             | -160     |        |
| *Cross Service Savings:                                                             |                   |                                  |             |          |                               |             |          |                            |             |          |        |
| Car Mileage                                                                         |                   | 6                                | -60         |          | -60                           |             | 0        |                            |             | 0        |        |
| Staff Travel                                                                        |                   | 6                                | -90         |          | -90                           |             | 0        |                            |             | 0        |        |
| Post and Print                                                                      |                   | 6                                | -70         |          | -70                           |             | 0        |                            |             | 0        |        |
| Productivity                                                                        |                   | 6                                | -2,100      |          | -2,100                        |             | 0        |                            |             | 0        |        |
| Contracts                                                                           |                   | 6                                | -560        |          | -560                          |             | 0        |                            |             | 0        |        |
| Pay and Pensions                                                                    |                   | 6                                | 1,510       |          | 1,510                         | 1,510       | 1,510    | 1,510                      |             | 1,510    |        |
| Apprenticeship Levy                                                                 |                   | 6                                | 200         |          | 200                           |             | 0        |                            |             | 0        |        |
| Financial Impact of Policy Proposals                                                |                   |                                  | -860        | 100      | -760                          | 100         | 0        | 100                        | 1,350       | 0        | 1,350  |
| Total Cost of Service                                                               |                   |                                  | 10,262      | -1,000   | 9,262                         | 10,362      | -1,000   | 9,362                      | 11,712      | -1,000   | 10,712 |

\* To be allocated out over People services



# Strategic Director Adult Social Care, Health and Communities Summary

## REVENUE

|                                             |           | 2017/18 Budget Calculation       |                |                | 2018/19 Budget Calculation |                |                | 2019/20 Budget Calculation |                |                |
|---------------------------------------------|-----------|----------------------------------|----------------|----------------|----------------------------|----------------|----------------|----------------------------|----------------|----------------|
|                                             |           | Previous Balance Brought Forward |                |                |                            |                |                |                            |                |                |
| Outcome                                     | Reference | Expenditure<br>£000              | Income<br>£000 | Net<br>£000    | Expenditure<br>£000        | Income<br>£000 | Net<br>£000    | Expenditure<br>£000        | Income<br>£000 | Net<br>£000    |
| Adult Social Care - Operations              | 5         | 127,161                          | -34,774        | 92,387         | 130,851                    | -35,274        | 95,577         | 129,941                    | -35,374        | 94,567         |
| Adult Social Care - Commissioning           | 5         | 1,480                            | 0              | 1,480          | 1,480                      | 0              | 1,480          | 1,480                      | 0              | 1,480          |
| Public Health                               | 5         | 17,549                           | -17,549        | 0              | 17,124                     | -17,124        | 0              | 16,686                     | -16,686        | 0              |
| Communities                                 | 1         | 5,634                            | -1,311         | 4,323          | 5,564                      | -1,491         | 4,073          | 5,484                      | -1,491         | 3,993          |
| <b>Base Budget</b>                          |           | <b>151,824</b>                   | <b>-53,634</b> | <b>98,190</b>  | <b>155,019</b>             | <b>-53,889</b> | <b>101,130</b> | <b>153,591</b>             | <b>-53,551</b> | <b>100,040</b> |
|                                             |           | Changes to Budget Requirement    |                |                |                            |                |                |                            |                |                |
| Adult Social Care - Operations              | 5         | 3,690                            | -500           | 3,190          | -910                       | -100           | -1,010         | -1,490                     | -100           | -1,590         |
| Adult Social Care - Commissioning           | 5         | 0                                | 0              | 0              | 0                          | 0              | 0              | 0                          | 0              | 0              |
| Public Health                               | 5         | -425                             | 425            | 0              | -438                       | 438            | 0              | -426                       | 426            | 0              |
| Communities                                 | 1         | -70                              | -180           | -250           | -80                        | 0              | -80            | 0                          | 0              | 0              |
| <b>Financial Impact of Policy Proposals</b> |           | <b>3,195</b>                     | <b>-255</b>    | <b>2,940</b>   | <b>-1,428</b>              | <b>338</b>     | <b>-1,090</b>  | <b>-1,916</b>              | <b>326</b>     | <b>-1,590</b>  |
| <b>Total Cost of Service</b>                |           | <b>155,019</b>                   | <b>-53,889</b> | <b>101,130</b> | <b>153,591</b>             | <b>-53,551</b> | <b>100,040</b> | <b>151,675</b>             | <b>-53,225</b> | <b>98,450</b>  |



# Adult Social Care - Operations and Commissioning

# REVENUE

| 2017/18 Budget Calculation                                                     |                   |                                  |             |          | 2018/19 Budget Calculation |             |          | 2019/20 Budget Calculation |             |          |
|--------------------------------------------------------------------------------|-------------------|----------------------------------|-------------|----------|----------------------------|-------------|----------|----------------------------|-------------|----------|
|                                                                                |                   | Previous Balance Brought Forward |             |          |                            |             |          |                            |             |          |
|                                                                                | Outcome Reference | Expenditure £000                 | Income £000 | Net £000 | Expenditure £000           | Income £000 | Net £000 | Expenditure £000           | Income £000 | Net £000 |
| Adult Social Care                                                              | 5                 | 13,888                           | -418        | 13,470   | 13,598                     | -418        | 13,180   | 13,698                     | -418        | 13,280   |
| Adults Comissioning                                                            | 5                 | 1,480                            | 0           | 1,480    | 1,480                      | 0           | 1,480    | 1,480                      | 0           | 1,480    |
| Care packages                                                                  | 5                 | 81,095                           | -19,837     | 61,258   | 86,275                     | -20,337     | 65,938   | 86,765                     | -20,437     | 66,328   |
| Care4CE (Internal Care Provision)                                              | 5                 | 17,422                           | -1,500      | 15,922   | 16,222                     | -1,500      | 14,722   | 14,722                     | -1,500      | 13,222   |
| Prevention                                                                     | 5                 | 11,050                           | -5,879      | 5,171    | 11,050                     | -5,879      | 5,171    | 11,050                     | -5,879      | 5,171    |
| Better Care Fund                                                               | 5                 | 2,595                            | -7,140      | -4,545   | 2,595                      | -7,140      | -4,545   | 2,595                      | -7,140      | -4,545   |
| Care Act Funding                                                               | 5                 | 1,111                            | 0           | 1,111    | 1,111                      | 0           | 1,111    | 1,111                      | 0           | 1,111    |
|                                                                                |                   |                                  |             | 0        | 0                          | 0           | 0        | 0                          | 0           | 0        |
|                                                                                |                   |                                  |             | 0        | 0                          | 0           | 0        | 0                          | 0           | 0        |
| Base Budget                                                                    |                   | 128,641                          | -34,774     | 93,867   | 132,331                    | -35,274     | 97,057   | 131,421                    | -35,374     | 96,047   |
|                                                                                |                   | Changes to Budget Requirement    |             |          |                            |             |          |                            |             |          |
|                                                                                |                   |                                  |             | 0        |                            |             | 0        |                            |             | 0        |
| Deprivation of Liberty Safeguards                                              | 5                 | -190                             |             | -190     |                            |             | 0        |                            |             | 0        |
| Commissioning all services currently provided by our in-house provider Care4CE | 5                 | -1,200                           |             | -1,200   | -1,500                     |             | -1,500   | -1,500                     |             | -1,500   |
| Increase Income                                                                | 5                 |                                  | -500        | -500     |                            | -100        | -100     |                            | -100        | -100     |
| Operational Pathway Redesign                                                   | 5                 | -940                             |             | -940     | -440                       |             | -440     |                            |             | 0        |
| Growing Demand in Adult Social Care                                            | 5                 | 6,700                            |             | 6,700    | 960                        |             | 960      | 40                         |             | 40       |
| Reducing Agency Spend                                                          | 5                 | -100                             |             | -100     | 100                        |             | 100      |                            |             | 0        |
| Commissioning Ideas                                                            | 5                 | -550                             |             | -550     |                            |             | 0        |                            |             | 0        |
| Independent Living Fund - Attrition Factor Reductions                          | 5                 | -30                              |             | -30      | -30                        |             | -30      | -30                        |             | -30      |
|                                                                                |                   |                                  |             | 0        |                            |             | 0        |                            |             | 0        |
|                                                                                |                   |                                  |             | 0        |                            |             | 0        |                            |             | 0        |
|                                                                                |                   |                                  |             | 0        |                            |             | 0        |                            |             | 0        |
| Financial Impact of Policy Proposals                                           |                   | 3,690                            | -500        | 3,190    | -910                       | -100        | -1,010   | -1,490                     | -100        | -1,590   |
| Total Cost of Service                                                          |                   | 132,331                          | -35,274     | 97,057   | 131,421                    | -35,374     | 96,047   | 129,931                    | -35,474     | 94,457   |



# Public Health

# REVENUE

|                                      |   | 2017/18 Budget Calculation       |         |      | 2018/19 Budget Calculation |         |      | 2019/20 Budget Calculation |         |      |
|--------------------------------------|---|----------------------------------|---------|------|----------------------------|---------|------|----------------------------|---------|------|
|                                      |   | Previous Balance Brought Forward |         |      |                            |         |      |                            |         |      |
| Outcome Reference                    |   | Expenditure                      | Income  | Net  | Expenditure                | Income  | Net  | Expenditure                | Income  | Net  |
|                                      |   | £000                             | £000    | £000 | £000                       | £000    | £000 | £000                       | £000    | £000 |
| Public Health                        | 5 | 17,549                           | -17,549 | 0    | 17,124                     | -17,124 | 0    | 16,686                     | -16,686 | 0    |
| Base Budget                          |   | 17,549                           | -17,549 | 0    | 17,124                     | -17,124 | 0    | 16,686                     | -16,686 | 0    |
|                                      |   | Changes to Budget Requirement    |         |      |                            |         |      |                            |         |      |
| Reduction in Grant funding           |   | -425                             | 425     | 0    | -438                       | 438     | 0    | -426                       | 426     | 0    |
| Financial Impact of Policy Proposals |   | -425                             | 425     | 0    | -438                       | 438     | 0    | -426                       | 426     | 0    |
| Total Cost of Service                |   | 17,124                           | -17,124 | 0    | 16,686                     | -16,686 | 0    | 16,260                     | -16,260 | 0    |



# Communities

# REVENUE

|                                                                                                                                    |   | 2017/18 Budget Calculation       |                |              | 2018/19 Budget Calculation |                |              | 2019/20 Budget Calculation |                |              |
|------------------------------------------------------------------------------------------------------------------------------------|---|----------------------------------|----------------|--------------|----------------------------|----------------|--------------|----------------------------|----------------|--------------|
|                                                                                                                                    |   | Previous Balance Brought Forward |                |              |                            |                |              |                            |                |              |
| Outcome Reference                                                                                                                  |   | Expenditure<br>£000              | Income<br>£000 | Net<br>£000  | Expenditure<br>£000        | Income<br>£000 | Net<br>£000  | Expenditure<br>£000        | Income<br>£000 | Net<br>£000  |
| Regulatory Services and Health                                                                                                     | 1 | 2,562                            | -970           | 1,592        | 2,552                      | -1,150         | 1,402        | 2,552                      | -1,150         | 1,402        |
| Partnerships and Communities                                                                                                       | 1 | 3,072                            | -341           | 2,731        | 3,012                      | -341           | 2,671        | 2,932                      | -341           | 2,591        |
| <b>Base Budget</b>                                                                                                                 |   | <b>5,634</b>                     | <b>-1,311</b>  | <b>4,323</b> | <b>5,564</b>               | <b>-1,491</b>  | <b>4,073</b> | <b>5,484</b>               | <b>-1,491</b>  | <b>3,993</b> |
|                                                                                                                                    |   | Changes to Budget Requirement    |                |              |                            |                |              |                            |                |              |
| Public Health Funding for specialist environmental health team                                                                     | 1 |                                  | -180           | -180         |                            |                | 0            |                            |                | 0            |
| Cessation of the Regulatory Services Out of Hours Service                                                                          | 1 | -10                              |                | -10          |                            |                | 0            |                            |                | 0            |
| Council Tax Support Grant as agreed                                                                                                | 1 | -150                             |                | -150         |                            |                | 0            |                            |                | 0            |
| Review Environmental Enforcement Service based on outcomes (Summer 17) of Flytipping pilot and procurement of patrol company pilot | 1 |                                  |                | 0            | -120                       |                | -120         |                            |                | 0            |
| Transfer of CEC managed community centres to local management arrangements                                                         | 1 | -20                              |                | -20          |                            |                | 0            |                            |                | 0            |
| CCTV Fibres                                                                                                                        | 1 | 30                               |                | 30           |                            |                | 0            |                            |                | 0            |
| GTLO Court Costs                                                                                                                   | 1 | 20                               |                | 20           |                            |                | 0            |                            |                | 0            |
| Increase Community Grants                                                                                                          | 1 | 60                               |                | 60           | 40                         |                | 40           |                            |                | 0            |
| <b>Financial Impact of Policy Proposals</b>                                                                                        |   | <b>-70</b>                       | <b>-180</b>    | <b>-250</b>  | <b>-80</b>                 | <b>0</b>       | <b>-80</b>   | <b>0</b>                   | <b>0</b>       | <b>0</b>     |
| <b>Total Cost of Service</b>                                                                                                       |   | <b>5,564</b>                     | <b>-1,491</b>  | <b>4,073</b> | <b>5,484</b>               | <b>-1,491</b>  | <b>3,993</b> | <b>5,484</b>               | <b>-1,491</b>  | <b>3,993</b> |



# Children's Social Care

# REVENUE

|                                                                                                                                             |   | 2017/18 Budget Calculation       |               |               | 2018/19 Budget Calculation |               |               | 2019/20 Budget Calculation |               |               |
|---------------------------------------------------------------------------------------------------------------------------------------------|---|----------------------------------|---------------|---------------|----------------------------|---------------|---------------|----------------------------|---------------|---------------|
|                                                                                                                                             |   | Previous Balance Brought Forward |               |               |                            |               |               |                            |               |               |
| Outcome Reference                                                                                                                           |   | Expenditure £000                 | Income £000   | Net £000      | Expenditure £000           | Income £000   | Net £000      | Expenditure £000           | Income £000   | Net £000      |
| Social Care - Cared for Children                                                                                                            | 5 | 22,265                           | -1,116        | 21,149        | 24,205                     | -1,226        | 22,979        | 23,875                     | -1,226        | 22,649        |
| Social Care - Child Protection / Children in Need                                                                                           | 5 | 5,523                            |               | 5,523         | 5,523                      |               | 5,523         | 5,523                      |               | 5,523         |
| Safeguarding incl Domestic Abuse                                                                                                            | 5 | 3,291                            | -470          | 2,821         | 3,241                      | -470          | 2,771         | 3,241                      | -470          | 2,771         |
| Children's Commissioning                                                                                                                    | 5 | 1,578                            |               | 1,578         | 1,428                      |               | 1,428         | 1,378                      |               | 1,378         |
| Head of Service                                                                                                                             | 5 | 632                              |               | 632           | 632                        |               | 632           | 632                        |               | 632           |
| <b>Base Budget</b>                                                                                                                          |   | <b>33,289</b>                    | <b>-1,586</b> | <b>31,703</b> | <b>35,029</b>              | <b>-1,696</b> | <b>33,333</b> | <b>34,649</b>              | <b>-1,696</b> | <b>32,953</b> |
|                                                                                                                                             |   | Changes to Budget Requirement    |               |               |                            |               |               |                            |               |               |
| <b>Social Care</b>                                                                                                                          |   |                                  |               |               |                            |               |               |                            |               |               |
| Sub-regional collaborations                                                                                                                 | 3 | -100                             |               | -100          | -130                       |               | -130          |                            |               | 0             |
| Redesign of short break provision for children with disabilities                                                                            | 3 | -100                             |               | -100          | -200                       |               | -200          |                            |               | 0             |
| Housing related accommodation and support facilities                                                                                        | 5 | 80                               |               | 80            |                            |               | 0             |                            |               | 0             |
| Cared for Children & Care Leavers                                                                                                           | 5 | 2,100                            |               | 2,100         |                            |               | 0             |                            |               | 0             |
| Realignment of Children's Services funding streams and review of policy around charges and exemptions in relation to Children's Social Care | 5 | -40                              | -110          | -150          |                            |               | 0             |                            |               | 0             |
| <b>Safeguarding</b>                                                                                                                         |   |                                  |               |               |                            |               | 0             |                            |               | 0             |
| Sub-regional collaborations or efficiency                                                                                                   | 5 | -50                              |               | -50           |                            |               | 0             |                            |               | 0             |
| <b>Children's Commissioning</b>                                                                                                             |   |                                  |               |               |                            |               |               |                            |               |               |
| Creating efficiencies in Children's Commissioned Services                                                                                   | 3 | -150                             |               | -150          | -50                        |               | -50           |                            |               | 0             |
| <b>Financial Impact of Policy Proposals</b>                                                                                                 |   | <b>1,740</b>                     | <b>-110</b>   | <b>1,630</b>  | <b>-380</b>                | <b>0</b>      | <b>-380</b>   | <b>0</b>                   | <b>0</b>      | <b>0</b>      |
| <b>Total Cost of Service</b>                                                                                                                |   | <b>35,029</b>                    | <b>-1,696</b> | <b>33,333</b> | <b>34,649</b>              | <b>-1,696</b> | <b>32,953</b> | <b>34,649</b>              | <b>-1,696</b> | <b>32,953</b> |



# Education and 14-19 Skills

# REVENUE

|                                                                                                                                             |           | 2017/18 Budget Calculation       |                |              | 2018/19 Budget Calculation |                |              | 2019/20 Budget Calculation |                |              |
|---------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------------------------|----------------|--------------|----------------------------|----------------|--------------|----------------------------|----------------|--------------|
|                                                                                                                                             |           | Previous Balance Brought Forward |                |              |                            |                |              |                            |                |              |
| Outcome                                                                                                                                     | Reference | Expenditure<br>£000              | Income<br>£000 | Net<br>£000  | Expenditure<br>£000        | Income<br>£000 | Net<br>£000  | Expenditure<br>£000        | Income<br>£000 | Net<br>£000  |
| Head of Service and Legacy Pension Costs                                                                                                    | 3         | 2,193                            |                | 2,193        | 2,193                      | -40            | 2,153        | 2,193                      | -40            | 2,153        |
| Education Participation and Pupil Support                                                                                                   | 3         | 640                              | -51            | 589          | 500                        | -51            | 449          | 500                        | -51            | 449          |
| Education Infrastructure & Outcomes                                                                                                         | 3         | 578                              | -976           | -398         | 578                        | -976           | -398         | 578                        | -976           | -398         |
| <b>Base Budget</b>                                                                                                                          |           | <b>3,411</b>                     | <b>-1,027</b>  | <b>2,384</b> | <b>3,271</b>               | <b>-1,067</b>  | <b>2,204</b> | <b>3,271</b>               | <b>-1,067</b>  | <b>2,204</b> |
|                                                                                                                                             |           | Changes to Budget Requirement    |                |              |                            |                |              |                            |                |              |
| Realignment of Children's Services funding streams and review of policy around charges and exemptions in relation to Children's Social Care | 3         | -110                             | -40            | -150         |                            |                | 0            |                            |                | 0            |
| Redesign of service provision for children with disabilities                                                                                | 3         | -30                              |                | -30          |                            |                | 0            |                            |                | 0            |
| <b>Financial Impact of Policy Proposals</b>                                                                                                 |           | <b>-140</b>                      | <b>-40</b>     | <b>-180</b>  | <b>0</b>                   | <b>0</b>       | <b>0</b>     | <b>0</b>                   | <b>0</b>       | <b>0</b>     |
| <b>Total Cost of Service</b>                                                                                                                |           | <b>3,271</b>                     | <b>-1,067</b>  | <b>2,204</b> | <b>3,271</b>               | <b>-1,067</b>  | <b>2,204</b> | <b>3,271</b>               | <b>-1,067</b>  | <b>2,204</b> |



# Children's Prevention and Support

## REVENUE

|                                                |           | 2017/18 Budget Calculation       |                |              | 2018/19 Budget Calculation |                |              | 2019/20 Budget Calculation |                |              |
|------------------------------------------------|-----------|----------------------------------|----------------|--------------|----------------------------|----------------|--------------|----------------------------|----------------|--------------|
|                                                |           | Previous Balance Brought Forward |                |              |                            |                |              |                            |                |              |
| Outcome                                        | Reference | Expenditure<br>£000              | Income<br>£000 | Net<br>£000  | Expenditure<br>£000        | Income<br>£000 | Net<br>£000  | Expenditure<br>£000        | Income<br>£000 | Net<br>£000  |
| Early Intervention and Prevention              | 3         | 7,514                            | -81            | 7,433        | 7,464                      | -101           | 7,363        | 7,464                      | -101           | 7,363        |
| Youth Engagement Service                       | 3         | 1,135                            | -63            | 1,072        | 1,045                      | -63            | 982          | 1,045                      | -63            | 982          |
| Children's Development and Partnerships        | 3 / 5     | 299                              | -250           | 49           | 239                        | -250           | -11          | 239                        | -250           | -11          |
| SEND / Education Psychologists                 | 3         | 750                              | 0              | 750          | 750                        | 0              | 750          | 750                        | 0              | 750          |
| <b>Base Budget</b>                             |           | <b>9,698</b>                     | <b>-394</b>    | <b>9,304</b> | <b>9,498</b>               | <b>-414</b>    | <b>9,084</b> | <b>9,498</b>               | <b>-414</b>    | <b>9,084</b> |
|                                                |           | Changes to Budget Requirement    |                |              |                            |                |              |                            |                |              |
| <b>Early Intervention and Prevention</b>       |           |                                  |                |              |                            |                |              |                            |                |              |
| Early Help and Prevention Management Review    | 3         | -50                              | -20            | -70          |                            |                | 0            |                            |                | 0            |
| <b>Youth Engagement Service</b>                |           |                                  |                |              |                            |                |              |                            |                |              |
| Early Help and Prevention Management Review    | 3         | -90                              |                | -90          |                            |                | 0            |                            |                | 0            |
| <b>Children's Development and Partnerships</b> |           |                                  |                |              |                            |                |              |                            |                |              |
| Sub-regional collaborations                    | 3         | -60                              |                | -60          |                            |                | 0            |                            |                | 0            |
| <b>Financial Impact of Policy Proposals</b>    |           | <b>-200</b>                      | <b>-20</b>     | <b>-220</b>  | <b>0</b>                   | <b>0</b>       | <b>0</b>     | <b>0</b>                   | <b>0</b>       | <b>0</b>     |
| <b>Total Cost of Service</b>                   |           | <b>9,498</b>                     | <b>-414</b>    | <b>9,084</b> | <b>9,498</b>               | <b>-414</b>    | <b>9,084</b> | <b>9,498</b>               | <b>-414</b>    | <b>9,084</b> |



# Executive Director Summary: Place

## REVENUE

|                                      | 2017/18 Budget Calculation       |         |        | 2018/19 Budget Calculation |         |        | 2019/20 Budget Calculation |         |        |
|--------------------------------------|----------------------------------|---------|--------|----------------------------|---------|--------|----------------------------|---------|--------|
|                                      | Previous Balance Brought Forward |         |        |                            |         |        |                            |         |        |
|                                      | Expenditure                      | Income  | Net    | Expenditure                | Income  | Net    | Expenditure                | Income  | Net    |
|                                      | £000                             | £000    | £000   | £000                       | £000    | £000   | £000                       | £000    | £000   |
| Directorate                          | 365                              | 0       | 365    | -1,995                     | 0       | -1,995 | -1,535                     | 0       | -1,535 |
| Planning and Sustainable Development | 5,482                            | -5,074  | 408    | 6,582                      | -5,074  | 1,508  | 6,802                      | -5,074  | 1,728  |
| Infrastructure and Highways          | 17,713                           | -4,678  | 13,035 | 18,843                     | -5,098  | 13,745 | 17,213                     | -5,098  | 12,115 |
| Growth and Regeneration              | 9,252                            | -3,347  | 5,905  | 8,892                      | -3,647  | 5,245  | 8,692                      | -4,147  | 4,545  |
| Rural and Green Infrastructure       | 7,535                            | -4,790  | 2,745  | 7,385                      | -4,720  | 2,665  | 7,355                      | -4,760  | 2,595  |
| Base Budget                          | 40,347                           | -17,889 | 22,458 | 39,707                     | -18,539 | 21,168 | 38,527                     | -19,079 | 19,448 |
|                                      | Changes to Budget Requirement    |         |        |                            |         |        |                            |         |        |
| Directorate                          | -2,360                           | 0       | -2,360 | 460                        | 0       | 460    | 460                        | 0       | 460    |
| Planning and Sustainable Development | 1,100                            | 0       | 1,100  | 220                        | 0       | 220    | -1,000                     | 0       | -1,000 |
| Infrastructure and Highways          | 1,130                            | -420    | 710    | -1,630                     | 0       | -1,630 | -50                        | 0       | -50    |
| Growth and Regeneration              | -360                             | -300    | -660   | -200                       | -500    | -700   | -100                       | -250    | -350   |
| Rural and Green Infrastructure       | -150                             | 70      | -80    | -30                        | -40     | -70    | -80                        | -60     | -140   |
| Financial Impact of Policy Proposals | -640                             | -650    | -1,290 | -1,180                     | -540    | -1,720 | -770                       | -310    | -1,080 |
| Total Cost of Service                | 39,707                           | -18,539 | 21,168 | 38,527                     | -19,079 | 19,448 | 37,757                     | -19,389 | 18,368 |



## Place Directorate

## REVENUE

|                                             |           |  | 2017/18 Budget Calculation    |                |               | 2018/19 Budget Calculation       |                |               | 2019/20 Budget Calculation |                |               |
|---------------------------------------------|-----------|--|-------------------------------|----------------|---------------|----------------------------------|----------------|---------------|----------------------------|----------------|---------------|
|                                             |           |  |                               |                |               | Previous Balance Brought Forward |                |               |                            |                |               |
| Outcome                                     | Reference |  | Expenditure<br>£000           | Income<br>£000 | Net<br>£000   | Expenditure<br>£000              | Income<br>£000 | Net<br>£000   | Expenditure<br>£000        | Income<br>£000 | Net<br>£000   |
| Directorate                                 | 2         |  | 365                           |                | 365           | 365                              |                | 365           | 365                        |                | 365           |
| Directorate - Cross Cutting                 | 2 / 4     |  | 0                             |                | 0             | -2,360                           |                | -2,360        | -1,900                     |                | -1,900        |
| <b>Base Budget</b>                          |           |  | <b>365</b>                    | <b>0</b>       | <b>365</b>    | <b>-1,995</b>                    | <b>0</b>       | <b>-1,995</b> | <b>-1,535</b>              | <b>0</b>       | <b>-1,535</b> |
|                                             |           |  | Changes to Budget Requirement |                |               |                                  |                |               |                            |                |               |
| <b>*Cross Service Savings:</b>              |           |  |                               |                |               |                                  |                |               |                            |                |               |
| Car Mileage                                 | 6         |  | -10                           |                | -10           |                                  |                | 0             |                            |                | 0             |
| Staff Travel                                | 6         |  | -20                           |                | -20           |                                  |                | 0             |                            |                | 0             |
| Post and Print                              | 6         |  | -50                           |                | -50           |                                  |                | 0             |                            |                | 0             |
| Productivity                                | 6         |  | -1,500                        |                | -1,500        |                                  |                | 0             |                            |                | 0             |
| Contracts                                   | 6         |  | -1,300                        |                | -1,300        |                                  |                | 0             |                            |                | 0             |
| Pay and Pensions                            | 6         |  | 460                           |                | 460           | 460                              |                | 460           | 460                        |                | 460           |
| Apprenticeship Levy                         | 6         |  | 60                            |                | 60            |                                  |                | 0             |                            |                | 0             |
| <b>Financial Impact of Policy Proposals</b> |           |  | <b>-2,360</b>                 | <b>0</b>       | <b>-2,360</b> | <b>460</b>                       | <b>0</b>       | <b>460</b>    | <b>460</b>                 | <b>0</b>       | <b>460</b>    |
| <b>Total Cost of Service</b>                |           |  | <b>-1,995</b>                 | <b>0</b>       | <b>-1,995</b> | <b>-1,535</b>                    | <b>0</b>       | <b>-1,535</b> | <b>-1,075</b>              | <b>0</b>       | <b>-1,075</b> |

\* to be allocated out over Place services



# Planning and Sustainable Development

# REVENUE

|                                                                                  |                   | 2017/18 Budget Calculation       |                |             | 2018/19 Budget Calculation |                |             | 2019/20 Budget Calculation |                |             |        |
|----------------------------------------------------------------------------------|-------------------|----------------------------------|----------------|-------------|----------------------------|----------------|-------------|----------------------------|----------------|-------------|--------|
|                                                                                  |                   | Previous Balance Brought Forward |                |             |                            |                |             |                            |                |             |        |
|                                                                                  | Outcome Reference | Expenditure<br>£000              | Income<br>£000 | Net<br>£000 | Expenditure<br>£000        | Income<br>£000 | Net<br>£000 | Expenditure<br>£000        | Income<br>£000 | Net<br>£000 |        |
| Director of Planning and Sustainable Development                                 |                   | 4                                | 312            | 312         | 312                        | 312            | 312         | 312                        |                | 312         |        |
| Spatial Planning                                                                 |                   | 4                                | 612            | -20         | 592                        | 1,422          | -20         | 1,402                      | 1,642          | -20         | 1,622  |
| Neighbourhood Planning                                                           |                   | 4                                | 117            | -86         | 31                         | 117            | -86         | 31                         | 117            | -86         | 31     |
| Development Management                                                           |                   | 4                                | 2,650          | -3,213      | -563                       | 2,940          | -3,213      | -273                       | 2,940          | -3,213      | -273   |
| Building Control                                                                 |                   | 4                                |                | -1,755      | -1,755                     |                | -1,755      | -1,755                     |                | -1,755      | -1,755 |
| Client Commissioning - Civicance                                                 |                   | 4                                | 1,791          | 1,791       | 1,791                      | 1,791          | 1,791       | 1,791                      |                | 1,791       | 1,791  |
| Base Budget                                                                      |                   |                                  | 5,482          | -5,074      | 408                        | 6,582          | -5,074      | 1,508                      | 6,802          | -5,074      | 1,728  |
|                                                                                  |                   | Changes to Budget Requirement    |                |             |                            |                |             |                            |                |             |        |
| Planning reserve for Spatial Planning                                            |                   | 4                                | 680            | 680         | 220                        |                | 220         | -900                       |                | -900        |        |
| Planning reserve for Development Management                                      |                   | 4                                | 100            | 100         |                            |                | 0           | -100                       |                | -100        |        |
| Planning and Sustainable Development Budget Realignment (Spatial Planning)       |                   | 4                                | 130            | 130         |                            |                | 0           |                            |                | 0           |        |
| Planning and Sustainable Development Budget Realignment (Development Management) |                   | 4                                | 190            | 190         |                            |                | 0           |                            |                | 0           |        |
| Financial Impact of Policy Proposals                                             |                   |                                  | 1,100          | 0           | 1,100                      | 220            | 0           | 220                        | -1,000         | 0           | -1,000 |
| Total Cost of Service                                                            |                   |                                  | 6,582          | -5,074      | 1,508                      | 6,802          | -5,074      | 1,728                      | 5,802          | -5,074      | 728    |



| Infrastructure and Highways | REVENUE |
|-----------------------------|---------|
|-----------------------------|---------|

| Infrastructure and Highways | REVENUE |
|-----------------------------|---------|
|-----------------------------|---------|

|                                             |           | 2017/18 Budget Calculation           |                |               | 2018/19 Budget Calculation |                |               | 2019/20 Budget Calculation |                |               |
|---------------------------------------------|-----------|--------------------------------------|----------------|---------------|----------------------------|----------------|---------------|----------------------------|----------------|---------------|
|                                             |           | Previous Balance Brought Forward     |                |               |                            |                |               |                            |                |               |
| Outcome                                     | Reference | Expenditure<br>£000                  | Income<br>£000 | Net<br>£000   | Expenditure<br>£000        | Income<br>£000 | Net<br>£000   | Expenditure<br>£000        | Income<br>£000 | Net<br>£000   |
| Highways                                    | 4         | 10,963                               |                | 10,963        | 10,923                     |                | 10,923        | 10,873                     |                | 10,873        |
| Strategic Infrastructure                    | 2         | 498                                  |                | 498           | 498                        |                | 498           | 498                        |                | 498           |
| Car Parking                                 | 2         | 1,174                                | -4,678         | -3,504        | 1,494                      | -5,098         | -3,604        | 1,494                      | -5,098         | -3,604        |
| Client Commissioning - Transport            | 2         | 5,078                                |                | 5,078         | 5,928                      |                | 5,928         | 4,348                      |                | 4,348         |
| <b>Base Budget</b>                          |           | <b>17,713</b>                        | <b>-4,678</b>  | <b>13,035</b> | <b>18,843</b>              | <b>-5,098</b>  | <b>13,745</b> | <b>17,213</b>              | <b>-5,098</b>  | <b>12,115</b> |
|                                             |           | <b>Changes to Budget Requirement</b> |                |               |                            |                |               |                            |                |               |
| Increased Parking Enforcement               | 2         | 320                                  | -420           | -100          |                            |                | 0             |                            |                | 0             |
| Reduce subsidised Bus Service               | 2         |                                      |                | 0             | -1,580                     |                | -1,580        |                            |                | 0             |
| Street Lighting improvements                | 4         | -50                                  |                | -50           | -50                        |                | -50           | -50                        |                | -50           |
| Increased support re GHA coaches            | 2         | 850                                  |                | 850           |                            |                | 0             |                            |                | 0             |
| Lead Local Authority Flood Grant Funding    | 4         | 10                                   |                | 10            |                            |                | 0             |                            |                | 0             |
| <b>Financial Impact of Policy Proposals</b> |           | <b>1,130</b>                         | <b>-420</b>    | <b>710</b>    | <b>-1,630</b>              | <b>0</b>       | <b>-1,630</b> | <b>-50</b>                 | <b>0</b>       | <b>-50</b>    |
| <b>Total Cost of Service</b>                |           | <b>18,843</b>                        | <b>-5,098</b>  | <b>13,745</b> | <b>17,213</b>              | <b>-5,098</b>  | <b>12,115</b> | <b>17,163</b>              | <b>-5,098</b>  | <b>12,065</b> |



# Growth and Regeneration

# REVENUE

|                                                    |           | 2017/18 Budget Calculation       |                |             | 2018/19 Budget Calculation |                |             | 2019/20 Budget Calculation |                |             |
|----------------------------------------------------|-----------|----------------------------------|----------------|-------------|----------------------------|----------------|-------------|----------------------------|----------------|-------------|
|                                                    |           | Previous Balance Brought Forward |                |             |                            |                |             |                            |                |             |
| Outcome                                            | Reference | Expenditure<br>£000              | Income<br>£000 | Net<br>£000 | Expenditure<br>£000        | Income<br>£000 | Net<br>£000 | Expenditure<br>£000        | Income<br>£000 | Net<br>£000 |
| Assets                                             | 2         | 2,214                            | -1,993         | 221         | 2,214                      | -2,243         | -29         | 2,214                      | -2,743         | -529        |
| Regeneration                                       | 2         | 716                              | -175           | 541         | 716                        | -175           | 541         | 716                        | -175           | 541         |
| Strategic Housing                                  | 5         | 3,242                            | -482           | 2,760       | 3,202                      | -532           | 2,670       | 3,202                      | -532           | 2,670       |
| Farms                                              | 2         | 320                              | -697           | -377        | 320                        | -697           | -377        | 320                        | -697           | -377        |
| Skills and Lifelong Learning                       | 2         | 982                              |                | 982         | 862                        |                | 862         | 862                        |                | 862         |
| Client Commissioning - Skills and Growth           | 2         | 1,778                            |                | 1,778       | 1,578                      |                | 1,578       | 1,378                      |                | 1,378       |
| Base Budget                                        |           | 9,252                            | -3,347         | 5,905       | 8,892                      | -3,647         | 5,245       | 8,692                      | -4,147         | 4,545       |
|                                                    |           | Changes to Budget Requirement    |                |             |                            |                |             |                            |                |             |
| Create a new Investment Portfolio                  | 2         |                                  | -250           | -250        |                            | -500           | -500        |                            | -250           | -250        |
| Removal of one off investment Empty Homes Review   | 2         | -40                              |                | -40         |                            |                | 0           |                            |                | 0           |
| Lifelong Learning                                  | 2         | -120                             |                | -120        |                            |                | 0           |                            |                | 0           |
| Home Adaptations                                   | 5         |                                  | -50            | -50         |                            |                | 0           |                            |                | 0           |
| Removal of one off investment in Skills and Growth | 2         | -200                             |                | -200        | -200                       |                | -200        | -100                       |                | -100        |
| Financial Impact of Policy Proposals               |           | -360                             | -300           | -660        | -200                       | -500           | -700        | -100                       | -250           | -350        |
| Total Cost of Service                              |           | 8,892                            | -3,647         | 5,245       | 8,692                      | -4,147         | 4,545       | 8,592                      | -4,397         | 4,195       |



# Rural and Green Infrastructure

# REVENUE

|                                                          |   | 2017/18 Budget Calculation       |        |       | 2018/19 Budget Calculation |        |       | 2019/20 Budget Calculation |        |       |
|----------------------------------------------------------|---|----------------------------------|--------|-------|----------------------------|--------|-------|----------------------------|--------|-------|
|                                                          |   | Previous Balance Brought Forward |        |       |                            |        |       |                            |        |       |
| Outcome                                                  |   | Expenditure                      | Income | Net   | Expenditure                | Income | Net   | Expenditure                | Income | Net   |
| Reference                                                |   | £000                             | £000   | £000  | £000                       | £000   | £000  | £000                       | £000   | £000  |
| Visitor Economy                                          | 2 | 491                              | -194   | 297   | 301                        | -4     | 297   | 261                        | -4     | 257   |
| Cultural Economy                                         | 2 | 1,005                            | -74    | 931   | 975                        | -84    | 891   | 985                        | -84    | 901   |
| Tatton Park                                              | 2 | 4,590                            | -4,244 | 346   | 4,590                      | -4,284 | 306   | 4,590                      | -4,324 | 266   |
| Public Rights of Way                                     | 2 | 478                              | -83    | 395   | 548                        | -153   | 395   | 548                        | -153   | 395   |
| Countryside                                              | 2 | 971                              | -195   | 776   | 971                        | -195   | 776   | 971                        | -195   | 776   |
| Base Budget                                              |   | 7,535                            | -4,790 | 2,745 | 7,385                      | -4,720 | 2,665 | 7,355                      | -4,760 | 2,595 |
|                                                          |   | Changes to Budget Requirement    |        |       |                            |        |       |                            |        |       |
| Tatton Vision Phase 1                                    | 2 |                                  | -40    | -40   |                            | -40    | -40   |                            | -40    | -40   |
| Cheshire East Reflects                                   | 2 | -10                              |        | -10   | 20                         |        | 20    | -50                        |        | -50   |
| Reduce Archive Shared Service                            | 2 | -20                              |        | -20   |                            |        | 0     |                            |        | 0     |
| Increase Public Rights of Way Fees and Charges           | 2 | 70                               | -70    | 0     |                            |        | 0     |                            | -20    | -20   |
| Increase Events Management Income                        | 2 |                                  | -10    | -10   |                            |        | 0     |                            |        | 0     |
| Reduce funding to Macclesfield Silk Heritage Trust       | 2 |                                  |        | 0     | -10                        |        | -10   |                            |        | 0     |
| Transfer of Visitor Information Centres to Town Councils | 2 | -190                             | 190    | 0     | -20                        |        | -20   | -30                        |        | -30   |
| Marketing Cheshire                                       | 2 |                                  |        | 0     | -20                        |        | -20   |                            |        | 0     |
| Financial Impact of Policy Proposals                     |   | -150                             | 70     | -80   | -30                        | -40    | -70   | -80                        | -60    | -140  |
| Total Cost of Service                                    |   | 7,385                            | -4,720 | 2,665 | 7,355                      | -4,760 | 2,595 | 7,275                      | -4,820 | 2,455 |



# Executive Director Summary: Corporate

# REVENUE

|                                             | 2017/18 Budget Calculation       |                 |               | 2018/19 Budget Calculation       |                 |               | 2019/20 Budget Calculation       |                 |               |
|---------------------------------------------|----------------------------------|-----------------|---------------|----------------------------------|-----------------|---------------|----------------------------------|-----------------|---------------|
|                                             | Previous Balance Brought Forward |                 |               | Previous Balance Brought Forward |                 |               | Previous Balance Brought Forward |                 |               |
|                                             | Expenditure<br>£000              | Income<br>£000  | Net<br>£000   | Expenditure<br>£000              | Income<br>£000  | Net<br>£000   | Expenditure<br>£000              | Income<br>£000  | Net<br>£000   |
| Directorate                                 | 602                              | 0               | 602           | -2,208                           | 0               | -2,208        | -2,168                           | 0               | -2,168        |
| Legal Services                              | 5,932                            | -1,534          | 4,398         | 5,932                            | -1,534          | 4,398         | 5,932                            | -1,534          | 4,398         |
| Customer Operations                         | 92,888                           | -83,810         | 9,078         | 93,138                           | -83,830         | 9,308         | 93,088                           | -83,830         | 9,258         |
| Finance and Performance                     | 4,076                            | -872            | 3,204         | 4,076                            | -872            | 3,204         | 4,076                            | -872            | 3,204         |
| Human Resources                             | 3,594                            | -875            | 2,719         | 3,594                            | -875            | 2,719         | 3,594                            | -875            | 2,719         |
| Professional Services                       | 16,048                           | -2,126          | 13,922        | 16,048                           | -2,126          | 13,922        | 16,048                           | -2,126          | 13,922        |
| Democratic Services                         | 5,047                            | -1,186          | 3,861         | 5,047                            | -1,186          | 3,861         | 5,047                            | -1,186          | 3,861         |
| ICT Services                                | 25,844                           | -19,104         | 6,740         | 25,844                           | -19,104         | 6,740         | 25,844                           | -19,104         | 6,740         |
| Communications                              | 753                              | -128            | 625           | 753                              | -128            | 625           | 753                              | -128            | 625           |
| Client Commissioning                        | 32,781                           | -3,236          | 29,545        | 33,081                           | -3,166          | 29,915        | 32,481                           | -3,166          | 29,315        |
| <b>Base Budget</b>                          | <b>187,565</b>                   | <b>-112,871</b> | <b>74,694</b> | <b>185,305</b>                   | <b>-112,821</b> | <b>72,484</b> | <b>184,695</b>                   | <b>-112,821</b> | <b>71,874</b> |
|                                             | Changes to Budget Requirement    |                 |               | Changes to Budget Requirement    |                 |               | Changes to Budget Requirement    |                 |               |
| Directorate                                 | -2,810                           | 0               | -2,810        | 40                               | 0               | 40            | 850                              | 0               | 850           |
| Legal Services                              | 0                                | 0               | 0             | 0                                | 0               | 0             | 0                                | 0               | 0             |
| Customer Operations                         | 250                              | -20             | 230           | -50                              | 0               | -50           | 10                               | 0               | 10            |
| Finance and Performance                     | 0                                | 0               | 0             | 0                                | 0               | 0             | 0                                | 0               | 0             |
| Human Resources                             | 0                                | 0               | 0             | 0                                | 0               | 0             | 0                                | 0               | 0             |
| Professional Services                       | 0                                | 0               | 0             | 0                                | 0               | 0             | 0                                | 0               | 0             |
| Democratic Services                         | 0                                | 0               | 0             | 0                                | 0               | 0             | 0                                | 0               | 0             |
| ICT Services                                | 0                                | 0               | 0             | 0                                | 0               | 0             | 0                                | 0               | 0             |
| Communications                              | 0                                | 0               | 0             | 0                                | 0               | 0             | 0                                | 0               | 0             |
| Client Commissioning                        | 300                              | 70              | 370           | -600                             | 0               | -600          | -400                             | 0               | -400          |
| <b>Financial Impact of Policy Proposals</b> | <b>-2,260</b>                    | <b>50</b>       | <b>-2,210</b> | <b>-610</b>                      | <b>0</b>        | <b>-610</b>   | <b>460</b>                       | <b>0</b>        | <b>460</b>    |
| <b>Total Cost of Service</b>                | <b>185,305</b>                   | <b>-112,821</b> | <b>72,484</b> | <b>184,695</b>                   | <b>-112,821</b> | <b>71,874</b> | <b>185,155</b>                   | <b>-112,821</b> | <b>72,334</b> |



|                                                                 |           |  | 2017/18 Budget Calculation    |                |               | 2018/19 Budget Calculation       |                |               | 2019/20 Budget Calculation |                |               |
|-----------------------------------------------------------------|-----------|--|-------------------------------|----------------|---------------|----------------------------------|----------------|---------------|----------------------------|----------------|---------------|
|                                                                 |           |  |                               |                |               | Previous Balance Brought Forward |                |               |                            |                |               |
| Outcome                                                         | Reference |  | Expenditure<br>£000           | Income<br>£000 | Net<br>£000   | Expenditure<br>£000              | Income<br>£000 | Net<br>£000   | Expenditure<br>£000        | Income<br>£000 | Net<br>£000   |
| Executive Director - Corporate                                  | 6         |  | 389                           | 0              | 389           | 389                              | 0              | 389           | 389                        | 0              | 389           |
| Transitional funding                                            | 1         |  | 473                           | 0              | 473           | 3                                | 0              | 3             | 3                          | 0              | 3             |
| Directorate - Cross Cutting                                     | 1 / 4 / 6 |  | 0                             | 0              | 0             | -1,540                           | 0              | -1,540        | -1,500                     | 0              | -1,500        |
| Corporate Unallocated                                           | 6         |  | -260                          | 0              | -260          | -1,060                           | 0              | -1,060        | -1,060                     | 0              | -1,060        |
| <b>Base Budget</b>                                              |           |  | <b>602</b>                    | <b>0</b>       | <b>602</b>    | <b>-2,208</b>                    | <b>0</b>       | <b>-2,208</b> | <b>-2,168</b>              | <b>0</b>       | <b>-2,168</b> |
|                                                                 |           |  | Changes to Budget Requirement |                |               |                                  |                |               |                            |                |               |
| Removal transitional funding                                    | 3 / 5     |  | -470                          |                | -470          |                                  |                | 0             |                            |                | 0             |
| Reduce costs of core processes (Oracle system review)           | 6         |  |                               |                | 0             | -250                             |                | -250          | -250                       |                | -250          |
| Digital Customer Services                                       | 6         |  |                               |                | 0             | -1,260                           |                | -1,260        | -450                       |                | -450          |
| ESG Funded services to be transferred to DSG (to be determined) | 6         |  | -800                          |                | -800          |                                  |                |               |                            |                |               |
| <b>*Cross Service Savings:</b>                                  |           |  |                               |                |               |                                  |                |               |                            |                |               |
| Car Mileage                                                     | 6         |  | -30                           |                | -30           |                                  |                | 0             |                            |                | 0             |
| Staff Travel                                                    | 6         |  | -40                           |                | -40           |                                  |                | 0             |                            |                | 0             |
| Post and Print                                                  | 6         |  | -130                          |                | -130          |                                  |                | 0             |                            |                | 0             |
| Productivity                                                    | 6         |  | -1,400                        |                | -1,400        |                                  |                | 0             |                            |                | 0             |
| Contracts                                                       | 6         |  | -1,690                        |                | -1,690        |                                  |                | 0             |                            |                | 0             |
| Pay and Pensions                                                | 6         |  | 1,550                         |                | 1,550         | 1,550                            |                | 1,550         | 1,550                      |                | 1,550         |
| Apprenticeship Levy                                             | 6         |  | 200                           |                | 200           |                                  |                | 0             |                            |                | 0             |
| <b>Financial Impact of Policy Proposals</b>                     |           |  | <b>-2,810</b>                 | <b>0</b>       | <b>-2,810</b> | <b>40</b>                        | <b>0</b>       | <b>40</b>     | <b>850</b>                 | <b>0</b>       | <b>850</b>    |
| <b>Total Cost of Service</b>                                    |           |  | <b>-2,208</b>                 | <b>0</b>       | <b>-2,208</b> | <b>-2,168</b>                    | <b>0</b>       | <b>-2,168</b> | <b>-1,318</b>              | <b>0</b>       | <b>-1,318</b> |

\* to be allocated out over Corporate services



## Legal Services

## REVENUE

|                                      |           | 2017/18 Budget Calculation       |                |             | 2018/19 Budget Calculation |                |             | 2019/20 Budget Calculation |                |             |
|--------------------------------------|-----------|----------------------------------|----------------|-------------|----------------------------|----------------|-------------|----------------------------|----------------|-------------|
|                                      |           | Previous Balance Brought Forward |                |             |                            |                |             |                            |                |             |
| Outcome                              | Reference | Expenditure<br>£000              | Income<br>£000 | Net<br>£000 | Expenditure<br>£000        | Income<br>£000 | Net<br>£000 | Expenditure<br>£000        | Income<br>£000 | Net<br>£000 |
| Monitoring Officer                   | 6         | 155                              | 0              | 155         | 155                        | 0              | 155         | 155                        | 0              | 155         |
| Legal Services                       | 6         | 2,182                            | -457           | 1,725       | 2,182                      | -457           | 1,725       | 2,182                      | -457           | 1,725       |
| Audit                                | 6         | 496                              | -31            | 465         | 496                        | -31            | 465         | 496                        | -31            | 465         |
| Risk Management                      | 6         | 68                               | 0              | 68          | 68                         | 0              | 68          | 68                         | 0              | 68          |
| Insurance                            | 6         | 2,491                            | -1,046         | 1,445       | 2,491                      | -1,046         | 1,445       | 2,491                      | -1,046         | 1,445       |
| Compliance                           | 6         | 397                              | 0              | 397         | 397                        | 0              | 397         | 397                        | 0              | 397         |
| Scrutiny                             | 6         | 143                              | 0              | 143         | 143                        | 0              | 143         | 143                        | 0              | 143         |
| Base Budget                          |           | 5,932                            | -1,534         | 4,398       | 5,932                      | -1,534         | 4,398       | 5,932                      | -1,534         | 4,398       |
|                                      |           | Changes to Budget Requirement    |                |             |                            |                |             |                            |                |             |
| No change proposals                  |           | 0                                |                |             | 0                          |                |             | 0                          |                |             |
| Financial Impact of Policy Proposals |           | 0                                | 0              | 0           | 0                          | 0              | 0           | 0                          | 0              | 0           |
| Total Cost of Service                |           | 5,932                            | -1,534         | 4,398       | 5,932                      | -1,534         | 4,398       | 5,932                      | -1,534         | 4,398       |



# Customer Operations

# REVENUE

| 2017/18 Budget Calculation                  |                                  |               |                | 2018/19 Budget Calculation       |               |                | 2019/20 Budget Calculation       |               |                |
|---------------------------------------------|----------------------------------|---------------|----------------|----------------------------------|---------------|----------------|----------------------------------|---------------|----------------|
| Outcome Reference                           | Previous Balance Brought Forward |               |                | Previous Balance Brought Forward |               |                | Previous Balance Brought Forward |               |                |
|                                             | Expenditure £000                 | Income £000   | Net £000       | Expenditure £000                 | Income £000   | Net £000       | Expenditure £000                 | Income £000   | Net £000       |
| Customer Services Management                | 6                                | 153           | 0              | 153                              | 153           | 0              | 153                              | 153           | 0              |
| Customer Services                           | 6                                | 2,322         | -11            | 2,311                            | 2,342         | -11            | 2,331                            | 2,342         | -11            |
| Library Services                            | 6                                | 3,828         | -511           | 3,317                            | 3,828         | -511           | 3,317                            | 3,828         | -511           |
| Revenues                                    | 6                                | 1,567         | -1,155         | 412                              | 1,567         | -1,155         | 412                              | 1,567         | -1,155         |
| Benefits                                    | 6                                | 84,091        | -82,116        | 1,975                            | 84,321        | -82,116        | 2,205                            | 84,271        | -82,116        |
| Service Development and Systems             | 6                                | 759           |                | 759                              | 759           | 0              | 759                              | 759           | 0              |
| Emergency Planning                          | 6                                | 168           | -17            | 151                              | 168           | -37            | 131                              | 168           | -37            |
| <b>Base Budget</b>                          |                                  | <b>92,888</b> | <b>-83,810</b> | <b>9,078</b>                     | <b>93,138</b> | <b>-83,830</b> | <b>9,308</b>                     | <b>93,088</b> | <b>-83,830</b> |
| <b>Changes to Budget Requirement</b>        |                                  |               |                |                                  |               |                |                                  |               |                |
| Welfare Reform and Reducing Demand          | 6                                | -70           | -70            |                                  |               | 0              |                                  |               | 0              |
| Local Welfare Safety Net                    | 6                                | 300           | 300            | -50                              |               | -50            |                                  |               | 0              |
| Security at Crewe Customer Service Centre   | 6                                | 20            | 20             |                                  |               | 0              |                                  |               | 0              |
| Emergency Planning increased cost recovery  | 6                                |               | -20            | -20                              |               | 0              |                                  |               | 0              |
| Universal Information and Advice Service    | 6                                |               | 0              |                                  |               | 0              | 10                               |               | 10             |
| <b>Financial Impact of Policy Proposals</b> |                                  | <b>250</b>    | <b>-20</b>     | <b>230</b>                       | <b>-50</b>    | <b>0</b>       | <b>-50</b>                       | <b>10</b>     | <b>0</b>       |
| <b>Total Cost of Service</b>                |                                  | <b>93,138</b> | <b>-83,830</b> | <b>9,308</b>                     | <b>93,088</b> | <b>-83,830</b> | <b>9,258</b>                     | <b>93,098</b> | <b>-83,830</b> |



|                                             |           | 2017/18 Budget Calculation       |                |              | 2018/19 Budget Calculation |                |              | 2019/20 Budget Calculation |                |              |
|---------------------------------------------|-----------|----------------------------------|----------------|--------------|----------------------------|----------------|--------------|----------------------------|----------------|--------------|
|                                             |           | Previous Balance Brought Forward |                |              |                            |                |              |                            |                |              |
| Outcome                                     | Reference | Expenditure<br>£000              | Income<br>£000 | Net<br>£000  | Expenditure<br>£000        | Income<br>£000 | Net<br>£000  | Expenditure<br>£000        | Income<br>£000 | Net<br>£000  |
| Financial Strategy and Reporting            | 6         | 1,415                            | -64            | 1,351        | 1,415                      | -64            | 1,351        | 1,415                      | -64            | 1,351        |
| Finance Partnering and Accountancy          | 6         | 1,707                            | -772           | 935          | 1,707                      | -772           | 935          | 1,707                      | -772           | 935          |
| Projects Finance                            | 6         | 254                              | -30            | 224          | 254                        | -30            | 224          | 254                        | -30            | 224          |
| Performance Strategy and Reporting          | 6         | 52                               |                | 52           | 52                         | 0              | 52           | 52                         | 0              | 52           |
| Business Intelligence - People              | 6         | 337                              |                | 337          | 337                        | 0              | 337          | 337                        | 0              | 337          |
| Business Intelligence - Place and Corporate | 6         | 311                              | -6             | 305          | 311                        | -6             | 305          | 311                        | -6             | 305          |
| <b>Base Budget</b>                          |           | <b>4,076</b>                     | <b>-872</b>    | <b>3,204</b> | <b>4,076</b>               | <b>-872</b>    | <b>3,204</b> | <b>4,076</b>               | <b>-872</b>    | <b>3,204</b> |
|                                             |           | Changes to Budget Requirement    |                |              |                            |                |              |                            |                |              |
| No change proposals                         |           |                                  |                | 0            |                            |                | 0            |                            |                | 0            |
| <b>Financial Impact of Policy Proposals</b> |           | <b>0</b>                         | <b>0</b>       | <b>0</b>     | <b>0</b>                   | <b>0</b>       | <b>0</b>     | <b>0</b>                   | <b>0</b>       | <b>0</b>     |
| <b>Total Cost of Service</b>                |           | <b>4,076</b>                     | <b>-872</b>    | <b>3,204</b> | <b>4,076</b>               | <b>-872</b>    | <b>3,204</b> | <b>4,076</b>               | <b>-872</b>    | <b>3,204</b> |



# Human Resources

# REVENUE

| 2017/18 Budget Calculation                  |                                  |             |              | 2018/19 Budget Calculation |             |              | 2019/20 Budget Calculation |             |              |
|---------------------------------------------|----------------------------------|-------------|--------------|----------------------------|-------------|--------------|----------------------------|-------------|--------------|
| Outcome Reference                           | Previous Balance Brought Forward |             |              |                            |             |              |                            |             |              |
|                                             | Expenditure £000                 | Income £000 | Net £000     | Expenditure £000           | Income £000 | Net £000     | Expenditure £000           | Income £000 | Net £000     |
| Head of Human Resources                     | 6                                | 108         | 108          | 108                        |             | 108          | 108                        |             | 108          |
| HR Strategy and Policy                      | 6                                | 228         | 228          | 228                        |             | 228          | 228                        |             | 228          |
| Unison                                      | 6                                | 124         | -40          | 84                         | 124         | -40          | 84                         | 124         | -40          |
| Health and Safety                           | 6                                | 318         | -208         | 110                        | 318         | -208         | 110                        | 318         | -208         |
| Occupational Health                         | 6                                | 210         | -151         | 59                         | 210         | -151         | 59                         | 210         | -151         |
| Organisational Development                  | 6                                | 495         | 495          | 495                        |             | 495          | 495                        |             | 495          |
| Workforce Development                       | 6                                | 1,163       | -61          | 1,102                      | 1,163       | -61          | 1,102                      | 1,163       | -61          |
| HR Delivery Non-Schools                     | 6                                | 599         | -15          | 584                        | 599         | -15          | 584                        | 599         | -15          |
| HR Delivery Schools                         | 6                                | 349         | -400         | -51                        | 349         | -400         | -51                        | 349         | -400         |
| <b>Base Budget</b>                          | <b>3,594</b>                     | <b>-875</b> | <b>2,719</b> | <b>3,594</b>               | <b>-875</b> | <b>2,719</b> | <b>3,594</b>               | <b>-875</b> | <b>2,719</b> |
| Changes to Budget Requirement               |                                  |             |              |                            |             |              |                            |             |              |
| No change proposals                         |                                  |             | 0            |                            |             | 0            |                            |             | 0            |
| <b>Financial Impact of Policy Proposals</b> | <b>0</b>                         | <b>0</b>    | <b>0</b>     | <b>0</b>                   | <b>0</b>    | <b>0</b>     | <b>0</b>                   | <b>0</b>    | <b>0</b>     |
| <b>Total Cost of Service</b>                | <b>3,594</b>                     | <b>-875</b> | <b>2,719</b> | <b>3,594</b>               | <b>-875</b> | <b>2,719</b> | <b>3,594</b>               | <b>-875</b> | <b>2,719</b> |



# Professional Services

# REVENUE

|                                              |                   | 2017/18 Budget Calculation       |             |          | 2018/19 Budget Calculation |             |          | 2019/20 Budget Calculation |             |          |
|----------------------------------------------|-------------------|----------------------------------|-------------|----------|----------------------------|-------------|----------|----------------------------|-------------|----------|
|                                              |                   | Previous Balance Brought Forward |             |          |                            |             |          |                            |             |          |
|                                              | Outcome Reference | Expenditure £000                 | Income £000 | Net £000 | Expenditure £000           | Income £000 | Net £000 | Expenditure £000           | Income £000 | Net £000 |
| Procurement                                  | 6                 | 565                              | -127        | 438      | 565                        | -127        | 438      | 565                        | -127        | 438      |
| Facilities Management                        | 6                 | 13,645                           | -1,301      | 12,344   | 13,645                     | -1,301      | 12,344   | 13,645                     | -1,301      | 12,344   |
| Business Solutions                           | 6                 | 372                              | -13         | 359      | 372                        | -13         | 359      | 372                        | -13         | 359      |
| Project Management Office                    | 6                 | 1,060                            | -645        | 415      | 1,060                      | -645        | 415      | 1,060                      | -645        | 415      |
| Business Improvement                         | 6                 | 294                              | -40         | 254      | 294                        | -40         | 254      | 294                        | -40         | 254      |
| Professional and Commercial Services Manager | 6                 | 112                              |             | 112      | 112                        |             | 112      | 112                        |             | 112      |
| Base Budget                                  |                   | 16,048                           | -2,126      | 13,922   | 16,048                     | -2,126      | 13,922   | 16,048                     | -2,126      | 13,922   |
|                                              |                   | Changes to Budget Requirement    |             |          |                            |             |          |                            |             |          |
| No change proposals                          |                   |                                  |             | 0        |                            |             | 0        |                            |             | 0        |
| Financial Impact of Policy Proposals         |                   | 0                                | 0           | 0        | 0                          | 0           | 0        | 0                          | 0           | 0        |
| Total Cost of Service                        |                   | 16,048                           | -2,126      | 13,922   | 16,048                     | -2,126      | 13,922   | 16,048                     | -2,126      | 13,922   |



# Democratic Services

# REVENUE

|                                      |   | 2017/18 Budget Calculation       |                |             | 2018/19 Budget Calculation |                |             | 2019/20 Budget Calculation |                |             |
|--------------------------------------|---|----------------------------------|----------------|-------------|----------------------------|----------------|-------------|----------------------------|----------------|-------------|
|                                      |   | Previous Balance Brought Forward |                |             |                            |                |             |                            |                |             |
| Outcome Reference                    |   | Expenditure<br>£000              | Income<br>£000 | Net<br>£000 | Expenditure<br>£000        | Income<br>£000 | Net<br>£000 | Expenditure<br>£000        | Income<br>£000 | Net<br>£000 |
| Business Support and Civic Office    | 6 | 304                              | -10            | 294         | 304                        | -10            | 294         | 304                        | -10            | 294         |
| Chief Executive Office               | 6 | 543                              |                | 543         | 543                        |                | 543         | 543                        |                | 543         |
| PA Pool                              | 6 | 503                              | -40            | 463         | 503                        | -40            | 463         | 503                        | -40            | 463         |
| Democratic Services                  | 6 | 482                              | -50            | 432         | 482                        | -50            | 432         | 482                        | -50            | 432         |
| Members Services                     | 6 | 1,405                            |                | 1,405       | 1,405                      |                | 1,405       | 1,405                      |                | 1,405       |
| Coroners                             | 6 | 567                              |                | 567         | 567                        |                | 567         | 567                        |                | 567         |
| Elections Service                    | 6 | 540                              |                | 540         | 540                        |                | 540         | 540                        |                | 540         |
| Registrations Service                | 6 | 703                              | -1,086         | -383        | 703                        | -1,086         | -383        | 703                        | -1,086         | -383        |
| Base Budget                          |   | 5,047                            | -1,186         | 3,861       | 5,047                      | -1,186         | 3,861       | 5,047                      | -1,186         | 3,861       |
|                                      |   | Changes to Budget Requirement    |                |             |                            |                |             |                            |                |             |
| No change proposals                  |   |                                  |                | 0           |                            |                | 0           |                            |                | 0           |
| Financial Impact of Policy Proposals |   | 0                                | 0              | 0           | 0                          | 0              | 0           | 0                          | 0              | 0           |
| Total Cost of Service                |   | 5,047                            | -1,186         | 3,861       | 5,047                      | -1,186         | 3,861       | 5,047                      | -1,186         | 3,861       |



# ICT Services

# REVENUE

|                                      |                   | 2017/18 Budget Calculation       |                |             | 2018/19 Budget Calculation |                |             | 2019/20 Budget Calculation |                |             |
|--------------------------------------|-------------------|----------------------------------|----------------|-------------|----------------------------|----------------|-------------|----------------------------|----------------|-------------|
|                                      |                   | Previous Balance Brought Forward |                |             |                            |                |             |                            |                |             |
|                                      | Outcome Reference | Expenditure<br>£000              | Income<br>£000 | Net<br>£000 | Expenditure<br>£000        | Income<br>£000 | Net<br>£000 | Expenditure<br>£000        | Income<br>£000 | Net<br>£000 |
| ICT Strategy                         | 6                 | 8,755                            | -2,091         | 6,664       | 8,755                      | -2,091         | 6,664       | 8,755                      | -2,091         | 6,664       |
| ICT Service Delivery                 | 6                 | 17,089                           | -17,013        | 76          | 17,089                     | -17,013        | 76          | 17,089                     | -17,013        | 76          |
| Base Budget                          |                   | 25,844                           | -19,104        | 6,740       | 25,844                     | -19,104        | 6,740       | 25,844                     | -19,104        | 6,740       |
|                                      |                   | Changes to Budget Requirement    |                |             |                            |                |             |                            |                |             |
| No change proposals                  |                   |                                  |                | 0           |                            |                | 0           |                            |                | 0           |
| Financial Impact of Policy Proposals |                   | 0                                | 0              | 0           | 0                          | 0              | 0           | 0                          | 0              | 0           |
| Total Cost of Service                |                   | 25,844                           | -19,104        | 6,740       | 25,844                     | -19,104        | 6,740       | 25,844                     | -19,104        | 6,740       |



# Communications

# REVENUE

|                                      |   | 2017/18 Budget Calculation       |        |      | 2018/19 Budget Calculation |        |      | 2019/20 Budget Calculation |        |      |
|--------------------------------------|---|----------------------------------|--------|------|----------------------------|--------|------|----------------------------|--------|------|
|                                      |   | Previous Balance Brought Forward |        |      |                            |        |      |                            |        |      |
| Outcome Reference                    |   | Expenditure                      | Income | Net  | Expenditure                | Income | Net  | Expenditure                | Income | Net  |
|                                      |   | £000                             | £000   | £000 | £000                       | £000   | £000 | £000                       | £000   | £000 |
| Communications and Media Relations   | 6 | 753                              | -128   | 625  | 753                        | -128   | 625  | 753                        | -128   | 625  |
| Base Budget                          |   | 753                              | -128   | 625  | 753                        | -128   | 625  | 753                        | -128   | 625  |
|                                      |   | Changes to Budget Requirement    |        |      |                            |        |      |                            |        |      |
| No change proposals                  |   |                                  |        | 0    |                            |        | 0    |                            |        | 0    |
| Financial Impact of Policy Proposals |   | 0                                | 0      | 0    | 0                          | 0      | 0    | 0                          | 0      | 0    |
| Total Cost of Service                |   | 753                              | -128   | 625  | 753                        | -128   | 625  | 753                        | -128   | 625  |



# Client Commissioning

# REVENUE

|                                                                    |   | 2017/18 Budget Calculation       |                |               | 2018/19 Budget Calculation |                |               | 2019/20 Budget Calculation |                |               |
|--------------------------------------------------------------------|---|----------------------------------|----------------|---------------|----------------------------|----------------|---------------|----------------------------|----------------|---------------|
|                                                                    |   | Previous Balance Brought Forward |                |               |                            |                |               |                            |                |               |
| Outcome Reference                                                  |   | Expenditure<br>£000              | Income<br>£000 | Net<br>£000   | Expenditure<br>£000        | Income<br>£000 | Net<br>£000   | Expenditure<br>£000        | Income<br>£000 | Net<br>£000   |
| Environmental (incl. Bereavement)                                  | 4 | 30,521                           | -3,236         | 27,285        | 30,821                     | -3,166         | 27,655        | 30,221                     | -3,166         | 27,055        |
| Leisure                                                            | 5 | 2,260                            |                | 2,260         | 2,260                      |                | 2,260         | 2,260                      |                | 2,260         |
| <b>Base Budget</b>                                                 |   | <b>32,781</b>                    | <b>-3,236</b>  | <b>29,545</b> | <b>33,081</b>              | <b>-3,166</b>  | <b>29,915</b> | <b>32,481</b>              | <b>-3,166</b>  | <b>29,315</b> |
|                                                                    |   | Changes to Budget Requirement    |                |               |                            |                |               |                            |                |               |
| <b>Environmental (incl. Bereavement)</b>                           |   |                                  |                |               |                            |                |               |                            |                |               |
| Review of Cheshire East Household Waste Recycling Centre Provision | 4 | -150                             |                | -150          | -580                       |                | -580          |                            |                | 0             |
| Ansa - Dry Recycling Contract                                      | 4 | 1,290                            |                | 1,290         |                            |                | 0             |                            |                | 0             |
| Ansa - Efficiencies and productivity improvements                  | 4 | -700                             |                | -700          | -120                       |                | -120          | -400                       |                | -400          |
| Ansa - Further savings                                             | 4 | -200                             |                | -200          | 100                        |                | 100           |                            |                | 0             |
| Environment Commissioning - small growth items                     | 4 | 60                               |                | 60            |                            |                | 0             |                            |                | 0             |
| Environment Commissioning - S106 income not achievable             | 4 |                                  | 70             | 70            |                            |                | 0             |                            |                | 0             |
| <b>Financial Impact of Policy Proposals</b>                        |   | <b>300</b>                       | <b>70</b>      | <b>370</b>    | <b>-600</b>                | <b>0</b>       | <b>-600</b>   | <b>-400</b>                | <b>0</b>       | <b>-400</b>   |
| <b>Total Cost of Service</b>                                       |   | <b>33,081</b>                    | <b>-3,166</b>  | <b>29,915</b> | <b>32,481</b>              | <b>-3,166</b>  | <b>29,315</b> | <b>32,081</b>              | <b>-3,166</b>  | <b>28,915</b> |



## CAPITAL PROGRAMME 2017/18 - 2019/20

**Glossary of Terms**

Approval is being sought for all items of Capital expenditure as detailed in the following tables. Estimates for capital expenditure may vary even during the lifetime of the project but particularly where a project is still being developed.

The following categories, used within the tables overleaf, describe the current status of the financial estimates:

**Committed Schemes - In Progress**

The project is established and activity is on-going. Expenditure is expected to occur in line with the value and timing described in this report and funding has been identified to manage that expenditure.

**New Schemes**

Project details have been drafted. Expenditure levels, and the timing of expenditure, may be subject to change based on final estimates, the securing of available funding and workforce capacity.

Any necessary variations to capital spending requirements will be reported and approved in line with the Council's financial procedure rules.



# CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY

## CAPITAL PROGRAMME 2017/18 - 2019/20

|                                              | Prior<br>Years<br>£000 | Budget<br>2017/18<br>£000 | Budget<br>2018/19<br>£000 | Budget<br>2019/20<br>£000 | Total Budget<br>2017/20<br>£000 |
|----------------------------------------------|------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| <b>Committed Schemes - In Progress</b>       |                        |                           |                           |                           |                                 |
| People                                       | 11,697                 | 12,767                    | 3,314                     | 550                       | <b>16,631</b>                   |
| Place                                        | 160,836                | 36,753                    | 81,260                    | 59,050                    | <b>177,064</b>                  |
| Corporate                                    | 72,794                 | 35,260                    | 19,595                    | 8,930                     | <b>63,786</b>                   |
| <b>Total Committed Schemes - In Progress</b> | <b>245,327</b>         | <b>84,781</b>             | <b>104,170</b>            | <b>68,530</b>             | <b>257,481</b>                  |



# CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY

## CAPITAL PROGRAMME 2017/18 - 2019/20

|                          | Prior<br>Years<br>£000 | Budget<br>2017/18<br>£000 | Budget<br>2018/19<br>£000 | Budget<br>2019/20<br>£000 | Total Budget<br>2017/20<br>£000 |
|--------------------------|------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| <b>New Schemes</b>       |                        |                           |                           |                           |                                 |
| People                   | 0                      | 4,500                     | 19,200                    | 0                         | <b>23,700</b>                   |
| Place                    | 0                      | 25,000                    | 12,400                    | 11,500                    | <b>48,900</b>                   |
| Corporate                | 0                      | 2,000                     | 200                       | 150                       | <b>2,350</b>                    |
| <b>Total New Schemes</b> | <b>0</b>               | <b>31,500</b>             | <b>31,800</b>             | <b>11,650</b>             | <b>74,950</b>                   |
| <b>Total</b>             | <b>245,327</b>         | <b>116,281</b>            | <b>135,970</b>            | <b>80,180</b>             | <b>332,431</b>                  |



# CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY

## CAPITAL PROGRAMME 2017/18 - 2019/20

|                                                  | Prior<br>Years<br>£000 | Budget<br>2017/18<br>£000 | Budget<br>2018/19<br>£000 | Budget<br>2019/20<br>£000 | Total Budget<br>2017/20<br>£000 |
|--------------------------------------------------|------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| <b>Funding Requirement</b>                       |                        |                           |                           |                           |                                 |
| <b>Indicative Funding Analysis:</b> (See note 1) |                        |                           |                           |                           |                                 |
| Government Grants                                | 116,620                | 39,183                    | 105,553                   | 22,957                    | <b>167,693</b>                  |
| External Contributions                           | 15,952                 | 5,551                     | 3,014                     | 32,462                    | <b>41,027</b>                   |
| Revenue Contributions                            | 892                    | 553                       | 0                         | 0                         | <b>553</b>                      |
| Capital Receipts                                 | 29,195                 | 10,414                    | 13,070                    | 17,165                    | <b>40,650</b>                   |
| Prudential Borrowing (See note 2)                | 82,669                 | 60,581                    | 14,333                    | 7,595                     | <b>82,509</b>                   |
| <b>Total</b>                                     | <b>245,327</b>         | <b>116,281</b>            | <b>135,970</b>            | <b>80,180</b>             | <b>332,431</b>                  |

### Notes:

1. The funding requirement identified in the above table represents a balanced and affordable position, in the medium term. The Council will attempt to maximise external resources such as grants and external contributions in the first instance to fund the capital programme. Where the Council resources are required the preference will be to utilise capital receipts from asset disposals. The forecast for capital receipts over the next three years 2017-20 assumes a prudent approach based on the work of the Asset Management team and their most recently updated Disposals Programme.
2. Appropriate charges to the revenue budget will only commence in the year following the completion of the associated capital asset. This allows the Council to constantly review the most cost effective way of funding capital expenditure (See Minimum Revenue Provision ~ **Annex 10**)



## CAPITAL PROGRAMME 2017/18 - 2019/20

|                                                        | Prior<br>Years<br>£000 | Budget<br>2017/18<br>£000 | Budget<br>2018/19<br>£000 | Budget<br>2019/20<br>£000 | Total Budget<br>2017/20<br>£000 |
|--------------------------------------------------------|------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| <b>Committed Schemes - In Progress</b>                 |                        |                           |                           |                           |                                 |
| <b><u>Adult Social Care</u></b>                        |                        |                           |                           |                           |                                 |
| Community Capacity / Social Care Capital Grant         | 0                      | 680                       | 0                         | 0                         | 680                             |
| <b><u>Childrens Social Care</u></b>                    |                        |                           |                           |                           |                                 |
| Short Breaks for Disabled Children                     | 207                    | 30                        | 0                         | 0                         | 30                              |
| <b><u>Children and Families</u></b>                    |                        |                           |                           |                           |                                 |
| Adelaide Academy                                       | 50                     | 115                       | 0                         | 0                         | 115                             |
| DFC Grant                                              | 4,230                  | 600                       | 540                       | 550                       | 1,690                           |
| Disley Primary School (Basic Needs)                    | 90                     | 360                       | 0                         | 0                         | 360                             |
| Foster Carer Capacity Scheme                           | 278                    | 357                       | 0                         | 0                         | 357                             |
| Hungerford Primary School                              | 200                    | 2,201                     | 0                         | 0                         | 2,201                           |
| Kitchens block (Gas interlock)                         | 541                    | 71                        | 0                         | 0                         | 71                              |
| Mablins Lane Primary School - Phase 2                  | 1,300                  | 200                       | 0                         | 0                         | 200                             |
| Monks Coppenhall Primary School - Basic Needs          | 200                    | 2,127                     | 0                         | 0                         | 2,127                           |
| Poynton HS - Condition Works                           | 401                    | 101                       | 0                         | 0                         | 101                             |
| Pupil Referral Unit - New Site                         | 425                    | 1,655                     | 0                         | 0                         | 1,655                           |
| Scholar Green Primary School                           | 143                    | 7                         | 0                         | 0                         | 7                               |
| Schools Condition Capital Grant                        | 180                    | 2,928                     | 2,774                     | 0                         | 5,702                           |
| Suitability/Minor Works/Accessibility Block Provision  | 1,376                  | 30                        | 0                         | 0                         | 30                              |
| The Dingle Primary School                              | 575                    | 20                        | 0                         | 0                         | 20                              |
| Underwood West                                         | 10                     | 480                       | 0                         | 0                         | 480                             |
| Universal free school meals                            | 72                     | 42                        | 0                         | 0                         | 42                              |
| Wyche PS - Condition Works                             | 495                    | 8                         | 0                         | 0                         | 8                               |
| <b><u>Prevention and Support</u></b>                   |                        |                           |                           |                           |                                 |
| Free Early Years Education for 2 year Olds             | 640                    | 509                       | 0                         | 0                         | 509                             |
| Purchase of Multi Purpose Vehicles - Working on Wheels | 180                    | 180                       | 0                         | 0                         | 180                             |
| <b><u>Community &amp; Partnership</u></b>              |                        |                           |                           |                           |                                 |
| CCTV - Infrastructure Rationalisation                  | 102                    | 66                        | 0                         | 0                         | 66                              |
| <b>Total Committed Schemes - In Progress</b>           | <b>11,697</b>          | <b>12,767</b>             | <b>3,314</b>              | <b>550</b>                | <b>16,631</b>                   |



## CAPITAL PROGRAMME 2017/18 - 2019/20

|                                                                                                       | Prior<br>Years<br>£000 | Budget<br>2017/18<br>£000 | Budget<br>2018/19<br>£000 | Budget<br>2019/20<br>£000 | Total Budget<br>2017/20<br>£000 |
|-------------------------------------------------------------------------------------------------------|------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| <b>New Schemes</b>                                                                                    |                        |                           |                           |                           |                                 |
| Chelford Planning Area (Primary Schools - 30 Places)                                                  | 0                      | 100                       | 200                       | 0                         | 300                             |
| Shavington Planning Area (Primary Schools - 210 Places)                                               | 0                      | 700                       | 1,700                     | 0                         | 2,400                           |
| Alsager Planning Area (Primary Schools - 105 Places)                                                  | 0                      | 400                       | 800                       | 0                         | 1,200                           |
| Alsager Planning Area (Secondary Schools - 150 Places)                                                | 0                      | 500                       | 1,200                     | 0                         | 1,700                           |
| Nantwich Planning Area (Primary Schools - 105 Places)                                                 | 0                      | 400                       | 800                       | 0                         | 1,200                           |
| Nantwich Planning Area (Secondary Schools - 300 Places)                                               | 0                      | 1,000                     | 2,400                     | 0                         | 3,400                           |
| Sandbach Planning Area (Primary Schools - 105 Places)                                                 | 0                      | 400                       | 800                       | 0                         | 1,200                           |
| Sandbach Planning Area (Secondary Schools - 300 Places)                                               | 0                      | 1,000                     | 2,400                     | 0                         | 3,400                           |
| Future Years Basic Need - Nantwich Primary schools -<br>Kingsley Fields, Wilmslow and Congleton Areas | 0                      | 0                         | 8,900                     | 0                         | 8,900                           |
|                                                                                                       |                        |                           |                           |                           | 0                               |
| <b>Total New Schemes</b>                                                                              | <b>0</b>               | <b>4,500</b>              | <b>19,200</b>             | <b>0</b>                  | <b>23,700</b>                   |
| <b>Total</b>                                                                                          | <b>11,697</b>          | <b>17,267</b>             | <b>22,514</b>             | <b>550</b>                | <b>40,331</b>                   |



## CAPITAL PROGRAMME 2017/18 - 2019/20

|                                     | Prior<br>Years<br>£000 | Budget<br>2017/18<br>£000 | Budget<br>2018/19<br>£000 | Budget<br>2019/20<br>£000 | Total Budget<br>2017/20<br>£000 |
|-------------------------------------|------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| <b>Funding Requirement</b>          |                        |                           |                           |                           |                                 |
| <b>Indicative Funding Analysis:</b> |                        |                           |                           |                           |                                 |
| Government Grants                   | 10,903                 | 15,633                    | 22,304                    | 550                       | <b>38,487</b>                   |
| External Contributions              | 31                     | 499                       | 210                       | -                         | <b>709</b>                      |
| Revenue Contributions               | 383                    | 532                       | -                         | -                         | <b>532</b>                      |
| Capital Receipts                    | -                      | -                         | -                         | -                         | <b>-</b>                        |
| Prudential Borrowing                | 380                    | 603                       | -                         | -                         | <b>603</b>                      |
| <b>Total</b>                        | <b>11,697</b>          | <b>17,267</b>             | <b>22,514</b>             | <b>550</b>                | <b>40,331</b>                   |



## CAPITAL PROGRAMME 2017/18 - 2019/20

|                                                     | Prior<br>Years<br>£000 | Budget<br>2017/18<br>£000 | Budget<br>2018/19<br>£000 | Budget<br>2019/20<br>£000 | Total Budget<br>2017/20<br>£000 |
|-----------------------------------------------------|------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| <b>Committed Schemes - In Progress</b>              |                        |                           |                           |                           |                                 |
| <b><u>Infrastructure &amp; Highways</u></b>         |                        |                           |                           |                           |                                 |
| A500 Dualling scheme                                | 360                    | 1,955                     | 153                       | 0                         | 2,108                           |
| A556 Knutsford to Bowdon                            | 143                    | 130                       | 231                       | 0                         | 361                             |
| A34 Corridor - Option Development                   | 100                    | 250                       | 250                       | 0                         | 500                             |
| A51/A500 Corridor Nantwich - Option Development     | 100                    | 150                       | 0                         | 0                         | 150                             |
| A6 MARR CMM - Disley                                | 100                    | 900                       | 900                       | 222                       | 2,022                           |
| A6 MARR CMM - Handforth                             | 153                    | 347                       | 0                         | 0                         | 347                             |
| Alderley Edge Bypass Scheme Implementation          | 59,987                 | 2,396                     | 728                       | 0                         | 3,125                           |
| Asset Management Invest to Save                     | 125                    | 200                       | 150                       | 0                         | 350                             |
| Congleton Link Road                                 | 7,083                  | 3,243                     | 41,958                    | 38,460                    | 83,661                          |
| Congleton Public Realm                              | 225                    | 1,049                     | 10                        | 0                         | 1,059                           |
| Crewe Green Link Road Phase 2                       | 23,974                 | 1,100                     | 673                       | 0                         | 1,773                           |
| Crewe Green Roundabout                              | 376                    | 1,773                     | 2,851                     | 0                         | 4,624                           |
| Macclesfield Movement Strategy - Option Development | 0                      | 300                       |                           |                           | 300                             |
| North-West Crewe Package                            | 293                    | 1,707                     | 0                         | 0                         | 1,707                           |
| Residents First LED Lighting                        | 2,240                  | 2,260                     | 0                         | 0                         | 2,260                           |
| Road Network and Linked Key Infrastructure          | 8                      | 250                       | 0                         | 0                         | 250                             |
| Road Safety Schemes Minor Works                     | 3,137                  | 380                       | 0                         | 0                         | 380                             |
| Poynton Relief Road                                 | 3,392                  | 1,273                     | 21,160                    | 12,194                    | 34,627                          |
| Structural Replacement Lighting                     | 3,910                  | 1,360                     | 0                         | 0                         | 1,360                           |
| Sydney Road Bridge                                  | 982                    | 472                       | 5,703                     | 3,344                     | 9,519                           |



## CAPITAL PROGRAMME 2017/18 - 2019/20

|                                              | Prior<br>Years<br>£000 | Budget<br>2017/18<br>£000 | Budget<br>2018/19<br>£000 | Budget<br>2019/20<br>£000 | Total Budget<br>2017/20<br>£000 |
|----------------------------------------------|------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| <b>Committed Schemes - In Progress</b>       |                        |                           |                           |                           |                                 |
| <b><u>Growth and Regeneration</u></b>        |                        |                           |                           |                           |                                 |
| Astbury Marsh Caravan Site                   | 100                    | 100                       | 0                         | 0                         | 100                             |
| Cororate Landlord Model - Non-Operational    | 382                    | 2                         | 0                         | 0                         | 2                               |
| Crewe Town Centre Regeneration               | 6,808                  | 195                       | 0                         | 0                         | 195                             |
| Disabled Facilities Grants                   | 6,191                  | 1,500                     | 1,500                     | 0                         | 3,000                           |
| Farms Strategy                               | 905                    | 356                       | 389                       | 1,730                     | 2,475                           |
| Gypsy and Traveller Sites                    | 946                    | 2,562                     | 0                         | 0                         | 2,562                           |
| Highways Section 106 & 278 Schemes           | 0                      | 398                       | 34                        | 0                         | 432                             |
| Housing Development Fund                     | 180                    | 1,334                     | 0                         | 0                         | 1,334                           |
| Housing Delivery                             | 0                      | 150                       | 0                         | 0                         | 150                             |
| Modular Construction                         | 62                     | 1,717                     | 0                         | 0                         | 1,717                           |
| Regeneration & Development Programme         | 1,621                  | 1,787                     | 0                         | 0                         | 1,787                           |
| Private Sector Assistance                    | 1,542                  | 150                       | 150                       | 0                         | 300                             |
| <b><u>Rural and Green Infrastructure</u></b> |                        |                           |                           |                           |                                 |
| Archives Option Development                  | 50                     | 100                       | 125                       | 0                         | 225                             |
| Countryside Vehicle Replacement              | 319                    | 135                       | 165                       | 0                         | 300                             |
| ROWIP Cycle/Walking Schemes                  | 930                    | 189                       | 0                         | 0                         | 189                             |
| Rural & Green Section 106 Schemes            | 1                      | 118                       | 0                         | 0                         | 118                             |
| Tatton Vision - Field to Fork Project        | 150                    | 1,000                     | 199                       | 0                         | 1,199                           |
| <b><u>Client Commissioning</u></b>           |                        |                           |                           |                           |                                 |
| Connecting Cheshire                          | 30,349                 | 135                       | 0                         | 0                         | 135                             |
| Connecting Cheshire Phase 2                  | 3,614                  | 2,290                     | 631                       | 0                         | 2,921                           |
| Connecting Cheshire Digital 2020             | 0                      | 1,000                     | 3,300                     | 3,100                     | 7,400                           |
| Supplier Park                                | 0                      | 40                        | 0                         | 0                         | 40                              |
| <b>Total Committed Schemes - In Progress</b> | <b>160,836</b>         | <b>36,753</b>             | <b>81,260</b>             | <b>59,050</b>             | <b>177,064</b>                  |



## CAPITAL PROGRAMME 2017/18 - 2019/20

| Outcome                                               | Prior<br>Years<br>£000 | Budget<br>2017/18<br>£000 | Budget<br>2018/19<br>£000 | Budget<br>2019/20<br>£000 | Total Budget<br>2017/20<br>£000 |
|-------------------------------------------------------|------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| <b>New Schemes</b>                                    |                        |                           |                           |                           |                                 |
| <b><u>Infrastructure &amp; Highways</u></b>           |                        |                           |                           |                           |                                 |
| Integrated Block - LTP                                | 0                      | 2,000                     | 2,000                     | 2,000                     | 6,000                           |
| Maintenance Block - LTP                               | 0                      | 9,000                     | 9,000                     | 8,200                     | 26,200                          |
| Incentive Fund - LTP                                  | 0                      | 1,000                     | 1,000                     | 800                       | 2,800                           |
| Alderley Road, Wilmslow – A34 Junction and pedestrian | 0                      | 300                       | 400                       | 500                       | 1,200                           |
| Managing & Maintaining the Highways Network           |                        | 10,000                    | 0                         | 0                         | 10,000                          |
|                                                       |                        |                           |                           |                           | 0                               |
| <b><u>Growth and Regeneration</u></b>                 |                        |                           |                           |                           |                                 |
| Starter Homes - Phase 1                               |                        | 900                       | 0                         | 0                         | 900                             |
| Volumetric Construction                               |                        | 1,800                     | 0                         | 0                         | 1,800                           |
| <b>Total New Schemes</b>                              | <b>0</b>               | <b>25,000</b>             | <b>12,400</b>             | <b>11,500</b>             | <b>48,900</b>                   |
| <b>Total</b>                                          | <b>160,836</b>         | <b>61,753</b>             | <b>93,660</b>             | <b>70,550</b>             | <b>225,964</b>                  |



## CAPITAL PROGRAMME 2017/18 - 2019/20

|                                     | Prior<br>Years<br>£000 | Budget<br>2017/18<br>£000 | Budget<br>2018/19<br>£000 | Budget<br>2019/20<br>£000 | Total Budget<br>2017/20<br>£000 |
|-------------------------------------|------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| <b>Funding Requirement</b>          |                        |                           |                           |                           |                                 |
| <b>Indicative Funding Analysis:</b> |                        |                           |                           |                           |                                 |
| Government Grants                   | 99,929                 | 22,723                    | 83,249                    | 22,407                    | <b>128,379</b>                  |
| External Contributions              | 15,203                 | 4,236                     | 2,804                     | 32,462                    | <b>39,502</b>                   |
| Revenue Contributions               | 291                    | 20                        | -                         | -                         | <b>20</b>                       |
| Capital Receipts                    | 2,447                  | 4,280                     | 389                       | 8,235                     | <b>12,904</b>                   |
| Prudential Borrowing                | 42,966                 | 30,495                    | 7,218                     | 7,446                     | <b>45,159</b>                   |
| <b>Total</b>                        | <b>160,836</b>         | <b>61,754</b>             | <b>93,660</b>             | <b>70,550</b>             | <b>225,964</b>                  |



## CAPITAL PROGRAMME 2017/18 - 2019/20

| Outcome                                   | Prior<br>Years<br>£000 | Budget<br>2017/18<br>£000 | Budget<br>2018/19<br>£000 | Budget<br>2019/20<br>£000 | Total Budget<br>2017/20<br>£000 |
|-------------------------------------------|------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| <b>Committed Schemes - In Progress</b>    |                        |                           |                           |                           |                                 |
| <b><u>ICT Services</u></b>                |                        |                           |                           |                           |                                 |
| Digital Customer Services                 | 3,303                  | 2,196                     | 500                       | 0                         | 2,696                           |
| Care Act Phase 2                          | 1,179                  | 2,205                     | 1,610                     | 1,320                     | 5,135                           |
| Enterprise Resource Planning              | 500                    | 2,550                     | 2,837                     | 0                         | 5,387                           |
| ICT Infrastructure Investment Programme   | 14,152                 | 5,400                     | 5,500                     | 2,000                     | 12,900                          |
| Information Assurance and Data Management | 6,965                  | 2,600                     | 1,200                     | 750                       | 4,550                           |
| Core Financials, HR Services              | 6,152                  | 780                       | 357                       | 500                       | 1,637                           |
| <b><u>Finance &amp; Performance</u></b>   |                        |                           |                           |                           |                                 |
| Strategic Capital Projects                | 1,990                  | 5,000                     | 0                         | 0                         | 5,000                           |
| <b><u>Professional Services</u></b>       |                        |                           |                           |                           |                                 |
| Schools Capital Maintenance               | 1,022                  | 826                       | 0                         | 0                         | 826                             |
| Septic Tanks North Rode                   | 13                     | 37                        | 0                         | 0                         | 37                              |
| Premises Capital (FM)                     | 14,281                 | 3,231                     | 2,500                     | 2,500                     | 8,231                           |
| Minor Works                               | 1,786                  | 774                       | 500                       | 500                       | 1,774                           |
| Corporate Landlord - Operational          | 266                    | 512                       | 0                         | 0                         | 512                             |



## CAPITAL PROGRAMME 2017/18 - 2019/20

| Outcome                                          | Prior<br>Years<br>£000 | Budget<br>2017/18<br>£000 | Budget<br>2018/19<br>£000 | Budget<br>2019/20<br>£000 | Total Budget<br>2017/20<br>£000 |
|--------------------------------------------------|------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| <b>Committed Schemes - In Progress</b>           |                        |                           |                           |                           |                                 |
| <b><u>Customer Operations</u></b>                |                        |                           |                           |                           |                                 |
| Next Generation - Self Service                   | 182                    | 144                       | 30                        | 0                         | 174                             |
| <b><u>Client Commissioning Leisure</u></b>       |                        |                           |                           |                           |                                 |
| Peter Mason Leisure Centre                       | 319                    | 3,000                     | 4,341                     | 1,140                     | 8,481                           |
| Cumberland 3G replacement                        | 24                     | 226                       | 0                         | 0                         | 226                             |
| Congleton Park Improvements                      | 102                    | 16                        | 0                         | 0                         | 16                              |
| <b><u>Client Commissioning Environmental</u></b> |                        |                           |                           |                           | 0                               |
| Waste Strategy Implementation                    | 19,721                 | 5,375                     | 0                         | 0                         | 5,375                           |
| Restoration of South Park Lake                   | 147                    | 58                        | 0                         | 0                         | 58                              |
| Weston Cemetery Extension                        | 40                     | 110                       | 0                         | 0                         | 110                             |
| Household Bins Schemes                           | 651                    | 220                       | 220                       | 220                       | 660                             |
| <b>Total Committed Schemes - In Progress</b>     | <b>72,794</b>          | <b>35,260</b>             | <b>19,595</b>             | <b>8,930</b>              | <b>63,786</b>                   |



## CAPITAL PROGRAMME 2017/18 - 2019/20

| Outcome                                              | Prior<br>Years<br>£000 | Budget<br>2017/18<br>£000 | Budget<br>2018/19<br>£000 | Budget<br>2019/20<br>£000 | Total Budget<br>2017/20<br>£000 |
|------------------------------------------------------|------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| <b>New Schemes</b>                                   |                        |                           |                           |                           |                                 |
| <b><u>Client Commissioning Leisure</u></b>           |                        |                           |                           |                           |                                 |
| Alsager Leisure Centre Gym Conversion                | 0                      | 400                       | 0                         | 0                         | 400                             |
| Sandbach Leisure Centre Gym Conversion               | 0                      | 400                       | 0                         | 0                         | 400                             |
| <b><u>Client Commissioning Environmental</u></b>     |                        |                           |                           |                           |                                 |
| Review of Household Waste Recycling Centre provision | 0                      | 1,000                     | 0                         | 0                         | 1,000                           |
| Park Development Fund                                | 0                      | 150                       | 150                       | 150                       | 450                             |
| Playing Fields Fund                                  | 0                      | 50                        | 50                        | 0                         | 100                             |
|                                                      |                        |                           |                           |                           | 0                               |
| <b>Total New Schemes</b>                             | <b>0</b>               | <b>2,000</b>              | <b>200</b>                | <b>150</b>                | <b>2,350</b>                    |
| <b>Total</b>                                         | <b>72,794</b>          | <b>37,260</b>             | <b>19,795</b>             | <b>9,080</b>              | <b>66,136</b>                   |



## CAPITAL PROGRAMME 2017/18 - 2019/20

|                                     | Prior<br>Years<br>£000 | Budget<br>2017/18<br>£000 | Budget<br>2018/19<br>£000 | Budget<br>2019/20<br>£000 | Total Budget<br>2017/20<br>£000 |
|-------------------------------------|------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| <b>Funding Requirement</b>          |                        |                           |                           |                           |                                 |
| <b>Indicative Funding Analysis:</b> |                        |                           |                           |                           |                                 |
| Government Grants                   | 5,787                  | 826                       | -                         | -                         | 826                             |
| External Contributions              | 718                    | 816                       | -                         | -                         | 816                             |
| Revenue Contributions               | 218                    | 1                         | -                         | -                         | 1                               |
| Capital Receipts                    | 26,747                 | 6,134                     | 12,681                    | 8,930                     | 27,746                          |
| Prudential Borrowing                | 39,324                 | 29,483                    | 7,114                     | 150                       | 36,747                          |
| <b>Total</b>                        | <b>72,794</b>          | <b>37,260</b>             | <b>19,795</b>             | <b>9,080</b>              | <b>66,136</b>                   |



# CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY - Addendum

## CAPITAL PROGRAMME 2017/18 - 2019/20 - Subject to Business Case

|                      | Prior<br>Years<br>£000 | Budget<br>2017/18<br>£000 | Budget<br>2018/19<br>£000 | Budget<br>2019/20<br>£000 | Total Budget<br>2017/20<br>£000 |
|----------------------|------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| People               | 581                    | 1,700                     | 12,600                    | 0                         | 14,300                          |
| Place                | 7,948                  | 15,800                    | 64,150                    | 92,250                    | 172,200                         |
| Corporate            | 150                    | 4,500                     | 2,500                     | 9,600                     | 16,600                          |
| <b>Total Capital</b> | <b>8,679</b>           | <b>22,000</b>             | <b>79,250</b>             | <b>101,850</b>            | <b>203,100</b>                  |



# CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY - Addendum

## CAPITAL PROGRAMME 2017/18 - 2019/20 - Subject to Business Case

|                                     | Prior<br>Years<br>£000 | Budget<br>2017/18<br>£000 | Budget<br>2018/19<br>£000 | Budget<br>2019/20<br>£000 | Total Budget<br>2016/19<br>£000 |
|-------------------------------------|------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| <b>Funding Requirement</b>          |                        |                           |                           |                           |                                 |
| <b>Indicative Funding Analysis:</b> |                        |                           |                           |                           |                                 |
| Government Grants                   | 1,988                  | 750                       | 17,125                    | 38,118                    | 55,993                          |
| External Contributions              | 0                      | 0                         | 3,390                     | 18,520                    | 21,910                          |
| Revenue Contributions               | 0                      | 0                         | 0                         | 0                         | 0                               |
| Capital Receipts                    | 3,360                  | 3,400                     | 9,600                     | 6,302                     | 19,302                          |
| Prudential Borrowing                | 3,331                  | 17,850                    | 49,135                    | 38,910                    | 105,895                         |
| <b>Total</b>                        | <b>8,680</b>           | <b>22,000</b>             | <b>79,250</b>             | <b>101,850</b>            | <b>203,100</b>                  |

The addendum includes projects that have been added to the programme owing to their strategic importance to the Council. However detailed business cases are not yet in place as the precise details are not yet known. Work is currently being progressed for these projects, however they will only be commenced once a detailed business case has been completed and approved, the business case will also need to demonstrate the strategic impact of the scheme, an expenditure profile and funding sources or associated return on investment to enable the project to be delivered. At the stage where the business cases are sufficiently developed and they are deemed to be affordable the Portfolio Holder for Finance & Assets and the Chief Operating Officer will provide the additional approval for these schemes to proceed and form part of the main capital programme. Updates on these schemes will be provided to Cabinet through the quarterly reporting process.



## CAPITAL PROGRAMME 2017/18 - 2019/20 - Subject to Business Case

| Outcome                                       | Prior<br>Years<br>£000 | Budget<br>2017/18<br>£000 | Budget<br>2018/19<br>£000 | Budget<br>2019/20<br>£000 | Total Budget<br>2017/20<br>£000 |
|-----------------------------------------------|------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| <b><u>Children and Families</u></b>           |                        |                           |                           |                           |                                 |
| Knutsford Achievement                         | 581                    | 150                       | 9,250                     | 0                         | 9,400                           |
| To Expand 'in borough' SEN placement Capacity | 0                      | 1,300                     | 2,000                     | 0                         | 3,300                           |
| <b><u>Prevention and Support</u></b>          |                        |                           |                           |                           |                                 |
| Development of Hurdsfield Family Centre       | 0                      | 250                       | 1,350                     | 0                         | 1,600                           |
| <b>Total</b>                                  | <b>581</b>             | <b>1,700</b>              | <b>12,600</b>             | <b>0</b>                  | <b>14,300</b>                   |
| <b>Total</b>                                  | <b>581</b>             | <b>1,700</b>              | <b>12,600</b>             | <b>0</b>                  | <b>14,300</b>                   |



## CAPITAL PROGRAMME 2017/18 - 2019/20 - Subject to Business Case

|                                     | Prior<br>Years<br>£000 | Budget<br>2017/18<br>£000 | Budget<br>2018/19<br>£000 | Budget<br>2019/20<br>£000 | Total Budget<br>2017/20<br>£000 |
|-------------------------------------|------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| <b>Funding Requirement</b>          |                        |                           |                           |                           |                                 |
| <b>Indicative Funding Analysis:</b> |                        |                           |                           |                           |                                 |
| Government Grants                   | 581                    | 150                       | 4,250                     | -                         | 4,400                           |
| External Contributions              | -                      | -                         | 390                       | -                         | 390                             |
| Revenue Contributions               | -                      | -                         | -                         | -                         | -                               |
| Capital Receipts                    | -                      | -                         | -                         | -                         | -                               |
| Prudential Borrowing                | -                      | 1,550                     | 7,960                     | -                         | 9,510                           |
| <b>Total</b>                        | <b>581</b>             | <b>1,700</b>              | <b>12,600</b>             | <b>-</b>                  | <b>14,300</b>                   |



## CAPITAL PROGRAMME 2017/18 - 2019/20 - Subject to Business Case

| Category                                    | Prior<br>Years<br>£000 | Budget<br>2017/18<br>£000 | Budget<br>2018/19<br>£000 | Budget<br>2019/20<br>£000 | Total Budget<br>2017/20<br>£000 |
|---------------------------------------------|------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| <b><u>Infrastructure &amp; Highways</u></b> |                        |                           |                           |                           |                                 |
| A34 Corridor                                | 0                      | 0                         | 0                         | 15,500                    | 15,500                          |
| A51/A500 Corridor Nantwich                  | 0                      | 0                         | 4,000                     | 0                         | 4,000                           |
| King Street Enhancement Scheme              | 1                      | 0                         | 2,000                     | 0                         | 2,000                           |
| Macclesfield Movement Strategy              | 0                      | 0                         | 6,000                     | 0                         | 6,000                           |
| Residents First LED Lighting                | 0                      | 0                         | 2,000                     | 0                         | 2,000                           |
| Road Network and Linked Key Infrastructure  | 0                      | 0                         | 2,000                     | 2,000                     | 4,000                           |
| Active Travel Investment                    | 0                      | 300                       | 300                       | 0                         | 600                             |
| Managing & Maintaining the Highways Network | 0                      | 0                         | 10,000                    | 10,000                    | 20,000                          |
| Middlewich Eastern Bypass                   | 2,007                  | 800                       | 800                       | 0                         | 1,600                           |
| **North West Crewe ( Leighton West)         | 0                      | 600                       | 1,900                     | 16,000                    | 18,500                          |
| **Northern Gateway Infrastructure           | 0                      | 0                         | 6,000                     | 6,000                     | 12,000                          |
| Winter Service Facility                     | 0                      | 0                         | 3,000                     | 0                         | 3,000                           |
| <b>Total Infrastructure &amp; Highways</b>  | <b>2,008</b>           | <b>1,700</b>              | <b>38,000</b>             | <b>49,500</b>             | <b>89,200</b>                   |
| <b><u>Growth and Regeneration</u></b>       |                        |                           |                           |                           |                                 |
| Crewe Town Centre Regeneration              | 0                      | 0                         | 5,500                     | 19,400                    | 24,900                          |
| Housing Delivery                            | 0                      | 0                         | 150                       | 150                       | 300                             |
| Investment in Heritage Assets               | 880                    | 1,500                     | 1,500                     | 2,500                     | 5,500                           |
| Strategic Acquisitions                      | 1,500                  | 5,000                     | 6,000                     | 0                         | 11,000                          |
| <b>Total Growth &amp; Regeneration</b>      | <b>2,380</b>           | <b>6,500</b>              | <b>13,150</b>             | <b>22,050</b>             | <b>41,700</b>                   |



## CAPITAL PROGRAMME 2017/18 - 2019/20 - Subject to Business Case

| Category                           | Prior<br>Years<br>£000 | Budget<br>2017/18<br>£000 | Budget<br>2018/19<br>£000 | Budget<br>2019/20<br>£000 | Total Budget<br>2017/20<br>£000 |
|------------------------------------|------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| <b><u>Rural &amp; Green</u></b>    |                        |                           |                           |                           |                                 |
| Tatton Park Investment Phase 2     | 200                    | 1,300                     | 1,600                     | 400                       | 3,300                           |
| **Archives                         | 0                      | 0                         | 400                       | 13,000                    | 13,400                          |
| Playing Fields Strategy            | 0                      | 1,000                     | 0                         | 0                         | 1,000                           |
| <b>Total Rural &amp; Green</b>     | <b>200</b>             | <b>2,300</b>              | <b>2,000</b>              | <b>13,400</b>             | <b>17,700</b>                   |
| <b><u>Client Commissioning</u></b> |                        |                           |                           |                           |                                 |
| Strategic Site Development         | 3,360                  | 3,400                     | 9,600                     | 6,000                     | 19,000                          |
| Energy Projects                    | 0                      | 1,900                     | 1,400                     | 1,300                     | 4,600                           |
| <b>Total Client Commissioning</b>  | <b>3,360</b>           | <b>5,300</b>              | <b>11,000</b>             | <b>7,300</b>              | <b>23,600</b>                   |
| <b>Total</b>                       | <b>7,948</b>           | <b>15,800</b>             | <b>64,150</b>             | <b>92,250</b>             | <b>172,200</b>                  |



## CAPITAL PROGRAMME 2017/18 - 2019/20 - Subject to Business Case

|                                     | Prior<br>Years<br>£000 | Budget<br>2017/18<br>£000 | Budget<br>2018/19<br>£000 | Budget<br>2019/20<br>£000 | Total Budget<br>2017/20<br>£000 |
|-------------------------------------|------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| <b>Funding Requirement</b>          |                        |                           |                           |                           |                                 |
| <b>Indicative Funding Analysis:</b> |                        |                           |                           |                           |                                 |
| Government Grants                   | 1,407                  | 600                       | 12,875                    | 38,118                    | 51,593                          |
| External Contributions              | -                      | -                         | 3,000                     | 10,400                    | 13,400                          |
| Revenue Contributions               | -                      | -                         | -                         | -                         | -                               |
| Capital Receipts                    | 3,360                  | 3,400                     | 9,600                     | 6,302                     | 19,302                          |
| Prudential Borrowing                | 3,181                  | 11,800                    | 38,675                    | 37,430                    | 87,905                          |
| <b>Total</b>                        | <b>7,948</b>           | <b>15,800</b>             | <b>64,150</b>             | <b>92,250</b>             | <b>172,200</b>                  |

The addendum includes projects that have been added to the programme owing to their strategic importance to the Council. However detailed business cases are not yet in place as the precise details are not yet known. Work is currently being progressed for these projects, however they will only be commenced once a detailed business case has been completed and approved, the business case will also need to demonstrate the strategic impact of the scheme, an expenditure profile and funding sources or associated return on investment to enable the project to be delivered. At the stage where the business cases are sufficiently developed and they are deemed to be affordable the Portfolio Holder for Finance & Assets and the Chief Operating Officer will provide the additional approval for these schemes to proceed and form part of the main capital programme. Updates on these schemes will be provided to Cabinet through the quarterly reporting process.

\*\*In addition those schemes asterisked will be subject to external funding bids; or can only be commenced if there is confidence about how they will deliver capital receipts in the future.



## CAPITAL PROGRAMME 2017/18 - 2019/20 - Subject to Business Case

| Outcome                                                         | Prior<br>Years<br>£000 | Budget<br>2017/18<br>£000 | Budget<br>2018/19<br>£000 | Budget<br>2019/20<br>£000 | Total Budget<br>2017/20<br>£000 |
|-----------------------------------------------------------------|------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| <b><u>ICT Services</u></b>                                      |                        |                           |                           |                           |                                 |
| Regulatory Services and Environmental Health System Replacement | 0                      | 800                       | 0                         | 0                         | 800                             |
| Revenues and Benefits Document Management System Replacement    | 0                      | 2,000                     | 0                         | 0                         | 2,000                           |
| Elections Systems Replacement                                   | 0                      | 500                       | 0                         | 0                         | 500                             |
| Planning and Sustainable Development System Replacement         | 0                      | 1,000                     | 0                         | 0                         | 1,000                           |
| <b><u>Client Commissioning Environmental</u></b>                |                        |                           |                           |                           |                                 |
| Anaerobic Digestion Project                                     | 150                    | 200                       | 2,500                     | 9,600                     | 12,300                          |
| <b>Total</b>                                                    | <b>150</b>             | <b>4,500</b>              | <b>2,500</b>              | <b>9,600</b>              | <b>16,600</b>                   |



## CAPITAL PROGRAMME 2017/18 - 2019/20 - Subject to Business Case

|                                     | Prior<br>Years<br>£000 | Budget<br>2017/18<br>£000 | Budget<br>2018/19<br>£000 | Budget<br>2019/20<br>£000 | Total Budget<br>2017/20<br>£000 |
|-------------------------------------|------------------------|---------------------------|---------------------------|---------------------------|---------------------------------|
| <b>Funding Requirement</b>          |                        |                           |                           |                           |                                 |
| <b>Indicative Funding Analysis:</b> |                        |                           |                           |                           |                                 |
| Government Grants                   | -                      | -                         | -                         | -                         | 0                               |
| External Contributions              | -                      | -                         | -                         | 8,120                     | 8,120                           |
| Revenue Contributions               | -                      | -                         | -                         | -                         | 0                               |
| Capital Receipts                    | -                      | -                         | -                         | -                         | 0                               |
| Prudential Borrowing                | 150                    | 4,500                     | 2,500                     | 1,480                     | 8,480                           |
| <b>Total</b>                        | <b>150</b>             | <b>4,500</b>              | <b>2,500</b>              | <b>9,600</b>              | <b>16,600</b>                   |



# 13. Reserves Strategy

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## Executive Summary

Cheshire East Council is maintaining adequate reserves for two main purposes:

1. To protect against risk, and;
2. To support investment

This strategy reflects how these two purposes are intrinsically linked as financial risks can be reduced through appropriate investment in schemes that generate sustainable returns. When sustainable returns are achieved overall reserve levels can reduce. Early intervention in social care and improved productivity from new systems are a feature of the Medium Term Financial Strategy and I do not forecast any requirement to increase General Reserves.

The Reserves Strategy presents information about the requirements to maintain financial reserves and provides statements on the types of reserves and current and predicted balances.

The strategy is revised annually, in line with the process to determine the Council's Budget, and sets out a clear purpose for the holding of reserves, using risk assessments and setting out principles for the management of balances in the medium term.

Cheshire East Council's Reserve Strategy was last approved at Council on 26<sup>th</sup> February 2016.

The quarterly performance review process informs the Council's thinking on reserves and an updated Reserves Strategy is reported to Cabinet and Council in February each year.

This strategy represents the latest position, based on third quarter forecasts and, following a review of the balances held, to ensure they meet the needs of Cheshire East Council in the medium term.

Additional detailed analysis of trends within the Council's finances is provided in the Council's [Value for Money](#) publication demonstrating the sound financial position of the Council.

*PJ Bates*

**Peter Bates** CPFA CIPD MBA

Chief Operating Officer  
(Section 151 Officer)



Note: The strategy follows guidance issued by the Chartered Institute of Public Finance & Accountancy ~ LAAP Bulletin 55 – February 2003: Guidance Note on Local Authority Reserves and Balances. Compliance with the guidance is recommended in the Institute's 2003 Statement on the Role of the Finance Director in Local Government and the regulatory framework and role of the Section 151 Officer are set out in **Annex A**.



# 1. Introduction

## Types of Reserves

1. When reviewing medium term financial plans and preparing annual budgets the Council considers the establishment and maintenance of reserves. Two types of Revenue Reserves will be held:

### General Reserves (see Section 2)

This represents the non-ringfenced balance of Council funds. There are two main purposes of general reserves: firstly to operate as a working balance to help manage the impact of uneven cash flows and avoid unnecessary temporary borrowing, and; secondly to provide a contingency to cushion the impact of emerging events or genuine emergencies. The target level of reserves retained will be risk based. General Reserves must be adequate and will increase and decrease as follows:

#### Increasing General Reserves

- Planned repayment as set-out in the Medium Term Financial Strategy, usually to recover to an adequate level in relation to a detailed risk assessment, or to prepare in advance for future risks or investment.
- Allocation of an operating surplus at the close of the financial year.

#### Decreasing General Reserves

- Planned draw-down of reserves to create investment, and to counteract the possibility of over-taxing in any financial year.
- Allocation of an operating deficit at the close of the financial year.

### Earmarked Reserves (see Section 3)

These provide a means of building up funds, for use in a later financial year, to meet known or predicted policy initiatives. Discipline is required around setting up and maintaining earmarked reserves, and this strategy sets out the Council's approach to this. Earmarked reserves will increase through decisions of the Council and will decrease as they are spent on specific intended purposes.

## Assessing the Adequacy of Reserves

2. In order to assess the adequacy of unallocated general reserves when setting the budget, the Section 151 Officer will take account of the strategic, operational and financial risks facing the Authority. The Council will therefore adopt formal risk management processes. The Audit Commission Codes of Audit Practice make it clear that it is the responsibility of the audited body to identify and address its operational and financial risks, and to develop and implement proper arrangements to manage them, including adequate and effective systems of internal control. The financial risks will be assessed in the context of the Authority's overall approach to risk management.
3. There is a requirement for local authorities to include an Annual Statement of Governance with the Statement of Accounts. The Section 151 Officer ensures that the Authority has put in place effective arrangements for internal audit of the control environment and systems of internal control, as required by professional standards.



4. Setting the level of general reserves is just one of several related decisions in the formulation of the medium term financial strategy and the budget for a particular year. Account will also be taken of the key financial assumptions underpinning the budget alongside a consideration of the Authority's financial management arrangements.
5. **Table 1** sets out the significant budget assumptions that are relevant when considering the adequacy of reserves, in addition to the issue of cashflow.
6. These factors can only be assessed properly at a local level. A considerable degree of professional judgment is required. The Section 151 Officer may choose to express advice on the level of balances in cash and / or as percentage of budget (to aid understanding) so long as that advice is tailored to the circumstances of the Authority for that particular year.
7. Advice will be set in the context of the Authority's process to manage medium term financial stability and not focus on short term considerations, although balancing the annual budget by drawing on general reserves may be a legitimate short term option. However, where reserves are to be deployed to finance recurrent expenditure this should be made explicit, and will occur only to pump prime investment and not to regularly support such costs. Advice will be given on the adequacy of reserves over the lifetime of the Medium Term Financial Strategy.

**Table 1: Holding adequate reserves will depend on a number of key factors**

**Budget Assumptions**

- The treatment of inflation and interest rates
- Estimates of the level and timing of capital receipts
- The treatment of demand led pressures
- The treatment of planned efficiency savings / productivity gains
- The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments
- The availability of other funds to deal with major contingencies and the adequacy of provisions

**Financial Standing and management**

- The overall financial standing of the Authority (including: level of borrowing, debt outstanding and Council Tax collection rates)
- The Authority's track record in budget and financial management including the robustness of the medium term plans
- The Authority's capacity to manage in-year budget pressures
- The strength of the financial information and reporting arrangements
- The Authority's virement and end of year procedures in relation to budget under / overspends at authority and service level
- The adequacy of the Authority's insurance arrangements to cover major unforeseen risks

Source: CIPFA – LAAP Bulletin 55, 2003

8. The current guidance requires the purpose, usage and the basis of transactions of earmarked reserves to be identified clearly. A review of the levels of earmarked reserves will be undertaken as part of annual budget preparation.



## 2. General Fund Reserves (Revenue)

### Purposes

9. The purpose of general reserves is to minimise the possible financial impacts to the Authority from:
  - Emergencies
  - In-year emerging financial issues
  - Reacting to investment opportunities
10. The Finance Procedure Rules set the parameters for the use of general reserves.
11. The in-year use of general reserves requires Council approval and should not be used to support recurring spending unless that is an intended sustainable strategy within the Medium Term Financial Strategy or a suitable payback period is agreed in advance.
12. In all cases the use of reserves should be approved by the Section 151 Officer.

### Opening Balances

13. The 2016/17 Budget anticipated that the Council would hold general reserves of £12.8m. However, an improved final outturn position resulted in a revised balance of £13.0m.
14. In February 2016 Council approved the use of general reserves during 2016/17. Council approved the use of £1m general reserves to be transferred to earmarked reserves to provide for costs associated with the Council's Planning functions.

15. **Table 2** shows the forecast position for 1<sup>st</sup> April 2017, it is anticipated that the Council will hold general reserves of £10.3m.

| <b>Table 2</b> <span style="float: right;">Estimated Balance<br/>1<sup>st</sup> April 2017<br/>£m</span> |             |
|----------------------------------------------------------------------------------------------------------|-------------|
| <b>Amount of General Fund Balance available for new expenditure</b>                                      | <b>13.0</b> |
| (Source: 2015/16 Statement of Accounts)                                                                  |             |
| <b>Approved in-year transfer to earmarked reserves</b>                                                   | <b>-1.0</b> |
| <b>The impact of performance against the 2016/17 Revenue Budget</b>                                      | <b>-1.7</b> |
| (Source: 2016/17 Three Quarter Year Review of Performance)                                               |             |
|                                                                                                          | <b>10.3</b> |

### Estimated Movement in Reserves (2016/17 onwards)

16. **Table 3** (overleaf) summarises the current estimated movements in general reserves from 2017 to 2020.
17. The clear assumption is that any in-year, or future, emerging financial pressures will be met from within the Council's in-year funding envelope.

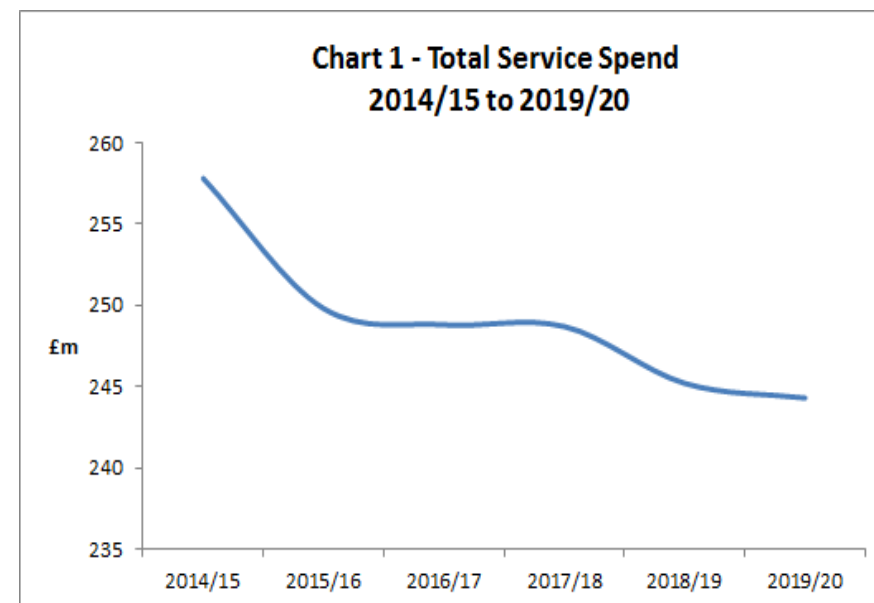


18. The level of reserves needed is assessed each year according to the risks facing the Authority (see **Table 4**: Risk Assessment overleaf).

| <b>Table 3 – The level of reserves will be maintained in the medium term</b> | <b>2016/17</b> | <b>2017/18</b> | <b>2018/19</b> | <b>2020/21</b> |
|------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                                              | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      | <b>£m</b>      |
| Estimated Balance @ 1 <sup>st</sup> April                                    | 13.0           | 10.3           | 10.3           | 10.3           |
| Estimated Impact of Spending                                                 | -1.7           | 0.0            | 0.0            | 0.0            |
| Planned Contribution to Earmarked Reserves                                   | -1.0           | 0.0            | 0.0            | 0.0            |
| <b>Forecast General Reserves @ 31<sup>st</sup> March</b>                     | <b>10.3</b>    | <b>10.3</b>    | <b>10.3</b>    | <b>10.3</b>    |
| Risk Assessed Minimum Level – February 2017                                  | 11.8           | 10.1           | 10.1           | 10.1           |

Source: Cheshire East Finance

19. **Chart 1** shows how the medium term financial outlook reflects a reduction in real terms expenditure on Council Services.

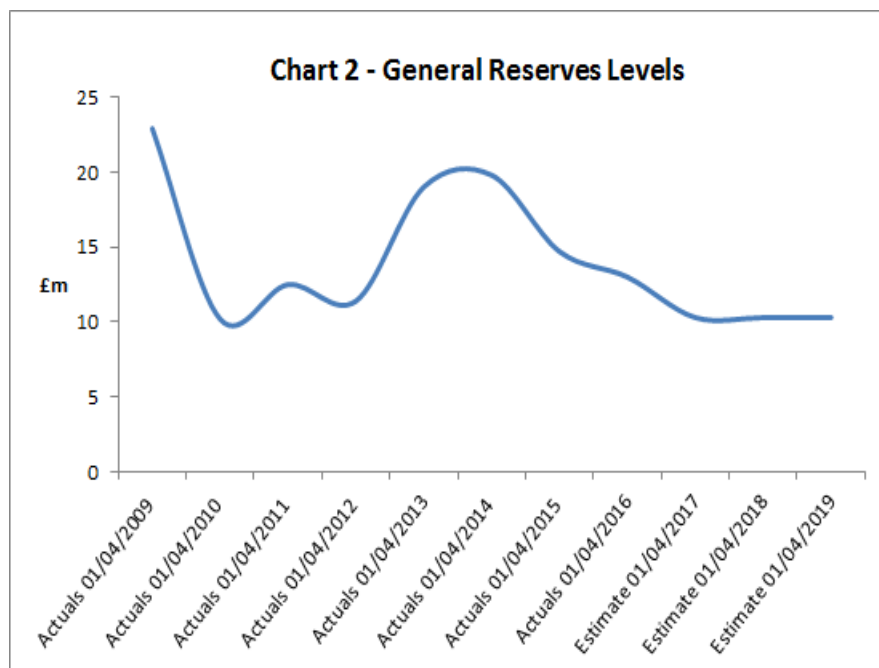


Source: Cheshire East Finance

20. Forecast reductions in net expenditure over the medium term reflects how the Council is reacting to reductions in Government funding. At the same time the Council minimised the impact on local residents by not raising Council Tax for five years up to 2015/16. This approach has required up front investment in change management to sustain the financial resilience of the Council. For example, early intervention in social care requires up front costs, and reducing staffing numbers usually requires expenditure on severance payments. The Council will also be investing in information technology to increase productivity.
21. Strategically the Council has chosen to utilise short-term funding to support investment and change and not to build up reserves balances.



22. **Chart 2** reflects how Cheshire East Reserves are used to support large scale investment, and are being stabilised over the medium term. The level at which reserves are set for 2017/18, reflects the aim of Cheshire East Council to match the Risk Assessed Minimum Level, ensuring reserves are adequate, and provide sufficient flexibility to manage short term cashflow.



Source: Cheshire East Finance

## General Fund Reserves – Risk Assessment

23. The risks facing each local area will vary. In the case of Cheshire East, the impact of rising demand for services, especially in social care, emerging Government policies such as changes to business rates, present the potential for significant emerging risk. The

financial pressure on public sector partners, especially in the Health Sector, could also create financial risks to the Council.

24. The minimum target level of reserves is quantified by a detailed risk assessment based on the potential of key risks actually causing financial pressure in the medium term. This approach allows the Council to take account of local circumstances and the impact of economic forecasts.
25. Where specific financial liability has not been established, or where outcomes from emerging pressures cannot be detailed, the Council will assume an appropriate level of risk. This reduces the possibility that the Council will be exposed to excessive financial pressure in a single year thereby smoothing the impact on services.
26. Risks are categorised, and potential values are applied to them. This presents the potential exposure to financial risk. **Table 4** shows the risk areas and the level of reserves Cheshire East Council should retain to mitigate that risk. In each case the value of the risk retained has been calculated as a percentage of the potential impact. The percentage is based on the likelihood of the risk actually achieving that total impact in any year.
27. The level of risk in the Medium Term Financial Strategy has reduced based on a trend of achieving of budget targets.
28. The updated Risk Assessment for 2017/18 provides for a reduction in the Minimum Level from £11.8m to £10.1m. This remains a prudent overall target for reserves at 4.1% of the net budget. The certainty of a multi-year agreement from the Government, alongside a balanced Medium Term Financial Strategy, has mitigated significant levels uncertainty when compared to previous budgets.



29. It is possible that a number of events could happen in a single year and the Council could be exposed to new unidentified risks. For this reason the analysis also contains a Strategic Reserve calculated as a percentage of gross expenditure (in this case 0.7%).
30. Risks will be included and managed using the following basic principles:
  - a. The risk may impact within the medium term.
  - b. Risks are potential one-off events.
  - c. The risk will have genuine financial consequences beyond insurance cover.
  - d. Mitigating actions will be in place to minimise the potential requirement for financial support.
  - e. If a risk becomes 100% likely it will be allocated to earmarked reserves or included within appropriate Revenue Budget estimates.
  - f. Emerging risks will be addressed from in-year surplus or virement before any request to allocate general reserves.



Table 4: A robust level of reserves is guided by an assessment of potential risks

| Class of Risk                   | Knock on Effects                                                                                                         | Effect on Budget / Mitigating Action                                                                                                  | Risk Assessment   |
|---------------------------------|--------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| <b>Health &amp; Safety</b>      | Major loss of service                                                                                                    | Increased cost to reduce further risk of breach / Robust risk assessments                                                             | <b>£100,000</b>   |
|                                 | Lost reputation / Effect on recruitment                                                                                  | Additional cost of new advertising to regain confidence and recruit staff / Effective Communication Plans and Employment option plans |                   |
| <b>Fire / Structural damage</b> | Major loss of service                                                                                                    | Premises not operational / Robust disaster recovery plan                                                                              | <b>£400,000</b>   |
|                                 | Epidemic                                                                                                                 | High staff or resident sickness & absence costs / raise awareness of safety measures and introduce robust emergency response plans    |                   |
|                                 | Severe Weather                                                                                                           | Additional staffing, transport and materials costs / robust emergency plans                                                           |                   |
|                                 | Insurance claims create rising premiums or cost to insurance reserves                                                    | Budget growth to cover premiums or self insurance costs / Good claims management                                                      |                   |
| <b>Budget Pressures</b>         | Opening Balances vary from current predictions                                                                           | Impact on opening balances / apply prudent assumptions to opening balances                                                            | <b>£4,500,000</b> |
|                                 | Efficiency savings challenged by changing priorities, and reduced income from economic downturn and additional VR costs. | Impact of 2016/17 projected outturn / robust remedial plans and monitoring of progress                                                |                   |
|                                 | Higher than anticipated inflation arising in year                                                                        | In-Year emerging issues / Robust plans and monitoring of progress                                                                     |                   |
|                                 | Potential decrease in Council Tax and Business Rates collection rate                                                     | Increased inflation on contracts and services / contract management and robust remedial plans                                         |                   |
|                                 |                                                                                                                          | Lower than forecast income or increased reliefs/ robust assessment criteria and debt recovery procedures                              |                   |



Table 4: A robust level of reserves is guided by an assessment of potential risks

| Class of Risk                                        | Knock on Effects                                                    | Effect on Budget / Mitigating Action                                                                                        | Risk Assessment    |
|------------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|--------------------|
| <b>Legal &amp; IT costs</b>                          | Legal challenges to Council service delivery / charges for services | Court costs and claims for financial settlement / clear processes and good workforce management                             | <b>£800,000</b>    |
|                                                      | Data corruption and need to improve security                        | ICT service days to repair, loss of service / robust security policies and firewalls                                        |                    |
| <b>Industrial relations / External organisations</b> | Disruption to service and possible costs of arbitration / tribunal  | Loss of income, costs of providing essential services or direct costs of resolution, reduced pay costs / emergency planning |                    |
| <b>Strategic Reserve</b>                             |                                                                     | Strategic / Emergency risk cover, potential further invest to save options and future pay and structure changes             | <b>£4,300,000</b>  |
| <b>OVERALL RISKS</b>                                 |                                                                     |                                                                                                                             | <b>£10,100,000</b> |
| <b>% of Net Revenue Budget</b>                       |                                                                     |                                                                                                                             | <b>4.1%</b>        |

Source: Cheshire East Finance



31. The outcome of this analysis has been to place an estimated total value on the range of risks that may arise and which are not covered by insurance. This is equivalent in total to £10.1m.
32. It should be noted that these risks reflect the net effect of issues relating to sustainable performance against the 2017/18 Revenue Budget. The key factors are:
  - The capacity of the organisation to deliver proposed growth or achieve the proposed level of savings entirely.
  - Potential underachievement of cost reduction targets following consultation processes.
  - Demand for services rising above estimated trends.
  - Changes to Government funding arrangements.

### Adequacy of General Reserves

33. A duty of the Section 151 Officer is to comment on the adequacy of financial reserves (see **Annex A**).
34. The estimates contained within the medium term financial strategy must be sufficiently robust to achieve certainty that reserves are adequate. The Section 151 Officer uses information contained within the Reserves Strategy to comment specifically in the annual Budget Report on the adequacy of reserves.



### 3. Earmarked Reserves (Revenue)

#### Purpose

35. The purpose of earmarked reserves is:
  - a. To prevent an uneven impact from policy options, by allowing balances to be set aside for future year expenditure.
  - b. To set aside amounts for projects which extend beyond one year.
36. Once Earmarked reserves have been established by Cheshire East Council it is the responsibility of Chief Officers, in consultation with the Section 151 Officer, to ensure balances are spent in line with their purpose.
37. **Table 5** identifies the most commonly established earmarked reserves and the rationale behind why such reserves are created and maintained.
38. For each earmarked reserve held by Cheshire East Council there will be clear records that set out:
  - the purpose of the reserve,
  - how and when the reserve can be used,
  - procedures for the reserve's management and control,
  - a process and timescale for review of the reserve to ensure continuing relevance and adequacy,
  - clear indication of payback periods and approach (if applicable).

| Table 5: All earmarked reserves should have a clear rationale                                                       |                                                                                                                                                                                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Category of Earmarked Reserve                                                                                       | Rationale                                                                                                                                                                                                                                                                          |
| Sums set aside for major schemes, such as capital developments or asset purchases, or to fund major reorganisations | Where expenditure is planned in future accounting periods, it is prudent to build up resources in advance.                                                                                                                                                                         |
| Insurance reserves                                                                                                  | An Insurance Fund has been established to meet the potential costs of insurance excesses arising from claims in respect of fire and consequential loss, public and employer liability, and vehicles relating to both Cheshire East Council and the former Cheshire County Council. |
| Reserves of trading and business units                                                                              | Surpluses arising from in-house trading may be retained, or may have to be retained by statute to cover potential losses in future years, or to finance capital expenditure.                                                                                                       |
| Reserves retained for service departmental use                                                                      | Increasingly, authorities have internal protocols that permit year-end surpluses at departmental level to be carried forward.                                                                                                                                                      |
| School Balances                                                                                                     | These are unspent balances of budgets delegated to individual schools.                                                                                                                                                                                                             |

Source: CIPFA – LAAP Bulletin 55, 2003



39. When establishing reserves, Cheshire East Council will ensure that it complies with the Code of Practice on Local Authority Accounting in the United Kingdom and in particular the need to distinguish between reserves and provisions.
40. The protocol for Cheshire East Council earmarked reserves is set out below. The Section 151 Officer will monitor adherence to these protocols. Records of each reserve will be held to demonstrate compliance with the protocols.
41. Earmarked Reserves will be:
  - Set up by Full Council, on recommendation by the Section 151 Officer,
  - Supported by a business case,
  - Normally held for a maximum of 3 years, except where the business case justifies a longer retention,
  - Subject to a minimum value, set initially at £60,000, unless the business case supports a lower level,
  - Be reviewed at least annually.
42. Services may also carry forward balances in accordance with processes set out in the Financial Procedure Rules.
43. Earmarked reserves have the effect of transferring the tax burden across financial years as current taxpayers' funds are being used to support future years' spending. It is therefore recommended that Cheshire East Council's earmarked reserves are subject to annual review, at least as part of the budget-setting process to ensure that they are still appropriate, relevant and adequate for the intended purpose.

## Opening Balances

44. At 1<sup>st</sup> April 2017, it is anticipated that balances on existing earmarked reserves held by Cheshire East Council will be £40.2m. It is estimated that balances will reduce by £5.9m by the end of 2017/18. **Table 6** (overleaf) shows the position on each earmarked reserve.



**Table 6: Earmarked Reserves that are statutory or essential have been retained for 2017/18**

| Service Description                          | Estimated Available Balance at 1 April 2017 | Forecast Movement in 2017/18 | Estimated Balance at 31 March 2018 | Reason / Use                                                                                                                                                                                                      |
|----------------------------------------------|---------------------------------------------|------------------------------|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                              | £000                                        | £000                         | £000                               |                                                                                                                                                                                                                   |
| <b>People</b>                                |                                             |                              |                                    |                                                                                                                                                                                                                   |
| <b>Adults, Public Health and Communities</b> |                                             |                              |                                    |                                                                                                                                                                                                                   |
| Extra Care Housing PFI                       | 2,060                                       | 165                          | <b>2,225</b>                       | Surplus grant set aside to meet future payments on existing PFI contract which commenced in January 2009.                                                                                                         |
| Provider Investment & Fees                   | 450                                         | -450                         | <b>0</b>                           | Linked to the S256 contribution towards backdated fees, to be used for provider training.                                                                                                                         |
| Public Health                                | 257                                         | -257                         | <b>0</b>                           | 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. |
| Communities Investment                       | 379                                         | -290                         | <b>89</b>                          | Amalgamation of promoting local delivery; grant support; new initiatives and additional funding from outturn to support community investment.                                                                     |



Table 6: Earmarked Reserves that are statutory or essential have been retained for 2017/18

| Service Description                | Estimated Available Balance at 1 April 2017 | Forecast Movement in 2017/18 | Estimated Balance at 31 March 2018 | Reason / Use                                                                                                                                    |
|------------------------------------|---------------------------------------------|------------------------------|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
|                                    | £000                                        | £000                         | £000                               |                                                                                                                                                 |
| <b>Place</b>                       |                                             |                              |                                    |                                                                                                                                                 |
| <b>Infrastructure and Highways</b> |                                             |                              |                                    |                                                                                                                                                 |
| Severe Weather                     | 230                                         | 0                            | <b>230</b>                         | To provide for future adverse winter weather expenditure.                                                                                       |
| <b>Growth and Regeneration</b>     |                                             |                              |                                    |                                                                                                                                                 |
| Royal Arcade Crewe                 | 350                                         | -200                         | <b>150</b>                         | To provide for future costs relating to the Royal Arcade including repairs and maintenance.                                                     |
| <b>Rural and Green Structure</b>   |                                             |                              |                                    |                                                                                                                                                 |
| Tatton Park                        | 150                                         | 0                            | <b>150</b>                         | Ring-fenced surplus on Tatton Park trading account.                                                                                             |
| <b>Corporate</b>                   |                                             |                              |                                    |                                                                                                                                                 |
| <b>Legal Services</b>              |                                             |                              |                                    |                                                                                                                                                 |
| Insurance & Risk                   | 3,989                                       | -306                         | <b>3,683</b>                       | To settle insurance claims and manage excess costs.                                                                                             |
| <b>Democratic Services</b>         |                                             |                              |                                    |                                                                                                                                                 |
| Elections                          | 152                                         | 140                          | <b>292</b>                         | To provide funds for Election costs every 4 years.                                                                                              |
| <b>Customer Operations</b>         |                                             |                              |                                    |                                                                                                                                                 |
| Emergency Assistance               | 169                                         | -169                         | <b>0</b>                           | Carry forward of underspend on previous years' schemes to provide for future hardship payments.                                                 |
| <b>Finance and Performance</b>     |                                             |                              |                                    |                                                                                                                                                 |
| Investment (Sustainability)        | 863                                         | -863                         | <b>0</b>                           | To support investment that can increase longer term financial independence and stability of the Council.                                        |
| Collection Fund Management         | 8,889                                       | 951                          | <b>9,840</b>                       | To manage cash flow implications as part of the Business Rates Retention Scheme. Includes liabilities that will not be paid until future years. |
| Financing                          | 11,340                                      | 0                            | <b>11,340</b>                      | To provide for financing of capital schemes, other projects and initiatives.                                                                    |
| Transforming Services              | 2,337                                       | -1,360                       | <b>977</b>                         | Funding for costs associated with service transformation; particularly in relation to staffing related expenditure.                             |
| Transitional Funding               | 1,021                                       | -799                         | <b>222</b>                         | To provide financial support to services or projects during a period of transition to a lower overall cost base.                                |



**Table 6: Earmarked Reserves that are statutory or essential have been retained for 2017/18**

| Service Description                      | Estimated Available Balance at 1 April 2017 | Forecast Movement in 2017/18 | Estimated Balance at 31 March 2018 | Reason / Use                                                                                    |
|------------------------------------------|---------------------------------------------|------------------------------|------------------------------------|-------------------------------------------------------------------------------------------------|
|                                          | £000                                        | £000                         | £000                               |                                                                                                 |
| <b>Cross Service</b>                     |                                             |                              |                                    |                                                                                                 |
| Trading Reserve                          | 1,179                                       | -200                         | <b>979</b>                         | The Authority's share of ASDVs net surplus to be spent in furtherance of the ASDV's objectives. |
| Service Manager carry forward            | 880                                         | -797                         | <b>83</b>                          | Allocations for Cost of Investment or grant funded expenditure.                                 |
| Revenue Grants - Dedicated Schools Grant | 4,158                                       | -1,000                       | <b>3,158</b>                       | Unspent specific use grant carried forward into 2017/18.                                        |
| Revenue Grants - Other                   | 1,395                                       | -455                         | <b>940</b>                         | Unspent specific use grant carried forward into 2017/18.                                        |
| <b>Total</b>                             | <b>40,248</b>                               | <b>-5,890</b>                | <b>34,358</b>                      |                                                                                                 |

Source: Cheshire East Council



## 4. Capital Reserves

- 45. Capital receipts received in year are fully applied to finance the capital programme and therefore no capital receipts reserves are held by the Council.
- 46. Where revenue contributions are used to finance capital expenditure these will be held in reserve until such time as the expenditure is incurred.



## 5. Reserves Strategy Conclusion

- 47. Overall Cheshire East Council is establishing reserves that match the minimum risk levels while retaining flexibility to react to investment opportunities. This approach can be supported during the medium term based on recent performance against budget.
- 48. This recognises local issues and allows the Section 151 Officer to comment favourably on the adequacy of reserves.
- 49. The maintenance of protocols around the use of balances improves control and increases openness in financial reporting and management. This approach assists with financial planning and increases understanding of Cheshire East Council's financial position. Reserves' positions will continue to be reviewed throughout the financial year.



## Background Papers

General Fund Reserves – Risk Assessment Working Papers 2016

CIPFA Local Authority Accounting Panel: Bulletin 55, Local Authority Reserves and Balances (2003)



## Annex A to Reserves Strategy

### Protocols and Controls

#### The Existing Legislative / Regulatory Framework

1. Sections 32 and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
2. There are three significant safeguards in place that militate against local authorities over-committing themselves financially:
  1. The balanced budget requirement.
  2. The Chief Finance Officer's S114 powers.
  3. The External Auditor's responsibility to review and report on financial standing.
3. The balanced budget requirement is reinforced by section 114 of the Local Government Finance Act 1988 which requires the Chief Finance Officer to report to all the Authority's councillors if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the Authority will not have the resources to meet its expenditure in a particular financial year. The issue of a section 114 notice cannot be taken lightly and has serious operational implications. The Authority's full Council must meet within 21 days to consider the S114 notice and during that period the Authority is prohibited from entering into new agreements involving the incurring of expenditure.
4. While it is primarily the responsibility of the local authority and its Chief Finance Officer to maintain a sound financial position, External Auditors have a responsibility to review the arrangements in place to ensure that financial standing is soundly based. In the

course of their duties External Auditors review and report on the level of reserves taking into account their local knowledge of the Authority's financial performance over a period of time. However, it is not the responsibility of auditors to prescribe the optimum or minimum level of reserves for individual authorities or authorities in general.

#### The Role of the Chief Financial Officer

5. It is the responsibility of the Chief Finance Officer to advise local authorities about the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use. There is no statutory minimum.
6. Local authorities, on the advice of their Chief Finance Officers, are required to make their own judgements on the level of reserves taking into account all the relevant local circumstances. Such circumstances vary. A well-managed authority, for example, with a prudent approach to budgeting should be able to operate with a relatively low level of general reserves. There is a broad range within which authorities might reasonably operate depending on their particular circumstances.

#### Good Governance

7. It is important that Members take responsibility for ensuring the adequacy of reserves and provisions when they set the budget. CIPFA recommend that the respective roles of officers and Councillors in relation to reserves should be codified locally and given due recognition in the Constitutions. This codification should:
  - State which council bodies are empowered to establish reserves



- Set out the responsibilities of the Chief Finance Officer and Councillor – or group of Councillors – responsible for finance
- Specify the reporting arrangements

appropriate levels. It should also show the estimated opening balances for the year, planned additions / withdrawals and the estimated closing balances.

## A New Reporting Framework

8. The Chief Finance Officer has a fiduciary duty to local taxpayers, and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds.
9. The level and utilisation of reserves will be determined formally by the Council, informed by the advice and judgement of the Chief Finance Officer. To enable the Council to reach its decision, the Chief Finance Officer should report the factors that influenced his or her judgement and ensure that the advice given is recorded formally. Where the advice is not accepted this should be recorded formally in the minutes of the Council meeting.

## CIPFA recommended that:

10. The Business Planning report to the Council should include a statement showing the estimated opening general reserve fund balance for the year ahead, the additional contribution to / withdrawal from balances, and the estimated end of year balance. Reference should be made as to the extent to which such reserves are to be used to finance recurrent expenditure this should be accompanied by a statement from the Chief Finance Officer on the adequacy of the general reserves and provisions in respect of the forthcoming financial year and the Authority's medium term financial strategy.
11. A statement reporting on the annual review of earmarked reserves should also be made at the same time to the Council. The review itself should be undertaken as part of the budget preparation process. The statement should list the various earmarked reserves, the purposes for which they are held and provide advice on the



# 14. Abbreviations

This annex provides details of the abbreviations used in the Report in alphabetical order.

| Term       | Meaning                                                                                                                               |
|------------|---------------------------------------------------------------------------------------------------------------------------------------|
| ASDV       | Alternative Service Delivery Vehicles – part of the Council’s commissioning approach to funding services.                             |
| BRRS       | Business Rates Retention Scheme – the system of local authority funding introduced on 1st April 2013.                                 |
| DCLG / CLG | Department for Communities and Local Government – the Government department responsible for supporting local government.              |
| DSG        | Dedicated Schools Grant – grant received from Government to fund schools.                                                             |
| ESG        | Education Support Grant – a grant provided to support services the Council provides to schools.                                       |
| FQR        | First Quarter Review of Performance.                                                                                                  |
| HR         | Human Resources – one of the Council’s corporate service areas under the Chief Operating Officer.                                     |
| ICT        | Information and Communication Technology – the service responsible for computers, networks, software, phones, etc.                    |
| MYR        | Mid-Year Review of Performance.                                                                                                       |
| NEETs      | Not in Education, Employment or Training                                                                                              |
| NNDR       | National Non Domestic Rates – the contribution to general local authority costs by businesses. The rate is set by central Government. |
| PWLB       | Public Works Loan Board – a Government agency providing loans to public bodies for capital works.                                     |
| RSG        | Revenue Support Grant – a grant that forms part of the Business Rate Retention Scheme.                                                |
| SLE        | Separate Legal Entity – a delivery model for delivering services in a different way.                                                  |
| TQR        | Third Quarter Review of Performance.                                                                                                  |



# 15. Forecasts

Forecasts presented to the Council in February 2016 highlighted potential budget deficits in the medium term.

Proposals in the Pre-Budget Consultation focused on eliminating the medium term deficits, whilst building financial resilience for the future.

|                                                                                    | Budget Book<br>2015/16<br>(revised at<br>TQR) | Estimated Net<br>Budget<br>2016/17 | Estimated Net<br>Budget<br>2017/18 | Estimated Net<br>Budget<br>2018/19 | Estimated Net<br>Budget<br>2019/20 |
|------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|                                                                                    | £m                                            | £m                                 | £m                                 | £m                                 | £m                                 |
| Outcome 1 - Our Local Communities are strong and supportive                        | 26.3                                          | 25.6                               | 25.5                               | 25.9                               | 26.3                               |
| Outcome 2 - Cheshire East has a strong and resilient economy                       | 33.0                                          | 32.8                               | 32.8                               | 33.1                               | 33.5                               |
| Outcome 3 - People have the life skills and education they need in order to thrive | 12.3                                          | 12.1                               | 12.3                               | 12.6                               | 12.9                               |
| Outcome 4 - Cheshire East is a green and sustainable place                         | 31.2                                          | 31.4                               | 30.4                               | 30.1                               | 30.4                               |
| Outcome 5 - People live well and for longer                                        | 110.3                                         | 111.9                              | 112.1                              | 111.7                              | 113.3                              |
| Outcome 6 - Efficiency                                                             | 37.6                                          | 35.0                               | 33.5                               | 34.1                               | 34.7                               |
| <b>Total Outcomes</b>                                                              | <b>250.7</b>                                  | <b>248.8</b>                       | <b>246.6</b>                       | <b>247.5</b>                       | <b>251.1</b>                       |
| Corporate Contributions and Adjustments                                            | 1.1                                           | 1.1                                | 1.1                                | 1.1                                | 1.1                                |
| Capital Financing                                                                  | 14.0                                          | 14.0                               | 14.0                               | 14.0                               | 14.0                               |
| Use of / Contribution to Earmarked Reserve                                         |                                               | 2.8                                | -0.1                               | -0.1                               | -0.1                               |
| <i>Additional Reductions to closing Funding Deficit Yr 2/3</i>                     |                                               |                                    | 0.0                                | -8.9                               | -22.4                              |
| <b>TOTAL:</b>                                                                      | <b>265.8</b>                                  | <b>266.7</b>                       | <b>261.6</b>                       | <b>253.6</b>                       | <b>243.7</b>                       |
| <b>CENTRAL BUDGETS</b>                                                             |                                               |                                    |                                    |                                    |                                    |
| Business Rate Retention Scheme                                                     | -38.6                                         | -39.7                              | -40.4                              | -41.6                              | -40.3                              |
| Revenue Support Grant                                                              | -39.2                                         | -26.3                              | -13.4                              | -5.4                               | 0.0                                |
| Specific Grants                                                                    | -19.2                                         | -18.8                              | -18.2                              | -11.2                              | -10.6                              |
| Council Tax                                                                        | -168.8                                        | -179.4                             | -180.7                             | -181.9                             | -183.2                             |
| Collection Fund Surplus                                                            | 0.0                                           | -2.5                               | 0.0                                | 0.0                                | 0.0                                |
| <b>TOTAL: Central Budgets</b>                                                      | <b>-265.8</b>                                 | <b>-266.7</b>                      | <b>-252.7</b>                      | <b>-240.1</b>                      | <b>-234.1</b>                      |
| <b>Funding Deficit</b>                                                             | <b>0.0</b>                                    | <b>0.0</b>                         | <b>8.9</b>                         | <b>13.5</b>                        | <b>9.6</b>                         |

Notes:

Including assumption that the Funding (Surplus) / Deficit from previous years is closed and that General Reserves are not used.



# 16. Feedback

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

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





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## Cheshire East Council

### Cabinet

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|                          |                                                        |
|--------------------------|--------------------------------------------------------|
| <b>Date of Meeting:</b>  | 7 <sup>th</sup> February 2017                          |
| <b>Report of:</b>        | Chief Operating Officer                                |
| <b>Subject/Title:</b>    | Treasury Management Strategy and MRP Statement 2017/18 |
| <b>Portfolio Holder:</b> | Councillor Peter Groves                                |

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#### 1. Report Summary

- 1.1. The Treasury Management strategy is an important element in the overall financial health and resilience of Cheshire East Council. The strategy focuses on the management of the Council's investment and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- 1.2. The key elements of the strategy for 2017/18 are for the Council to:
- Retain capital financing costs within an affordable limit of c.£14m
  - Not enter into any additional long term borrowing in 2017/18
  - Take an appropriate approach to risk if short term loans are required, by only borrowing from lenders identified in the strategy
  - Maintain security of investments by only using counterparties detailed in the strategy
  - Support a flexible approach to treasury management that can react to opportunities and market conditions to maximise effectiveness, whilst protecting the public funds managed within the strategy
- 1.3 The Treasury Management Strategy set out in Appendix A was also reported to the Audit & Governance Committee on 8<sup>th</sup> December 2016 for scrutiny purposes.

#### 2. Recommendation

- 2.1. Cabinet is requested to recommend to Council the approval of the:-
- Treasury Management Strategy and the MRP Statement for 2017/18 (Appendix A)



The Strategy includes the Department for Communities and Local Government (DCLG) reporting requirements in accordance with the Local Government Investments Guidance under Section 15(1) (a) of the Local Government Act 2003.

### **3. Other Options Considered**

- 3.1. None

### **4. Reasons for Recommendation**

- 4.1. The report presents the 2017/18 Treasury Management Strategy Statement (TMSS), incorporating the Minimum Revenue Provision (MRP) Policy Statement, Investment Strategy and Prudential and Treasury Indicators 2017/20, required under Part 1 of the Local Government Act 2003.
- 4.2. The Treasury Management Strategy details the activities of the Treasury Management function in the forthcoming year 2017/18. The Strategy for 2017/18 reflects the views on interest rates of leading market forecasts provided by Arlingclose, the Council's advisor on treasury matters. It also includes the Prudential Indicators relating to Treasury Management.
- 4.3. The CIPFA Code of Practice on Treasury Management requires all local authorities to agree a Treasury Management Strategy Statement including an Investment Strategy annually in advance of the financial year. The strategy should incorporate the setting of the Council's prudential indicators for the three forthcoming financial years.

### **5. Background/Chronology**

- 5.1. The treasury management team work closely with the Council's advisors Arlingclose to gain the maximum benefit from their expertise and guidance, including benchmarking performance against other local authorities on a quarterly basis.
- 5.2. The Treasury Management Strategy takes into account future borrowing requirements, based on the Council's three year capital spending plans, projected cash flow requirements and money market opportunities. The aim is to maintain control over borrowing activities, with particular regard for longer term affordability; but also to allow sufficient flexibility to respond to changes in the capital and money markets as they arise.
- 5.3. A major influence on the money markets during 2016/17 has been the result of Brexit and the decision by the Bank of England to reduce the base rate to a new all time low of 0.25%. Brexit has created uncertainty and the subsequent reduction in base rates will affect future returns. However, all other factors remain the same and investments will continue to be made in line with current strategies. This will, of course, be kept under review but

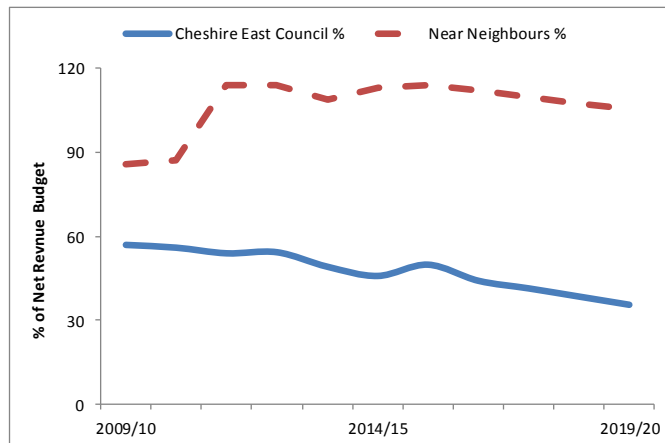


until more is known about the arrangements post Brexit, there is unlikely to be any significant change.

- 5.4. Over the past year, the Council has reduced the credit risk of its investments by utilising higher rated counterparties, secured bonds and UK Public sector investments (e.g other Local Authorities). Through selective use, the overall level of return on our investments has been maintained. This process will continue in 2017/18 with interest returns expected to be better than, or equivalent to, the alternative liquid investments such as money market funds where returns are gradually diminishing.
- 5.5. The Council remains committed to delivering appropriate levels of capital investment to support service improvement and local economic growth, which increases the importance of sound Treasury Management Strategy in the medium term. The current strategy is to ensure that investment in capital schemes is sustainable by controlling the consequential impact on the revenue account and council tax levels, ensuring good value for money to local businesses and residents.
- 5.6. The Council has continued its policy of utilising existing cash balances instead of taking out new long term loans in order to fund capital expenditure. This has meant that the loans portfolio has reduced as loans have been repaid.
- 5.7. At 31 March 2016 the Council had an underlying need to borrow of £224m. By having just £109m of long-term loans outstanding at that time the Council was using £115m of cash balances represented by its reserves, balances and the excess of creditors over debtors to temporarily fund capital expenditure payments. This position (i.e., where the amounts of loans outstanding is less than the underlying need to borrow) is referred to as internal borrowing.
- 5.8. It is the usual practice to have high levels of internal borrowing at a time when short term interest rates are below long term interest rates. This strategy helps reduce the net cost of interest payable to the Council as it avoids having to pay interest on new loans between 2-3% whilst only earning on average 0.75% on any cash balances held.
- 5.9. The Council currently has external borrowing of £110m. The amount of interest paid on the Council's portfolio of long term loans is mainly at fixed rates of interest (circa 3.9%). Currently long term interest rates are around 3.1%.
- 5.10. Since 1 April 2009 the level of external debt has reduced by £27m from £137m. As a percentage of the net revenue budget this is lower than the Council's nearest neighbours.



*Chart 1 - Long term borrowing as a percentage of net revenue budget continues to reduce due to ongoing repayments*



5.11. The rate of interest to be earned on the Council's cash balances that are temporarily invested is budgeted to be £0.3m.

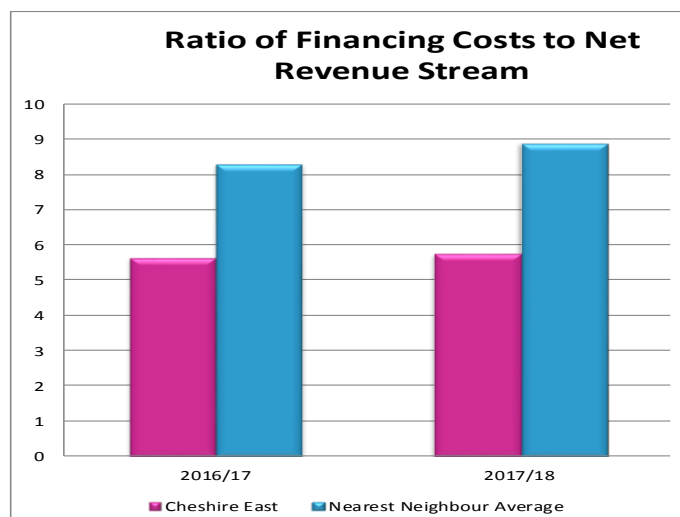
5.12. The capital financing budget is at a very prudent level of £14m, 5.67% of the 2017/18 net revenue budget. This compares favourably when compared to the Councils nearest neighbours.

### Capital Financing Budget 2017/18

| Capital Financing Budget                                           | 2017/18<br>£m |
|--------------------------------------------------------------------|---------------|
| Repayment of Outstanding Debt                                      | 11.2          |
| Contribution re: Schools Transforming Learning Communities Schemes | -0.9          |
| Interest on Long Term Loans                                        | 4.0           |
| Less: Interest Receivable on Cash Balances                         | -0.3          |
| <b>Net Capital Financing Budget</b>                                | <b>14.0</b>   |

Source: Cheshire East Finance

*Chart 2 – The revenue cost of the capital programme is lower than the nearest neighbour 'average'.*





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

6.1. All.

## **7. Implications of Recommendation**

### **7.1. Policy Implications**

7.1.1. The impact of the Treasury Management Strategy 2017/18 feeds into the assumptions underpinning the 2017/20 medium term financial strategy.

### **7.2. Legal Implications**

7.2.1. It is a requirement of the CIPFA's Treasury Management in the Public Services: Code of Practice; that Council receives an Annual Report on its Treasury Strategy; that Council sets Prudential Indicators for the next three years and approves an Annual Investment Strategy and an Annual MRP Policy Statement. There are stringent legislative requirements in place which dictate the way that a local authority deals with financial administration.

### **7.3. Financial Implications**

7.3.1. Effective treasury management provides support towards the achievement of service priorities, it ensures that the Council's capital investment programme delivers value for money by demonstrating that capital expenditure plans are affordable, external borrowing is prudent and sustainable and treasury decisions are taken in accordance with good practice.

### **7.4. Equality Implications**

7.4.1. Not applicable.

### **7.5. Rural Community Implications**

7.5.1. Not applicable.

### **7.6. Human Resources Implications**

7.6.1. Not applicable.

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

7.7.1. Not applicable.

### **7.8. Implications for Children and Young People**



7.8.1. Not applicable.

**7.9. Other Implications (Please Specify)**

7.9.1. Not applicable.

**8. Risk Management**

- 8.1. The Council operates its treasury management activity within the approved Treasury Management Code of Practice and associated guidance.
- 8.2. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy as no treasury management activity is without risk. The aim is to operate in an environment where risk is clearly identified and managed.
- 8.3. To reduce the risk that the Council will suffer a loss as a result of its treasury management activities down to an acceptable level a number of risk management procedures have been put in place. The procedures cover liquidity risk, credit and counterparty risk, re-financing risk, legal and regulatory risk, and fraud, error and corruption risk. These are referred to within the borrowing and investment strategies, prudential indicators and the Treasury Management Practices Principles and Schedules.
- 8.4. The arrangements for the identification, monitoring and controlling of risk will be reported on a regular basis in accordance with the Strategy.

**9. Access to Information/Bibliography**

9.1 *CIPFA Capital Finance – The Prudential Code (2013 Edition)*

*CIPFA Treasury Management in the Public Services – Code of Practice*

*Guidance and information provided by Arlingclose can be accessed via the Treasury Management team, Financial Strategy & Reporting.*

**10. Contact Information**

Contact details for this report are as follows:

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**Designation:** Chief Operating Officer  
**Tel. No.:** 01270 686013  
**Email:** peter.bates@cheshireeast.gov.uk

**Appendices:**

*Appendix A – Treasury Management Strategy Statement & Investment Strategy 2017/18 – 2019/20*



## **Treasury Management Strategy Statement and Investment Strategy 2017/18 to 2019/20**





**Contents**

1. Background
2. External Context
3. Local Context
4. Borrowing Strategy
5. Investment Strategy
6. Treasury Management Indicators
7. Other Items
8. Financial Implications

**Annexes**

- A. Economic & Interest Rate Forecast (Section 2.10)
- B. Existing Investment & Debt Portfolio Position (Section 3.1)
- C. Prudential indicators
- D. MRP Statement 2017/18



## 1. Background

- 1.1. On 23<sup>rd</sup> February 2012 the Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year.
- 1.2. In addition, the Department for Communities and Local Government (CLG) issued revised *Guidance on Local Authority Investments* in March 2010 that requires the Authority to approve an investment strategy before the start of each financial year.
- 1.3. The report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the CLG Guidance.
- 1.4. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.
- 1.5. **Revised strategy:** In accordance with the CLG Guidance, the Authority will be asked to approve a revised Treasury Management Strategy Statement should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a large unexpected change in interest rates, or in the Authority's capital programme or in the level of its investment balance.

## 2. External Context

- 2.1 **Economic background:** The major external influence on the Authority's treasury management strategy for 2017/18 will be the UK's progress in negotiating a smooth exit from the European Union. Financial markets, wrong-footed by the referendum outcome, have since been weighed down by uncertainty over whether leaving the Union also means leaving the single market. Negotiations are expected to start once the UK formally triggers exit in early 2017 and last for at least two years. Uncertainty over future economic prospects will therefore remain throughout 2017/18.
- 2.2 The fall and continuing weakness in sterling and the near doubling in the price of oil in 2016 have combined to drive inflation expectations higher. The Bank of England is forecasting that Consumer Price Inflation will breach its 2% target in 2017, the first time since late 2013, but the Bank is expected to look through inflation overshoots over the course of 2017 when setting interest rates so as to avoid derailing the economy.
- 2.3 Initial post-referendum economic data showed that the feared collapse in business and consumer confidence had not immediately led to lower GDP growth. However, the prospect of a leaving the single market has dented business confidence and resulted in a delay in new business investment and, unless counteracted by higher public spending or retail sales, will weaken economic growth in 2017/18.
- 2.4 Looking overseas, with the US economy and its labour market showing steady improvement, the market has priced in a high probability of the Federal Reserve increasing interest rates in December 2016. The Eurozone meanwhile has continued to struggle with very low inflation and lack of momentum in growth, and the European Central Bank has left the door open for further quantitative easing.
- 2.5 The impact of political risk on financial markets remains significant over the next year. With challenges such as immigration, the rise of populist, anti-establishment parties and negative interest rates resulting in savers being paid nothing for their frugal efforts or even penalised for them, the outcomes of Italy's referendum on its constitution



(December 2016), the French presidential and general elections (April - June 2017) and the German federal elections (August - October 2017) have the potential for upsets.

- 2.6 **Credit outlook:** Markets have expressed concern over the financial viability of a number of European banks recently. Sluggish economies and continuing fines for pre-crisis behaviour have weighed on bank profits, and any future slowdown will exacerbate concerns in this regard.
- 2.7 Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Authority; returns from cash deposits however continue to fall.
- 2.8 **Interest rate forecast:** The Authority's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.25% during 2017/18. The Bank of England has, however, highlighted that excessive levels of inflation will not be tolerated for sustained periods. Given this view and the current inflation outlook, further falls in the Bank Rate look less likely. Negative Bank Rate is currently perceived by some policymakers to be counterproductive, but although a low probability, this cannot entirely be ruled out later in the medium term, particularly if the UK enters recession as a result of concerns over leaving the European Union.
- 2.9 Gilt yields have risen sharply, but remain at low levels. The Arlingclose central case is for yields to decline when the government triggers Article 50. Long-term economic fundamentals remain weak, and the quantitative easing (QE) stimulus provided by central banks globally has only delayed the fallout from the build-up of public and private sector debt. The Bank of England has defended QE as a monetary policy tool, and further QE in support of the UK economy in 2017/18 remains a possibility, to keep long-term interest rates low.
- 2.10 A more detailed economic and interest rate forecast provided by the Authority's treasury management advisor is attached at **Annex A**.
- 2.11 For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 0.75%.

### 3. Local Context

- 3.1 The Authority currently has borrowings of £110m and investments of £67m. This is set out in further detail at **Annex B**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.



Table 1: Balance Sheet Summary and Forecast

|                                       | 31.3.16<br>Actual<br>£m | 31.3.17<br>Estimate<br>£m | 31.3.18<br>Estimate<br>£m | 31.3.19<br>Estimate<br>£m | 31.3.20<br>Estimate<br>£m |
|---------------------------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| General Fund CFR                      | 256                     | 274                       | 293                       | 324                       | 367                       |
| Less: Other long-term liabilities *   | -30                     | -28                       | -27                       | -25                       | -23                       |
| <b>Borrowing CFR</b>                  | <b>226</b>              | <b>246</b>                | <b>266</b>                | <b>299</b>                | <b>344</b>                |
| Less: External borrowing **           | -109                    | -103                      | -96                       | -89                       | -82                       |
| <b>Internal (over) borrowing</b>      | <b>117</b>              | <b>143</b>                | <b>170</b>                | <b>210</b>                | <b>262</b>                |
| Less: Usable reserves                 | -93                     | -76                       | -70                       | -65                       | -63                       |
| Less: Working capital                 | -42                     | -42                       | -42                       | -42                       | -42                       |
| <b>Investments (or New borrowing)</b> | <b>(18)</b>             | <b>25</b>                 | <b>58</b>                 | <b>103</b>                | <b>157</b>                |

\* finance leases and PFI liabilities that form part of the Authority's debt

\*\* shows only loans to which the Authority is committed and excludes optional refinancing

- 3.2 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, subject to holding a minimum investment balance of around £20m for liquidity purposes.
- 3.3 The Authority has an increasing CFR due to the capital programme and will therefore be required to borrow up to £98m over the forecast period.
- 3.4 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2017/18.

#### 4. Borrowing Strategy

- 4.1 The Authority currently holds loans of £110m which are reducing by £6m per year, as part of its strategy for funding previous years' capital programmes.
- 4.2 The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.
- 4.3 Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.
- 4.4 By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal



borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2017/18 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

- 4.5 Alternatively, the Authority may arrange forward starting loans during 2017/18, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.
- 4.6 In addition, the Authority may borrow short-term loans to cover unexpected or planned temporary cash flow shortages.
- 4.7 The approved sources of long-term and short-term borrowing are:
  - Public Works Loan Board and any successor body
  - UK local authorities
  - any institution approved for investments (see below)
  - any other bank or building society authorised to operate in the UK
  - UK public and private sector pension funds (except Cheshire Pension Fund)
  - capital market bond investors
  - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
  - European Investment Bank
  - Salix Finance Ltd energy efficiency loans
- 4.8 In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:
  - operating and finance leases
  - hire purchase
  - Private Finance Initiative
  - sale and leaseback
- 4.9 The Authority has previously raised the majority of its long-term borrowing from the Public Works Loan Board, but it continues to investigate other sources of finance, such as local authority loans and bank loans, that may be available at more favourable rates.
- 4.10 **Municipal Bond Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a joint and several guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report
- 4.11 **LOBO's:** The Authority holds £17m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBOS have options during 2016/17, and although the Authority understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Authority will take the option to repay LOBO loans at no cost if it has the opportunity to do so.



- 4.12 **Short-term and variable rate loans:** These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.
- 4.13 **Debt Rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall saving or reduction in risk.

## 5. Investment Strategy

- 5.1 The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's investment balance has ranged between £23m and £94m. Slightly reduced levels are expected to be maintained in the forthcoming year.
- 5.2 Both the CIPFA Code and the CLG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 5.3 If the UK enters into a recession in 2017/18, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.
- 5.4 Given the increasing risk and continued low returns from short-term unsecured bank investments, the Authority aims to continue to diversify into more secure and/or higher yielding asset classes during 2017/18. This is especially the case for any longer-term investment. The majority of the Authorities surplus cash is currently invested in short-term unsecured bank deposits and money market funds. This diversification will therefore represent a continuation of the new strategy adopted over the last few years.
- 5.5 The Authority may invest its surplus funds with any of the counterparties in table 2 below, subject to the cash and time limits shown.

**Table 2: Approved Investment Counterparties and Limits**

| Credit Rating | Banks* Unsecured | Banks* Secured   | Government              | Corporates      | Registered Providers |
|---------------|------------------|------------------|-------------------------|-----------------|----------------------|
| UK Govt       | n/a              | n/a              | £ Unlimited<br>50 years | n/a             | n/a                  |
| AAA           | £6m<br>5 years   | £12m<br>20 years | £12m<br>50 years        | £6m<br>20 years | £6m<br>20 years      |
| AA+           | £6m<br>5 years   | £12m<br>10 years | £12m<br>25 years        | £6m<br>10 years | £6m<br>10 years      |
| AA            | £6m<br>4 years   | £12m<br>5 years  | £12m<br>15 years        | £6m<br>5 years  | £6m<br>10 years      |
| AA-           | £6m<br>3 years   | £12m<br>4 years  | £12m<br>10 years        | £6m<br>4 years  | £6m<br>10 years      |
| A+            | £6m<br>2 years   | £12m<br>3 years  | £6m<br>5 years          | £6m<br>3 years  | £6m<br>5 years       |



|              |                  |                   |                  |                    |                |
|--------------|------------------|-------------------|------------------|--------------------|----------------|
| A            | £6m<br>13 months | £12m<br>2 years   | £6m<br>5 years   | £6m<br>2 years     | £6m<br>5 years |
| A-           | £6m<br>6 months  | £12m<br>13 months | £6m<br>5 years   | £6m<br>13 months   | £6m<br>5 years |
| BBB+         | £3m<br>100 days  | £6m<br>6 months   | £3m<br>2 years   | £3m<br>6 months    | £3m<br>2 years |
| None         | £1m<br>6 months  | n/a               | £12m<br>25 years | £50,000<br>5 years | £6m<br>5 years |
| Pooled funds | £12m per fund    |                   |                  |                    |                |

\*Banks includes Building Societies

The above limits apply to individual counterparties and represent the maximum amount and maximum duration of any investment per counterparty.

- 5.6 **Credit Rating:** Investment limits are set by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.
- 5.7 **Banks Unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.
- 5.8 **Banks Secured:** Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.
- 5.9 **Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.
- 5.10 **Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.
- 5.11 **Registered Providers:** Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services, they retain the likelihood of receiving government support if needed.
- 5.12 **Pooled Funds:** Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes



with market prices and/or have a notice period will be used for longer investment periods.

- 5.13 Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.
- 5.14 **Risk Assessment and Credit Ratings:** Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
  - any existing investments that can be recalled or sold at no cost will be, and
  - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
- 5.15 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.
- 5.16 **Other Information on the Security of Investments:** The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.
- 5.17 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.
- 5.18 **Specified Investments:** The CLG Guidance defines specified investments as those:
- denominated in pound sterling,
  - due to be repaid within 12 months of arrangement,
  - not defined as capital expenditure by legislation, and
  - invested with one of:
    - the UK Government,
    - a UK local authority, parish council or community council, or
    - a body or investment scheme of "high credit quality".



- 5.19 The Authority defines “high credit quality” organisations as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.
- 5.20 **Non-specified Investments:** Any investment not meeting the definition of a specified investment is classed as non-specified. The Authority does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in table 3 below.

**Table 3: Non-Specified Investment Limits**

|                                                                                        | Cash limit |
|----------------------------------------------------------------------------------------|------------|
| Total long-term investments                                                            | £40m       |
| Total investments without credit ratings or rated below A-                             | £25m       |
| Total investments (except pooled funds) domiciled in foreign countries rated below AA+ | £15m       |
| Total non-specified investments                                                        | £80m       |

- 5.21 **Investment Limits:** The Authority’s revenue reserves available to cover investment losses are forecast to be £84m on 31<sup>st</sup> March 2017. In order that no more than 15% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £12m. A group of banks under the same ownership or a group of funds under the same management will be treated as a single organisation for limit purposes. Limits will also be placed on investments in brokers’ nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

**Table 4: Investment Limits**

| Type of Counterparty                                      | Cash limit                   |
|-----------------------------------------------------------|------------------------------|
| Any single organisation, except the UK Central Government | £12m each                    |
| UK Central Government                                     | unlimited                    |
| Any group of organisations under the same ownership       | £12m per group               |
| Any group of pooled funds under the same management       | £25m per manager             |
| Negotiable instruments held in a broker’s nominee account | £35m per broker              |
| Foreign countries                                         | £12m per country             |
| Registered Providers                                      | £25m in total                |
| Unsecured investments with Building Societies             | £12m in total                |
| Loans to unrated corporates                               | £12m in total                |
| Money Market Funds                                        | £12m in each (£50m in total) |



- 5.22 **Liquidity management:** The Authority maintains a cash flow forecasting model to determine the maximum period for which funds may prudently be committed. Limits on long-term investments are set by reference to the Authority's medium term financial plan and cash flow forecast.

## 6. Treasury Management Indicators

- 6.1 The Authority measures and manages its exposures to treasury management risks using the following indicators.
- 6.2 **Interest Rate Exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed will be:

|                                                | 2017/18 | 2018/19 | 2019/20 |
|------------------------------------------------|---------|---------|---------|
| Upper limit on fixed interest rate exposure    | 100%    | 100%    | 100%    |
| Upper limit on variable interest rate exposure | 100%    | 100%    | 100%    |

Fixed rate investments and borrowings are those where the rate of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate.

- 6.3 **Maturity Structure of Borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

|                                | Upper | Lower |
|--------------------------------|-------|-------|
| Under 12 months                | 35%   | 0%    |
| 12 months and within 24 months | 25%   | 0%    |
| 24 months and within 5 years   | 35%   | 0%    |
| 5 years and within 10 years    | 50%   | 0%    |
| 10 years and within 20 years   | 100%  | 0%    |
| 20 years and above             | 100%  | 0%    |

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment

- 6.4 **Principal Sums Invested for Periods Longer than 364 days:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total principal sum invested to final maturities beyond the period end will be:

|                                             | 2017/18 | 2018/19 | 2019/20 |
|---------------------------------------------|---------|---------|---------|
| Limit on principal invested beyond year end | £40m    | £25m    | £15m    |

## 7. Other Items

- 7.1 There are a number of additional items that the Authority is obliged by CIPFA or CLG to include in its Treasury Management Strategy.
- 7.2 **Policy on Use of Financial Derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate



risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

- 7.3 The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 7.4 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.
- 7.5 **Investment Advisers:** The Authority has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues. The quality of this service is controlled through regular meetings and periodic tendering for services.
- 7.6 **Investment Training:** The needs of the Authority's treasury management staff for training in investment management are assessed as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. Staff regularly attend training courses, seminars and conferences provided by our treasury management advisers, Arlingclose Limited and other relevant providers.
- 7.7 **Investment of Money Borrowed in Advance of Need:** The Authority may, from time to time, borrow in advance of need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Authority is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Authority's overall management of its treasury risks.
- 7.8 The total amount borrowed will not exceed the authorised borrowing limit of £ million. The maximum period between borrowing and expenditure is expected to be two years, although the Authority is not required to link particular loans with particular items of expenditure.

## 8. Financial Implications

- 8.1 Anticipated investment income in 2017/18 is £300,000, based on an average investment portfolio of £40 million at an interest rate of 0.75%. The budget for debt interest paid in 2017/18 is £4 million, based on an average debt portfolio of £99 million at an average interest rate of 4%. If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different.



## Annex A - Arlingclose Economic & Interest Rate Forecast

### Underlying assumptions:

- The medium term outlook for the UK economy is dominated by the negotiations to leave the EU. The long-term position of the UK economy will be largely dependent on the agreements the government is able to secure with the EU and other countries.
- The global environment is also riddled with uncertainty, with repercussions for financial market volatility and long-term interest rates. Donald Trump's victory in the US general election and Brexit are symptomatic of the popular disaffection with globalisation trends. The potential rise in protectionism could dampen global growth prospects and therefore inflation. Financial market volatility will remain the norm for some time.
- However, following significant global fiscal and monetary stimulus, the short term outlook for the global economy is somewhat brighter than earlier in the year. US fiscal stimulus is also a possibility following Trump's victory.
- Recent data present a more positive picture for the post-Referendum UK economy than predicted due to continued strong household spending.
- Over the medium term, economic and political uncertainty will likely dampen investment intentions and tighten credit availability, prompting lower activity levels and potentially a rise in unemployment.
- The currency-led rise in CPI inflation (currently 1.0% year/year) will continue, breaching the target in 2017, which will act to slow real growth in household spending due to a sharp decline in real wage growth.
- The depreciation in sterling will, however, assist the economy to rebalance away from spending. The negative contribution from net trade to GDP growth is likely to diminish, largely due to weaker domestic demand. Export volumes will increase marginally.
- Given the pressure on household spending and business investment, the rise in inflation is highly unlikely to prompt monetary tightening by the Bank of England, with policymakers looking through import-led CPI spikes to the negative effects of Brexit on economic activity and, ultimately, inflation.
- Bank of England policymakers have, however, highlighted that excessive levels of inflation will not be tolerated for sustained periods. Given this view and the current inflation outlook, further monetary loosening looks less likely.

### Forecast:

- Globally, the outlook is uncertain and risks remain weighted to the downside. The UK domestic outlook is uncertain, but likely to be weaker in the short term than previously expected.
- The likely path for Bank Rate is weighted to the downside. The Arlingclose central case is for Bank Rate to remain at 0.25%, but there is a 25% possibility of a drop to close to zero, with a very small chance of a reduction below zero.
- Gilt yields have risen sharply, but remain at low levels. The Arlingclose central case is for yields to decline when the government triggers Article 50.



[illegible]



## Annex B

## Existing Investment &amp; Debt Portfolio Position

|                                     | 31/12/16<br>Actual Portfolio<br>£m | 31/12/16<br>Average Rate<br>% |
|-------------------------------------|------------------------------------|-------------------------------|
| <b>External Borrowing:</b>          |                                    |                               |
| PWLB - Fixed Rate                   | 86                                 | 3.85%                         |
| PWLB - Variable Rate                | 0                                  | -                             |
| Local Authorities                   | 5                                  | 0.30%                         |
| LOBO Loans                          | 17                                 | 4.63%                         |
| Other                               | 2                                  | -                             |
| <b>Total External Borrowing</b>     | <b>110</b>                         | <b>3.86%</b>                  |
| <b>Other Long Term Liabilities:</b> |                                    |                               |
| PFI                                 | 25                                 | -                             |
| Finance Leases                      | 5                                  | -                             |
| <b>Total Gross External Debt</b>    | <b>140</b>                         | <b>-</b>                      |
| <b>Investments:</b>                 |                                    |                               |
| <i>Managed in-house</i>             |                                    |                               |
| Short-term investments:             |                                    |                               |
| Instant Access                      | 11                                 | 0.27%                         |
| Notice Accounts                     | 6                                  | 0.86%                         |
| Fixed Term Deposits                 | 26                                 | 0.57%                         |
| Certificates of Deposit             | 4                                  | 0.82%                         |
| Covered Bonds                       | 3                                  | 0.48%                         |
| <i>Managed externally</i>           |                                    |                               |
| Fund Managers                       | 9                                  | 0.62%                         |
| Property Funds                      | 8                                  | 4.67%                         |
| <b>Total Investments</b>            | <b>67</b>                          | <b>1.05%</b>                  |
| <b>Net Debt</b>                     | <b>73</b>                          | <b>-</b>                      |



## Annex C

## Prudential Indicators revisions to 2016/17 and 2017/187 - 2019/20

## 1. Background:

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

The key feature of the prudential system is that councils should determine the level of their capital investment - and how much they borrow to finance that investment - based on their own assessment of what they can afford, not just for the current year but also for future years.

Individual authorities are responsible for deciding the level of their affordable borrowing. Prudential limits apply to all borrowing, qualifying credit arrangements and other long-term liabilities - whether supported by government or entirely self-financed. The system is designed to encourage authorities that need and can afford to undertake capital investment to do so.

In considering the affordability of its capital plans, the authority is required to consider all of the resources currently available to it/estimated for the future, together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the following two years. The authority is also required to consider known significant variations beyond this timeframe.

## 2. Gross Debt and the Capital Financing Requirement:

This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

If in any of these years there is a reduction in the capital financing requirement, this reduction is ignored in estimating the cumulative increase in the capital financing requirement which is used for comparison with **gross** external debt. The Chief Operating Officer reports that the Authority had no difficulty meeting this requirement in 2016/17, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

## 3. Estimates of Capital Expenditure:

3.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax.

| Capital Expenditure | 2016/2017      | 2017/2018      | 2018/2019      | 2019/20        | Future years   |
|---------------------|----------------|----------------|----------------|----------------|----------------|
|                     | Estimate<br>£m | Estimate<br>£m | Estimate<br>£m | Estimate<br>£m | Estimate<br>£m |
| <b>Total</b>        | 92.9           | 116.3          | 136.0          | 56.4           | 23.8           |

Source: Cheshire East Finance

3.2 Capital expenditure will be financed or funded as follows:



| <b>Capital Financing</b>           | <b>2016/2017</b> | <b>2017/2018</b> | <b>2018/2019</b> | <b>2019/20</b>  | <b>Future years</b> |
|------------------------------------|------------------|------------------|------------------|-----------------|---------------------|
|                                    | <b>Estimate</b>  | <b>Estimate</b>  | <b>Estimate</b>  | <b>Estimate</b> | <b>Estimate</b>     |
|                                    | <b>£m</b>        | <b>£m</b>        | <b>£m</b>        | <b>£m</b>       | <b>£m</b>           |
| Capital receipts                   | 10.8             | 10.4             | 13.1             | 17.2            | 0.0                 |
| Government Grants                  | 26.7             | 39.2             | 105.6            | 23.0            | 0.0                 |
| External Contributions             | 7.4              | 5.6              | 3.0              | 10.8            | 21.6                |
| Revenue Contributions              | 1.1              | 0.6              | 0.0              | 0.0             | 0.0                 |
| <b>Total Financing</b>             | <b>46.0</b>      | <b>55.7</b>      | <b>121.6</b>     | <b>50.9</b>     | <b>21.6</b>         |
| Prudential Borrowing               | 46.9             | 60.6             | 14.3             | 5.5             | 2.2                 |
| <b>Total Funding</b>               | <b>46.9</b>      | <b>60.6</b>      | <b>14.3</b>      | <b>5.5</b>      | <b>2.2</b>          |
| <b>Total Financing and Funding</b> | <b>92.9</b>      | <b>116.3</b>     | <b>136.0</b>     | <b>56.4</b>     | <b>23.8</b>         |

Source: Cheshire East Finance

#### 4. Ratio of Financing Costs to Net Revenue Stream:

4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.

4.2 The ratio is based on costs net of investment income.

| <b>Ratio of Financing Costs to Net Revenue Stream</b> | <b>2016/2017</b> | <b>2017/2018</b> | <b>2018/2019</b> | <b>2019/2020</b> |
|-------------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                       | <b>Estimate</b>  | <b>Estimate</b>  | <b>Estimate</b>  | <b>Estimate</b>  |
|                                                       | <b>%</b>         | <b>%</b>         | <b>%</b>         | <b>%</b>         |
| <b>Total</b>                                          | <b>5.65</b>      | <b>5.67</b>      | <b>5.59</b>      | <b>5.60</b>      |

Source: Cheshire East Finance

#### 5. Capital Financing Requirement:

5.1 The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and financing.

| <b>Capital Financing Requirement</b> | <b>2016/2017</b> | <b>2017/2018</b> | <b>2018/2019</b> | <b>2019/2020</b> |
|--------------------------------------|------------------|------------------|------------------|------------------|
|                                      | <b>Estimate</b>  | <b>Estimate</b>  | <b>Estimate</b>  | <b>Estimate</b>  |
|                                      | <b>£m</b>        | <b>£m</b>        | <b>£m</b>        | <b>£m</b>        |
| <b>Total</b>                         | <b>256</b>       | <b>274</b>       | <b>293</b>       | <b>324</b>       |

Source: Cheshire East Finance



## 6. Actual External Debt:

- 6.1 This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

| <b>Actual External Debt as at 31/03/2016</b> |  | <b>£m</b>  |
|----------------------------------------------|--|------------|
| Borrowing                                    |  | 109        |
| Other Long-term Liabilities                  |  | 30         |
| <b>Total</b>                                 |  | <b>139</b> |

Source: Cheshire East Finance

## 7. Incremental Impact of Capital Investment Decisions:

- 7.1 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

| <b>Incremental Impact of Capital Investment Decisions</b> | <b>2017/2018 Estimate</b> | <b>2018/2019 Estimate</b> | <b>2019/2020 Estimate</b> |
|-----------------------------------------------------------|---------------------------|---------------------------|---------------------------|
|                                                           | £                         | £                         | £                         |
| <b>Band D Council Tax</b>                                 | <b>12.15</b>              | <b>15.17</b>              | <b>7.30</b>               |

Source: Cheshire East Finance

## 8. Authorised Limit and Operational Boundary for External Debt:

- 8.1 The Authority has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Authority and not just those arising from capital spending reflected in the CFR.
- 8.2 The **Authorised Limit** sets the maximum level of external debt on a gross basis (i.e. excluding investments) for the Authority. It is measured on a daily basis against all external debt items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Authority's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.
- 8.3 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).
- 8.4 The Operational Boundary has been set on the estimate of the most likely, i.e. prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.
- 8.5 The Operational Boundary links directly to the Authority's estimates of the CFR and estimates of other cash flow requirements. This indicator is based on the same estimates



as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

|                                                      | 2016/2017  | 2017/2018  | 2018/2019  | 2019/2020  |
|------------------------------------------------------|------------|------------|------------|------------|
|                                                      | Estimate   | Estimate   | Estimate   | Estimate   |
|                                                      | £m         | £m         | £m         | £m         |
| Authorised Limit for Borrowing                       | 240        | 260        | 275        | 310        |
| Authorised Limit for Other Long-Term Liabilities     | 30         | 28         | 27         | 25         |
| <b>Authorised Limit for External Debt</b>            | <b>270</b> | <b>288</b> | <b>302</b> | <b>335</b> |
| Operational Boundary for Borrowing                   | 230        | 250        | 265        | 300        |
| Operational Boundary for Other Long-Term Liabilities | 30         | 28         | 27         | 25         |
| <b>Operational Boundary for External Debt</b>        | <b>260</b> | <b>278</b> | <b>292</b> | <b>325</b> |

Source: Cheshire East Finance

## 9. Adoption of the CIPFA Treasury Management Code:

9.1 This indicator demonstrates that the Authority has adopted the principles of best practice.

|                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Adoption of the CIPFA Code of Practice in Treasury Management</b><br>The Council approved the adoption of the CIPFA Treasury Management Code at its Council meeting on 23rd February 2012 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

*The Authority has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.*

## 10. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:

10.1 These indicators allow the Authority to manage the extent to which it is exposed to changes in interest rates. This Authority calculates these limits on net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments).

10.2 The upper limit for variable rate exposure has been set to ensure that the Authority is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments



|                                                    | Existing level<br>(or Benchmark<br>level) at<br>31/10/16 | 2016/2017<br>Approved | 2016/2017<br>Revised | 2017/2018<br>Estimate | 2018/2019<br>Estimate | 2019/2020<br>Estimate |
|----------------------------------------------------|----------------------------------------------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|
|                                                    | %                                                        | %                     | %                    | %                     | %                     | %                     |
| Upper Limit for Fixed Interest<br>Rate Exposure    | 100%                                                     | 100%                  | 100%                 | 100%                  | 100%                  | 100%                  |
| Upper Limit for Variable<br>Interest Rate Exposure | 0%                                                       | 100%                  | 100%                 | 100%                  | 100%                  | 100%                  |

10.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Authority's treasury management strategy.

#### 11. Maturity Structure of Fixed Rate borrowing:

11.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

11.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

11.3 LOBOs are classified as maturing on the next call date i.e. the earliest date that the lender can require repayment. As all LOBOs are can be called within 12 months the upper limit for borrowing maturing within 12 months is relatively high to allow for the value of LOBOs and any potential short term borrowing that could be undertaken in 2017/18.

|                                               | Level as at<br>31 <sup>st</sup> March 2017<br>(based on<br>Current<br>Borrowing) | Lower<br>Limit for<br>2017/2018 | Upper<br>Limit for<br>2017/2018 |
|-----------------------------------------------|----------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| Maturity structure of fixed rate<br>borrowing | %                                                                                | %                               | %                               |
| under 12 months                               | 23%                                                                              | 0%                              | 35%                             |
| 12 months and within 24<br>months             | 6%                                                                               | 0%                              | 25%                             |
| 24 months and within 5 years                  | 11%                                                                              | 0%                              | 35%                             |
| 5 years and within 10 years                   | 0%                                                                               | 0%                              | 50%                             |
| 10 years and within 20 years                  | 26%                                                                              | 0%                              | 100%                            |
| 20 years and within 30 years                  | 9%                                                                               | 0%                              | 100%                            |
| 30 years and within 40 years                  | 23%                                                                              | 0%                              | 100%                            |
| 40 years and within 50 years                  | 2%                                                                               | 0%                              | 100%                            |
| 50 years and above                            | 0%                                                                               | 0%                              | 100%                            |

Source: Cheshire East Finance



**12. Credit Risk:**

- 12.1 The Authority considers security, liquidity and yield, in that order, when making investment decisions.
- 12.2 Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Authority's assessment of counterparty credit risk.
- 12.3 The Authority also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:
- Published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
  - Sovereign support mechanisms;
  - Credit default swaps (where quoted);
  - Share prices (where available);
  - Economic fundamentals, such as a country's net debt as a percentage of its GDP;
  - Corporate developments, news, articles, markets sentiment and momentum;
  - Subjective overlay.
- 12.4 The only indicators with prescriptive values remain to be credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.



## Annex D - MRP Statement 2017/18

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Department for Communities and Local Government's *Guidance on Minimum Revenue Provision* (the CLG Guidance) most recently issued in 2012.

The broad aim of the CLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The CLG Guidance requires the Authority to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance.

For capital expenditure incurred before 1<sup>st</sup> April 2008 and for supported capital expenditure incurred on or after that date, MRP will be determined as 4% of the Capital Financing Requirement in respect of that expenditure. (*Option 2 in England & Wales*)

For capital expenditure incurred after 31<sup>st</sup> March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant assets in equal instalments or as the principal repayment on an annuity with an average annual interest rate, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years. (*Option 3 in England and Wales*)

For assets acquired by finance leases or the Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.

For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational.

Capital expenditure incurred during 2017/18 will not be subject to a MRP charge until 2018/19.



## CHESHIRE EAST COUNCIL

### Cabinet

---

|                          |                                                |
|--------------------------|------------------------------------------------|
| <b>Date of Meeting:</b>  | 7 <sup>th</sup> February 2017                  |
| <b>Report of:</b>        | Executive Director of Place – Frank Jordan     |
| <b>Subject/Title:</b>    | Poynton Relief Road – Procurement Strategy     |
| <b>Portfolio Holder:</b> | Cllr David Brown – Highways and Infrastructure |

---

#### 1. Report Summary

- 1.1. The Council has set out a clear vision and strategy for employment led economic growth. An important element of this strategy is to improve the Borough's national regional and local infrastructure to improve connectivity.
- 1.2. The Poynton Relief Road (PRR) is an important element of this strategy and is included in the new emerging Local Plan. The scheme will enable job creation, help to deliver housing growth and address longstanding traffic congestion and environmental issues in the village of Poynton. It will also deliver an important component of the wider South East Manchester Multi-Modal Strategy (SEMMMS).
- 1.3. Based on the scheme benefits, the project has been provisionally awarded £22m of Government funding.
- 1.4. The project has been granted planning permission by both Cheshire East Borough Council's Strategic Planning Board and Stockport Metropolitan Borough Council's Planning and Highways Regulation Committee.
- 1.5. This report and the attached Annex A set out the options available to the Council to procure a contractor to deliver the project; it reviews the benefits and risks of each approach and recommends a preferred procurement strategy.

#### 2. Recommendations

The Cabinet is recommended to:

- 2.1. Approve the use of the Restricted Procedure for the procurement of the contractor through a NEC3 Option A Priced Contract with



Activity Schedule with Contractor Design (Design and Build contract)

- 2.2. Approve the publication of the OJEU (Official Journal of the European Union) contract notice and all tender documentation prior to the commencement of the CPO Public Inquiry;
- 2.3. Authorise the Executive Director of Place to shortlist potential contractors following the return of the Stage One Selection Questionnaire documents.
- 2.4. Approve that Ringway-Jacobs prepares the initial suite of contract and tender documents.
- 2.5. Agree that the procurement of the tie in connection design of the proposed new road to the A6MARR is undertaken by Stockport Metropolitan Borough Council who are joint promoters of the Poynton Relief Road proposal.
- 2.6. Authorise the Director of Legal Services to procure additional legal support to approve the contract documents prior to their publication.
- 2.7. Note that following receipt of final tenders with price; a further authorisation from Cabinet will be sought prior to the award of any contract.
- 2.8. Note the findings of the Poynton Relief Road Procurement Workshop Summary Report – attached as Annex A.

### **3. Other Options Considered**

- 3.1. The other options considered are covered fully in Annex A.

### **4. Reasons for Recommendations**

Procurement Strategy

- 4.1. The design and build approach is considered to provide the most competitive procurement option for this scheme. Furthermore the risk of carrying out at agreed prices is largely borne by the contractor which will assist in providing cost certainty. Design and Build also presents opportunity for innovation and faster scheme delivery. The contractor bears the risk of integrating design and performance which means there are fewer changes and the implementation of changes is often simplified. There is often a reduction in claims or the number of claims reducing the administration burden of the enabling authority.

Procurement Route

- 4.2. It is recommended that the OJEU restricted procedure route is used since it gives access to the full range of contractors and potentially



sharpens competition. The Selection Questionnaire (SQ) process would then enable an appropriate tender list to be drawn up from those best matched to the Council's key requirements for delivering the scheme.

- 4.3. An Interactive Procurement Workshop was held on 18<sup>th</sup> May 2015 to review PRR procurement options and to develop a procurement strategy in order to ensure key scheme milestones are met in the overall project programme.
- 4.4. Consideration has been given to the procurement of a contractor through the Highways England Collaborative Design Framework (CDF) This approach was discounted because the CDF would restrict the Council to only using the contractors who are on the framework.
- 4.5. Consideration has been given to using the Midlands Highway Alliance Framework run by Leicestershire County Council however the Council is not named in the Midlands Framework.
- 4.6. It is therefore considered that due to the magnitude of and the complex multi-disciplinary nature of the PRR, it would be more appropriate to test the market with an individual EU procurement exercise.
- 4.7. The Office of Government Commerce (OGC) "*Common Minimum Standards for the procurement of built environments in the public sector*" promotes best practice and states procurement routes should be limited to those which promote partnering and integrated team working and that traditional non-integrated procurement approaches should not be used. A Design and Build contract is an integrated approach recommended by the OGC and is considered to be an appropriate and cost effective option to procure the PRR. Design and Build also allows the contractor to add value, particularly through buildability in the detailed design process.
- 4.8. A single stage EU Open procurement process has been considered in place of a two stage Restricted Process, but as the contract is to be a Design and Build, the tenderers will be expected to carry out a large element of design work as part of their tender. This is an expensive and time consuming process, not only for the contractors, but also for the Council to evaluate. A Restricted, two stage process Selection Questionnaire and Tender allows only suitably qualified and experienced contractors to proceed to Tender stage.
- 4.9. As the PRR contract recommendation is Design and Build, the extent of work to be carried out will not be fully defined when the contract is let. NEC3 advises that in these circumstances, the most appropriate form is a lump sum fixed price contract. This advice is supported by OGC. The advantages of a Target Price Contract are



that the Council has certainty over price and the integrated project team has an incentive to make cost savings leading to best value

## **5. Background**

- 5.1. Poynton Relief Road will form a vital link in the wider infrastructure plan for the borough, provide improved highway connectivity for the northern Macclesfield business area and improve the strategic link between the Manchester Airport Relief Road (A6MARR) under SEMMMS and junction 17 of the M6 via Congleton.
- 5.2. The Poynton Relief Road achieved Department for Transport (DfT) "Programme Entry" status in the DfT's major schemes programme in July 2014. This means that the DfT intend to provide funding, providing there are no significant changes to the scheme and subject to completing a satisfactory Major Scheme Business Case (MSBC) at the appropriate stage.
- 5.3. The DfT have a three stage approval process with the next stage being "Conditional Approval" which can only be applied for once all statutory orders have been obtained. Approval at this stage is a reasonably firm undertaking by the DfT that "Full Approval" will be granted subject to a small and limited number of conditions.
- 5.4. The final DfT approval stage is "Full Approval" which can only be applied for once tenders have been received and a preferred bidder has been selected with a firm and final price. "Full Approval" is the DfT's confirmation that the requested funding to deliver the scheme is available.
- 5.5. Until the DfT confirm that the PRR has "Full Approval" all costs associated with developing the scheme and progressing the DfT bid must be met from the Council's own financial resources. DfT major schemes have a long lead in period and there are only a limited number of contractors technically capable of undertaking these complex multi-disciplinary schemes.

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

- 6.1. Poynton West and Adlington – Cllr Mike Sewart, Cllr Michael Beanland. Poynton East and Pott Shrigley – Cllr Jos Saunders, Cllr Howard Murray. Prestbury – Cllr Paul Findlow.

## **7. Implications of Recommendations**

- 7.1. Policy Implications



Outcome 1: Our local communities are strong and supportive

Outcome 2: Cheshire East has a strong and resilient Economy

Outcome 3: Cheshire East is a green and sustainable place

Outcome 4: People live well and for longer

## 7.2. Legal Implications

The proposed procurement route of the Restricted Procedure will allow the Council to test the market by inviting interested parties to submit an expression of interest in response to the OJEU Notice. The Council can then carry out a short-listing exercise (using a Selection Questionnaire) and only those meeting the Council's selection criteria will be invited to tender. A minimum of five suppliers must be invited to tender (unless fewer suitable candidates have met the selection criteria and these are sufficient to ensure genuine competition). Finally, no negotiation with tenderers is permitted, just clarification of the tenders submitted and a finalisation of contract terms with the successful tenderer. The Restricted Procedure should only be used where the Council is able to adequately specify its needs.

The Public Contracts Regulations 2015 require the Council to treat all economic operators equally and without discrimination. In addition, the Council must act in a transparent and proportionate manner. If the specification of the project is changed between the OJEU Notice and the award of contract this could lead to the procurement being challenged. There is therefore some risk in proceeding with the Restricted Procedure before the conclusion of the CPO Public Inquiry as it is possible that the CPO Public Inquiry could influence the specification of the project. This risk is considered in paragraphs 8.4 and 8.5 below.

## 7.3. Financial Implications

The selection questionnaire is not a tender and each questionnaire is compiled specifically for the contract under consideration. The cost of the process will be limited to assessing the returned questionnaires and the returned tenders. A further report will be presented to Cabinet on the tendering process outcomes.

## 7.4. Equality Implications

There are no equality implications.

## 7.5. Rural Community Implications

Completion of the Poynton Relief Road will address congestion and facilitate movement across the Borough to the benefit of both urban and rural communities.



7.6. Human Resources Implications

There are no anticipated long term impacts on establishment staffing levels or costs. If additional temporary resources are required these will be met from the project budget.

7.7. Public Health Implications

Completion of the Poynton Relief Road will improve air and noise quality in the town which has a designated Air Quality Management Area thus contributing to the well-being of local residents and businesses.

7.8. Implications for Children and Young People

No implications for children and young people as distinct from the wider community.

7.9. Other Implications

No other implications

**8. Risk Management**

8.1. By issuing tenders prior to the commencement of the public inquiry it might be seen as the Council is being presumptive of the outcome of the inquiry; some may even suggest that such action may influence the decision making of the Inspector.

8.2. In practice, the tender documentation will be written to explicitly state that the construction of the road would be dependent on the outcome of the public inquiry; the risk (of abortive tendering costs) is transferred to the Contractors bidding for the work. The Inspector will consider the needs and merits of the scheme in isolation from the procurement exercise.

8.3. In waiting for the conclusion of the inquiry to issue final tender information to the successful shortlisted contractors the Council will have opportunity to include scope for any changes that the Inspector is likely to recommend to the scheme; though confirmation of these would clearly have to wait until the Inspectors final report and the Secretary of State's decision.

8.4. If there is a significant change to the scope of the procurement following the Secretary of State's decision (and this is only available to the shortlisted providers) there is a risk that other providers could make a legal challenge.

8.5. This is considered to be a small risk. In reality any significant changes to the scheme would require a new or varied planning permission; which would change the timescales for the procurement and essentially restart the procurement process.



- 8.6. If the Secretary of State's decision were delayed the Council would be in receipt of tenders for the scheme but be unable to award. In this case, it may be necessary to build in a safety margin into the tender validity period; or include mechanisms for the final tender price to be adjusted if the tender award date is delayed.
- 8.7. Issuing tenders prior to the public inquiry has significant programme benefits and any risks are considered manageable through the contract documentation.
- 8.8. Ringway Jacobs (or Jacobs) will not be involved in the tender assessment should there be any prospect of conflict of interest with any of the tenderers.
- 8.9. The proposed Design and Build contract offers early price certainty as the price will be presented once tenders are returned (compared to other routes such as ECI where the contractor is appointed on the basis of a quality assessment with a target cost developed later) and risk transfer to the contractor.

**9. Background Papers**

- 9.1 Annex A Poynton Relief Road Procurement Workshop Summary

**10. Contact Information**

Contact details for this report are as follows :-

Name: Chris Hindle - Head of Strategic Infrastructure

Tel : 01270 686688



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## **Poynton Relief Road**

## **Procurement Workshop Summary**

**Final**

**(Annex A – Cheshire East Cabinet February 2017)**



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**1****Introduction****1.1 Date and Location**

A Procurement Workshop for both Poynton Relief Road and Congleton Link Road was held on 18<sup>th</sup> May 2015 at the Cheshire East Council Offices in Sandbach, Cheshire.

**1.2 Attendees**

The workshop was attended by the following individuals:

- David Skeet (Cheshire East – Poynton Relief Road Project Sponsor)
- Paul Griffiths (Cheshire East - Congleton Link Road Project Sponsor)
- Steve Mellor (Cheshire East - Procurement)
- Jane McLaughlin (Cheshire East - Legal)
- Helen Ashley (Cheshire East – Programme Manager)
- Matthew Clark (Jacobs – Procurement)
- Peter Kirk (Jacobs – Project Director)
- Adam Godbold (Jacobs – Poynton Relief Road Project Manager)
- Martin Davis (Jacobs – Congleton Link Road Project Manager)

**1.3 Aims and Objectives**

The aims and objectives of the workshop were as follows:

- Assess the pros and cons, opportunities and risks associated with each of the potential procurement options for Poynton Relief Road (£20m works).
- Analyse the programmes associated with each of the procurement options and whether they can be achieved given the milestone dates on each of the projects.
- Assess the ways in which the services of a contractor could be secured – i.e. via a framework or the open market.

**Although the workshop held on 18<sup>th</sup> May 2015 considered Poynton Relief Road and Congleton Link Road, this report only considers procurement options and routes in relation to Poynton Relief Road.**



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## 2

## Procurement Options

### 2.1 Overview

Discussion in the workshop focussed on the following three procurement options for Poynton Relief Road:

- Early Contractor Involvement (ECI)
- Design and Build (D&B)
- Construction contract only – i.e. NEC3 ECC Option A

An assessment of each option is provided below.

### 2.2 Early Contractor Involvement

Early Contractor Involvement (ECI), in the case of Poynton Relief Road, would involve the procurement of an ECI contractor during the statutory process, but before or just after any potential Public Inquiry.

This would be at a later stage than an ECI contractor is usually procured. ECI is of greater benefit when the contractor is procured during the preliminary design phase and has the ability to affect key design decisions which would in turn affect the planning application.

The contract would be an NEC3 ECC Option C, and a target cost for the works would be agreed following the Secretary of State (SoS) decision on the public inquiry.

#### Positives

- ECI is a useful option if there are complex elements on a project that would benefit from early contractor input.
- The contractor can be called upon to support during a Public Inquiry.
- ECI gives cost certainty as the 'target cost' is based on a well-developed design and understanding of the project.
- The ECI contractor is usually procured on the basis of quality plus Phase 1 fee; hence there is a degree of reassurance for the client.

#### Negatives

- ECI, more often than not, results in a higher construction cost estimate as there is limited commercial tension in the tender process and once a contractor is procured there is limited incentive to reduce costs.
- The contractor would be required to develop his design sufficiently to determine a 'target cost' for the scheme prior to DfT funding release and Notice to Proceed. If there is an unfavourable Secretary of State (SoS)



decision this could result in further design work, or worse, a lot of abortive work if the scheme is cancelled.

- On a relatively straight forward scheme such as Poynton Relief Road it was felt that the presence of the contractor at a public inquiry is beneficial but not essential.
- The administration of an NEC3 Option C contract is more costly and time consuming than an NEC3 Option A.

## 2.3 Design and Build

A Design and Build contract, based on an NEC3 ECC Option A – Priced Contract with Activity schedule would require the involvement of a contractor and his designer to develop and construct the conceptual design. .

During the workshop two procurement strategies were discussed:

- 1 Procurement of a D&B contractor during the statutory process, with award subject to, and following SoS decision and full approval.
- 2 Procurement of a D&B contractor after the SoS decision.

### 2.3.1 Option 1 – Procurement during Statutory Process

#### Positives

- It was felt that if the D&B contractor was procured during the statutory process then tendered total of the prices could be submitted to the Department for Transport (DfT) for the release of funding (subject to a favourable SoS decision), as soon as the SoS decision was known.
- This procurement strategy would ensure that the target dates for the start of construction associated with both projects were not delayed.
- Achieve a competitive tendered price for the project.
- The administration of an NEC3 Option A contract is less costly and time consuming than an NEC3 Option C contract.

#### Negatives

- Going out to the market place for tenders before the outcome of a public inquiry could potentially prejudice the outcome of the inquiry (i.e. legal challenge on the basis that going out to tender influenced the SoS decision)

### 2.3.2 Option 2 – Procurement after SoS Decision

#### Positives

- Procurement after the SoS decision would remove the possibility of legal challenge associated with the strategy set out in Option 1.
- Achieve a competitive tendered price for the project.



### Negatives

- Procurement after the secretary of SoS decision would potentially add a further year to the targeted start on site date.
- In the event of the aforementioned project delays additional inflationary construction costs may be incurred.

## 2.4 Construction Contract – NEC3 ECC Option A

The third option considered in the workshop was for the design of the scheme to be fully developed during the statutory process, with a NEC3 ECC Option A (or similar) contract let upon a favourable SoS decision, and on a design prepared by Jacobs as the Cheshire East design agent.

### Positives

- Contractors would be pricing a fully developed design, so tendered prices should be very competitive and give early certainty of price.

### Negatives

- Under this option, the design of the scheme would have to be fully developed during the statutory process (before the SoS decision). The design work could be abortive if the decision is not favourable or if significant changes are required.
- This option would result in a delay to the project construction start date as the tender process could not begin until after the SoS decision and DfT funding release.



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**3****Securing the Service of a Contractor****3.1 Overview**

Discussion in the workshop also focussed on how a contractor would be procured. The following three options were identified:

- OJEU Notice - Restricted Procedure
- OJEU Notice – Open Procedure
- Framework

**3.2 OJEU Notice**

This approach involves raising a notice for the construction marketplace to consider. Two procedures for raising the notice were deliberated; Restricted and Open.

**3.2.1 Restricted**

The Restricted Procedure is a two-stage process which would allow Cheshire East to draw up a short-list of interested parties by undertaking a pre-qualification stage assessment of their pre-qualification submissions, prior to the issue of invitation to tender documents.

**Positives**

- The OJEU notice approach (in general) ensures that only contractors who want to win the work express their interest.
- The restricted OJEU notice approach ensures that Cheshire East is able to ensure only appropriate suppliers are invited to tender.
- The restricted OJEU notice approach saves time in the assessment of tenders by limiting the number of tenders received.

**Negatives**

- A pre-qualification (PQQ) stage is required which lasts approximately one month after the notice is raised. This does not involve the assessment of the PQQ's which could be significant timeframe depending on the number of interested parties.
- Under the restrictive procedure, the tender documents need to be submitted at the same time as the notice.

**3.2.2 Open**

In an Open Procedure the Invitation to Tender is issued to all suppliers who respond to the OJEU notice.



### Positives

- The OJEU notice approach (in general) ensures that only contractor who want to win the work express their interest.
- The open procedure eliminates the need to undertake the pre-qualification stage associated with the restricted procedure.

### Negatives

- The open procedure may result in a large number of tenders received, all of which need to be evaluated. This would take longer than the restricted process.

## 3.3 Framework - CDF

It was agreed that a potential framework which could be used was Highways England's Collaborative Design Framework (CDF). Two separate pools of contractors would be considered:

Poynton Relief Road, with a construction estimate of £20m would fall into the CDF Lot 2 medium value construction work category ("schemes up to £25m, may be extended to £50m")

#### Contractors:

- EM Highway Services Limited
- Geoffrey Osborne Limited
- Interserve Construction Ltd
- John Graham Construction Ltd
- Volker Fitzpatrick Ltd

### Positives

- The CDF framework approach could potentially reduce the tender programmes on the project.
- The CDF framework can be used with minimal Highways England input (other than adherence with and reporting on Key Performance Indicators (KPI's)).

### Negatives

- Progressing down the framework route, results in the client being restricted to the contractors who are on the framework.
- The Contractors on framework have had no previous working relationship with Cheshire East Council and were not regionally recognisable.



### 3.4 Framework – Midlands Alliance

This framework is run by Leicestershire CC. The key features of the framework are as follows:

- There are charges associated with joining the alliance and using the framework
- The framework only applies to schemes up to a construction value of £25m
- Balfour Beatty, Lafarge/Tarmac, Galliford Try are on the framework

#### Positives

- No prequalification process is required; hence programme associated with the tender process could be reduced.

#### Negatives

- The Contractors on framework have had no previous working relationship with Cheshire East Council and were not regionally recognisable.

### 3.5 Other Considerations

It should be noted that the OJEU route could potentially attract Morgan Sindall who are constructing the A6MARR scheme into which Poynton Relief Road would connect. Poynton Relief Road is anticipated to commence immediately after A6MARR and efficiencies and savings could be realised if they were procured.

### 3.6 Conclusion

It was concluded that the most appropriate process for Poynton Relief Road would be to obtain a tender list from a restricted OJEU procedure. This would enable an appropriate tender list to be drawn up, of tenderers interested in the work, and who Cheshire East were likely to want to appoint.



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## 4

**Follow-Up Meeting (29<sup>th</sup> June 2015)****4.1 Overview**

The June 2015 Procurement Planning Meeting was called in response to an action raised at the Poynton Relief Road and Congleton Link Road Procurement Workshop held on 18<sup>th</sup> May 2015.

The May 2015 workshop concluded 'Design and Build' would be the preferred route for the tender process. However, concern was expressed that undertaking this before the Secretary of State (SoS) Decision could be seen as prejudging the outcome of the Public Inquiry.

The action tasked Peter Kirk and Matthew Clark to discuss this conclusion within Jacobs and report back to CEC.

Feedback from experience within Jacobs identified the following risks

- The statutory process delays or significantly amends the scheme thus requiring negotiation and/or significant change to the contract.
- Potential lack of interest/reasonable price.
- Provides any objectors with ammunition to claim that the outcome of the statutory process was being prejudged, and increases the risk of procedural challenge/judicial review.

The inviting of Tenders before the SoS decision was not unprecedented, but it was recommended that Cheshire East obtain Committee approval to the proposal prior to inviting tenders and take legal advice on the third bullet point above.

Although keen to avoid, any changes resulting from the Public Inquiry would be the subject of a change Order to the contract.



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**5****Key Dates****5.1 Overview**

This section provides the key milestone dates for the Poynton Relief Road programme assuming the OJEU Notice 'Design and Build' procurement route (prior to SoS decision) is followed.

**5.2 Poynton Relief Road**

- Submit Planning Application – 1<sup>st</sup> September 2016
- Planning Approval – Jan/Feb 2017
- PIN Notice – Feb 2017 (After CEC Cabinet approval of procurement route)
- Publish Orders – Mar/Apr 2017
- OJEU Contract Notice and PQQ – Jun/July 2017
- Public Inquiry – Oct/Nov 2017
- SoS Decision – Jan 2018
- Procurement Complete – Mar 2018
- Submit Full Business Case – Mar 2018
- DfT Funding Release – May 2018
- Contract Award – May 2018
- Advanced Site Works – Sept 2018



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**6****Conclusions and Recommendations****6.1 Overview**

This report has reviewed the options for procuring a contractor on the Poynton Relief Road scheme, which is being promoted by Cheshire East Council.

The first workshop, held on 18<sup>th</sup> May 2015, considered that a 'Restricted OJEU Notice' approach would provide the best way to achieve an appropriate tender list, and recommended that more work was required to assess the different forms of procurement.

A meeting, held on 29<sup>th</sup> June 2015, was held in response to a concern that undertaking the tender process before the Secretary of State (SoS) Decision could be seen as prejudging the outcome of the Public Inquiry.

This Option (OJEU prior to Public Inquiry, and invitation to tender shortly after PI) would allow a competitive tender price to be included in the funding application submitted to the DfT, and enable the start of the construction phase at the earliest opportunity. A 'Design and Build' Lump sum tender would also provide some cost certainty.

**6.2 Conclusion**

The two workshops concluded that OJEU prior to Public Inquiry, and invitation to tender shortly after PI would allow a competitive tender price to be included in the funding application submitted to the DfT, and enable the start of the construction phase at the earliest opportunity.

A 'Design and Build' Lump sum tender would also provide some cost certainty. However, it is recommended that Cheshire East Council obtain Committee and Legal approval to the proposal, ensuring that the Council is content that an invitation to Tender during the Statutory Process is not seen as prejudging the Secretary of States' decision on the scheme following the Public Inquiry.

**6.3 Recommendations**

Design and Build (Lump Sum – i.e. NEC Option A) is the preferred route for the tender process.

A restricted OJEU notice approach provided the best way to achieve an appropriate tender list. A PIN Notice could also be raised prior to going out to tender, thereby alerting the industry to the project.

The final decision for the procurement strategy sits with the Cheshire East Council, and whether Cheshire East Council consider that going out to the market to procure a Design and Build Contractor prior to a Secretary of States' decision on the project is seen as prejudging the outcome of the Public Inquiry.

It is recommended that the Tender invitation documents clearly state that the award of a contract will be subject to a successful Secretary of State Decision, and approval of funding.



Although keen to avoid, any changes resulting from the Public Inquiry would be the subject of a change Order to the contract.



## CHESHIRE EAST COUNCIL

### Cabinet

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|                          |                                                |
|--------------------------|------------------------------------------------|
| <b>Date of Meeting:</b>  | 7 <sup>th</sup> February 2017                  |
| <b>Report of:</b>        | Executive Director of Place – Frank Jordan     |
| <b>Subject/Title:</b>    | Poynton Relief Road – Statutory Process        |
| <b>Portfolio Holder:</b> | Cllr David Brown – Highways and Infrastructure |

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#### 1. Report Summary

- 1.1. The Council has set out a clear vision and strategy for employment led economic growth. An important element of this strategy is to improve the Borough's national regional and local infrastructure to improve connectivity.
- 1.2. The Poynton Relief Road (PRR) is an important element of this strategy and is included in the new emerging Local Plan. The scheme will enable job creation, help to deliver housing growth and address longstanding traffic congestion and environmental issues in the village of Poynton. It will also deliver an important component of the wider South East Manchester Multi Modal Strategy (SEMMMS).
- 1.3. The project has been granted planning permission by both Cheshire East Borough Council's Strategic Planning Board and Stockport Metropolitan Borough Council's Planning and Highways Regulation Committee subject to planning conditions and a call in decision by the Secretary of State.
- 1.4. This paper provides an update on the anticipated cost of the scheme and details the funding required in addition to the provisional allocation of central government funding of £22m which has been made available.
- 1.5. This paper also seeks approval, in principle, to the underwriting of the funding gap and to recommend to Council that the scheme budget profile be adjusted accordingly in the Council's Capital Programme so that officers can continue to work towards delivering the scheme.



- 1.6. The report also outlines other potential developer and landowner funding sources which may become available which will reduce the requirement for Council funding. In order for the Council to formally resolve to undertake a CPO process, it is important to demonstrate that the scheme can be funded in advance before any developer income is secured; hence the requirement for the Council to resolve to underwrite, in principle, the potential funding gap.
- 1.7. The paper seeks approval to deliver and fund the adjustments to the design of two key junctions on the (Under Construction) A6 – Manchester Airport Link Road required to accommodate the Poynton Relief Road.

## **2. Recommendations**

It is recommended that Cabinet:

- 2.1. Note the latest total scheme cost estimate of £38,019,000
- 2.2. Note the existing provisional Government Department of Transport (DfT) funding allocation of £22m to the scheme and the processes required to achieve that funding.
- 2.3. Note the £2m held by the Greater Manchester Combined Authority.
- 2.4. Note the maximum resultant funding gap of £14,019,000 which will reduce, as a result of developer contributions the council is able to achieve.
- 2.5. Note the estimated timeline of when the scheme funding is required at Table 1(a) and at Annex A together with the current funding source and shortfall (see Table 1(b))
- 2.6. Approve the underwriting, in principle, of any necessary gap funding required to deliver the proposed new relief road.
- 2.7. Authorise the Executive Director of Place, in consultation with the Director of Legal Services, to negotiate and enter into agreements with key land owners or developers with a view to increasing certainty, as far as is practicable at this stage, as to the level of land owner / developer contributions anticipated as development comes on line.
- 2.8. Authorise the Director of Legal Services in consultation with the Portfolio Holder to finalise the terms of a funding agreement with Stockport Council and / or the Greater Manchester combined authority to provide funding of up to £3.5m towards the Poynton Relief Road, including works to adjust the design of the A6 MARR scheme to facilitate the delivery of Poynton Relief Road



- 2.9. Approve that, as part of the agreement with Stockport Council and / or the Greater Manchester Combined Authority, the works to adjust the design of the A6 MARR scheme, namely capacity improvements to the A34/A555 roundabout and the A555/ A5102 Woodford Road westbound on-slip road are undertaken whilst the A6 MARR scheme is on site and in advance of the delivery of Poynton Relief Road.
- 2.10. Approve that, as part of the agreement with Stockport Council and / or the Greater Manchester Combined Authority, the works to resurface the existing section of the A555 are undertaken whilst the A6 MARR scheme is on site and in advance of the Poynton Relief Road.
- 2.11. Authorise the Head of Strategic Infrastructure to negotiate and agree the cost estimate of these works.
- 2.12. Authorise the Executive Director of Place in discussions with neighbouring authorities, to seek developer contributions to the scheme from development proposals in neighbouring planning authority areas.
- 2.13. Recommend to Full Council that the scheme budget profile be adjusted accordingly in the Council's Capital Programme.

### **3. Other Options Considered**

- 3.1. There are no other identified funding strategy options at this stage.

### **4. Reasons for Recommendations**

- 4.1. This report seeks the approval to underwrite any resultant funding gap between scheme estimated costs and the external funding available.
- 4.2. At this stage funding from developers and landowners from planning obligations emanating from nearby sites or from Community Infrastructure Levy (CIL) contributions to make up the £14m gap cannot be definitely guaranteed as there can be no absolute certainty that development will come forward, even when site become allocated in the Local Plan and planning permission is granted.
- 4.3. To be able to proceed with the necessary statutory orders, there needs to be certainty that the scheme can be delivered even in the absence of any external contributions to the approximately £14m



funding gap. For this reason, it is recommended in this report that the cabinet resolves to underwrite the current estimated total funding gap. This will be an important factor in the determination of any potential objections to the statutory process.

#### Developer and Landowner Contributions

- 4.4. There are a number of mechanisms by which developer funding may become available to contribute to the scheme. One is via Section 106 contributions from developers / landowners of specific sites which will benefit from the provision of the Relief Road.
- 4.5. Community Infrastructure Levy (CIL) is another potential source of funding from developers of sites throughout the borough. Powers to locally implement the Community Infrastructure Levy (CIL) were included in the Planning Act 2008, and the CIL Regulations were first published in 2010. The CIL is an optional planning charge that Local Authorities are empowered to levy on new developments, with the funds received used to help deliver necessary infrastructure. It would largely replace developer contributions secured through planning obligations applied to planning permissions under Section 106 of the Planning Act 1990.
- 4.6. The Council intends to publish its draft CIL Charging Schedule for Cheshire East developments in February 2017. This will be subject to consultation and formal examination. The detail of how CIL will work alongside S106 obligations, both in the transitional period and after the formal introduction of CIL is not yet determined, but both S106 and CIL will be capable of providing funding to the Relief Road.
- 4.7. Additionally, the recently published draft Greater Manchester Spatial Framework contains proposals for significant development near Poynton which would benefit from the provision of the Relief Road. This report recommends that officers also pursue opportunities for funding for the Poynton Relief Road scheme in discussions with neighbouring planning authorities as the proposals move through the planning process.
- 4.8. Funding opportunities should also be available via S106, CIL or capital receipts from other potential development sites as contributions to this scheme as the project underpins, and is key to delivering, the Local Plan.
- 4.9. The obvious uncertainties regarding the timing of funding given the planning status of the sites under consideration, for the scheme to progress, it is necessary for the Council to underwrite the current funding gap and to forward fund expenditure on the scheme at this stage, until additional external funding can be secured.



- 4.10. Traffic forecasts for the Poynton Relief Road indicate that it will place additional traffic demand on the junction of the A34/A555 and the A555/ A5102 Woodford Road westbound on-slip road.
- 4.11. Officers have agreed in principle with Stockport Metropolitan Borough Council that these adjustments would be undertaken as part of the contract for the A6 MARR scheme. This approach has the advantage of reducing the impact of future additional traffic disruption (in sensitive locations) and as the time between the completion of construction on A6 MARR and the commencement of work on PRR is anticipated to be less than 18 months, avoids the need to potentially have to 'dig up' works undertaken as part of the A6 MARR. Finally, there are clear cost savings to be had in undertaking these works as part of the A6 MARR contract – for example these works can take advantage of existing provision of traffic management.
- 4.12. As such these improvement schemes were included as a 'base' position in the approved planning application for PRR and are therefore a pre-requisite for the delivery of the scheme.
- 4.13. These works on the A6 MARR are included in the overall scheme estimate.

## **5. Background**

### Scheme Cost Estimate

- 5.1. The following section of this report sets out the basis upon which the likely level of shortfall funding has been assessed, and discusses some of the variables that will impact upon whether the schemes shortfall funding expectations will be realised.
- 5.2. Table 1a below details the current estimates of the scheme components.
- 5.3. The Quantified Risk Assessment (QRA) has been undertaken in order to determine the amount of risk to be applied to the outline base cost. It includes all types of risk which could affect the cost of the scheme such as planning delay, political decisions, land acquisition issues and legislative delays. The QRA is based on industry knowledge and experience from other, similar schemes which have been recently constructed.
- 5.4. Part 1 Claims are Claims under the Land Compensation Act (1973). This costs has been calculated using the existing number of properties which lie within the immediate vicinity of the new proposed Relief Road. Claims can be made one year post construction and expenditure can occur for up to 7 years after



construction. Given the timescales and level of subjectivity involved, this estimate can be subject to variation through the life of the scheme.

- 5.5. There are other costs outlined in Table 1(a) not considered in the original 2015 scheme estimate. These other costs are required as a result of the planning process such as mitigation measures required in outlying villages resulting from re assignment of existing traffic and additional mitigation measures required on the A523 London Road.

**Table 1(a)**

| <b>Investment Out-turn Cost Component</b>                                      | <b>Calendar Year</b> | <b>Estimated Out-turn Cost</b> |
|--------------------------------------------------------------------------------|----------------------|--------------------------------|
| Construction and Preliminaries                                                 | 2018 – 2019          | £23,062,769                    |
| Statutory Undertakers Diversions                                               | 2018                 | £3,485,521                     |
| Land and Property (Inc. Injurious Affection)                                   | 2017 – 2018          | £1,850,565                     |
| Part 1 Claims                                                                  | 2020 – 2026          | £2,068,270                     |
| Preparation Costs                                                              | 2014 – 2017          | £2,767,532                     |
| Supervision Costs                                                              | 2018 - 2019          | £1,153,138                     |
| Quantified Risk Assessment (QRA) Cost                                          | 2015 - 2019          | £1,581,205                     |
| <b>Base Cost (including QRA) Sub Total</b>                                     |                      | <b>£35,969,000</b>             |
| <b>Other scheme Costs not Included in the 2015 Estimate are Outlined Below</b> |                      |                                |
| A6MARR Mitigation (A34/A555 junction & A5102 slip road)                        | 2018 - 2019          | £1,000,000                     |
| A555 resurfacing Works                                                         | 2018 - 2019          | £300,000                       |
| Butley Town Junction Improvement                                               | 2018 - 2019          | £500,000                       |
| Adlington / Pott Shrigley / Peak District / Quiet Lane Mitigation              | 2018 - 2019          | £250,000                       |
| <b>Sub Total</b>                                                               |                      | <b>£2,050,000</b>              |
| <b>Scheme Cost Grand Total</b>                                                 |                      | <b>£38,019,000</b>             |



Table 1(b)

| <b>Expected Funding Source</b>                                                   | <b>Sum</b>         |
|----------------------------------------------------------------------------------|--------------------|
| Local Transport Board (LTB)                                                      | £5,600,000         |
| Local Growth Fund (LGF)                                                          | £16,400,000        |
| Greater Manchester Combined Authority (GMCA)                                     | £2,000,000         |
| Developer Contribution (Anticipated Section 106 / Community Infrastructure Levy) | £14,019,000        |
| <b>Grand Total</b>                                                               | <b>£38,019,000</b> |

#### Department for Transport Approval Process

- 5.6. Poynton Relief Road forms a vital link in the wider infrastructure plan for the borough. It will provide improved highway connectivity for the northern Macclesfield business area and improve the strategic link between the new Manchester Airport Relief Road (A6MARR) (under construction) and junction 17 of the M6 via Congleton.
- 5.7. The Poynton Relief Road achieved Department for Transport (DfT) “Programme Entry” status in the DfT’s major schemes programme in July 2014. This means the DfT intend to provide funding, providing there are no significant changes to the scheme and subject to completing a satisfactory Department for Transport Major Scheme Business Case (MSBC) at the appropriate stage and subject to a positive resolution of the Cheshire East and Stockport Borough Councils Strategic Planning Boards to grant planning permission for the scheme.
- 5.8. The next stage in the DfT approval process is Conditional Approval. Conditional Approval can only be applied for once all statutory orders have been obtained. Approval at Conditional Approval stage is a reasonably firm undertaking by the DfT that Full Approval will be granted subject to a small and limited number of conditions.
- 5.9. DfT Full Approval can only be applied for once tenders have been received and a preferred contractor has been selected with a firm and final price. Full Approval is DfT’s confirmation that the requested funding to deliver the scheme is available.
- 5.10. Until the DfT confirm that the PRR has “Full Approval” all costs associated with developing the scheme and progressing the DfT bid must be met from the Council’s own financial resources.



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

- 6.1. Poynton West and Adlington – Cllr Mike Sewart, Cllr Michael Beanland. Poynton East and Pott Shrigley – Cllr Jos Saunders, Cllr Howard Murray. Prestbury Cllr Paul Findlow.

**7. Implications of Recommendations**

**7.1. Policy Implications**

Outcome 1: Our local communities are strong and supportive

Outcome 2: Cheshire East has a strong and resilient Economy

Outcome 3: Cheshire East is a green and sustainable place

Outcome 4: People live well and for longer

**7.2 Legal Implications**

The main legal implications are set out in the body of the report and relate to the accuracy of the scheme cost estimating and the accuracy of the predicted developer contributions over a longer undefined period of time. Changes such as the introduction of starter homes, and Community Infrastructure Levy (CIL) charging schedules may impact on assumptions made in this report.

It is anticipated that developer contributions in the region of those identified in the body of this report will be recouped, if there is to be sufficient certainty as to the Council's ability to fund the scheme. In order that the acquisition of land using compulsory purchase powers can commence, the Council needs to be prepared to commit to covering any remaining funding gap.

**7.3 Financial Implications**

Financial implications are dealt with in the main body of the report.

**7.4 Equality Implications**

There are no equality implications.

**7.5 Rural Community Implications**

Completion of the Poynton Relief Road will address congestion and facilitate movement across the Borough to the benefit of both urban and rural communities.



7.6 Human Resources Implications

There are no anticipated long term impacts on establishment staffing levels or costs. If additional temporary resources are required these will be met from the project budget.

7.7 Public Health Implications

Completion of the Poynton Relief Road will improve air and noise quality in the town which has a designated Air Quality Management Area thus contributing to the general well-being of local residents and businesses.

7.8. Implications for Children and Young People

No implications for children and young people as distinct from the wider community.

7.9. Other Implications

Not delivering the scheme will present a reputational risk to the Council and will lose the Department of Transport's provisional funding allocation of £22m towards the cost of the scheme.

**8 Risk Management**

8.1 At this stage, the Council is not at risk of being contractually responsible for the underwriting of the expected developer contributions – this situation will only arise if and when the Council enters into a construction contract to deliver the road.

8.2 Likewise, the Council's own capital risk to the project is currently limited to the future project development costs (estimated as £800,000) to take through to the start of construction. This is in addition to the development costs incurred to date.

**9 Background papers**

None

**10 Contact Information**

Contact details for this report are as follows :-

Name: Chris Hindle - Head of Strategic Infrastructure  
Tel : 01270 686688



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Annex A - Poynton Relief Road Expenditure Profile

January 2017 Estimates

| Poynton Relief Road                                         | Financial Year |             |           |             |              |              |           |           |           |           |           |           | Total        |
|-------------------------------------------------------------|----------------|-------------|-----------|-------------|--------------|--------------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|
| Cost Element                                                | 2014/15        | 2015/16     | 2016/17   | 2017/18     | 2018/19      | 2019/20      | 2020/21   | 2021/22   | 2022/23   | 2023/24   | 2024/25   | 2025/26   |              |
|                                                             |                |             |           |             |              |              |           |           |           |           |           |           | £ -          |
| Construction and Preliminaries                              |                |             |           |             | £ 7,344,302  | £ 15,000,000 |           |           |           |           |           |           | £ 22,344,302 |
| Statutory Undertakers Diversions                            |                |             |           |             | £ 3,485,521  |              |           |           |           |           |           |           | £ 3,485,521  |
| Land, Property & Injurious Affection                        |                |             |           | £ 1,850,565 |              |              |           |           |           |           |           |           | £ 1,850,565  |
| Part 1 Claims                                               |                |             |           |             |              |              | £ 344,712 | £ 344,712 | £ 344,712 | £ 344,712 | £ 344,712 | £ 344,712 | £ 2,068,270  |
| Preparation                                                 | £ 1,100,927    | £ 1,477,667 | £ 450,000 | £ 457,405   |              |              |           |           |           |           |           |           | £ 3,485,999  |
| Supervision                                                 |                |             |           |             | £ 1,153,138  |              |           |           |           |           |           |           | £ 1,153,138  |
| Quantified Risk Assessment (QRA) Cost                       |                |             | £ 395,301 | £ 395,301   | £ 395,301    | £ 395,301    |           |           |           |           |           |           | £ 1,581,205  |
|                                                             |                |             |           |             |              |              |           |           |           |           |           |           |              |
| Base Cost (including QRA) Sub Total                         |                |             |           |             |              |              |           |           |           |           |           |           | £ 35,969,000 |
|                                                             |                |             |           |             |              |              |           |           |           |           |           |           |              |
| Other Scheme costs not included in 2015 Estimate            |                |             |           |             |              |              |           |           |           |           |           |           |              |
| A6MARR Mitigation                                           |                |             |           | £ 1,000,000 |              |              |           |           |           |           |           |           | £ 1,000,000  |
| A555 RE Surfacing Works                                     |                |             |           |             | £ 300,000    |              |           |           |           |           |           |           | £ 300,000    |
| Butley Town Junction Improvements                           |                |             |           |             | £ 500,000    |              |           |           |           |           |           |           | £ 500,000    |
| Adlington/Pott Shrigley/Peak District/Quiet Lane Mitigation |                |             |           |             | £ 250,000    |              |           |           |           |           |           |           | £ 250,000    |
|                                                             |                |             |           |             |              |              |           |           |           |           |           |           |              |
| Sub Total                                                   |                |             |           |             |              |              |           |           |           |           |           |           | £ 2,050,000  |
|                                                             |                |             |           |             |              |              |           |           |           |           |           |           |              |
| Totals                                                      | £ 1,100,927    | £ 1,477,667 | £ 845,301 | £ 3,703,271 | £ 13,428,262 | £ 15,395,301 | £ 344,712 | £ 344,712 | £ 344,712 | £ 344,712 | £ 344,712 | £ 344,712 | £ 38,019,000 |



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## CHESHIRE EAST COUNCIL

### Cabinet

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|                          |                                                                                                     |
|--------------------------|-----------------------------------------------------------------------------------------------------|
| <b>Date of Meeting:</b>  | <b>07 February 2017</b>                                                                             |
| <b>Report of:</b>        | Frank Jordan, Executive Director of Place                                                           |
| <b>Subject/Title:</b>    | Bus Service Review Project – Statement of Methodology                                               |
| <b>Portfolio Holder:</b> | Cllr David Brown, Deputy Leader of the Council and Portfolio Holder for Highways and Infrastructure |

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#### 1. Report Summary

- 1.1. The Council provides financial support to secure the operation of socially-necessary bus services throughout the Borough. These services enable residents to benefit from local bus services, especially during evenings and weekends, at those times when commercial services do not operate. The Council has an adopted policy to assess the need for socially-necessary buses, ensuring that expenditure maximises benefits to residents. This report sets out the proposed methodology to complete a borough-wide review of the need for supported local bus services in Cheshire East.
- 1.2. The approach described in this report has been designed to ensure that the Council can robustly prepare an option for a future network of supported local buses to go out to public consultation. This consultation is scheduled to take place over 10 weeks between May and July 2017. Outcomes of the consultation will then inform a recommendation to Cabinet on the implementation of a new network of Supported Local Buses. The timing of all stages in this approach is intended to enable the Council to implement any changes to local supported buses on 1<sup>st</sup> April 2018. A programme is attached at Appendix 1.

#### 2. Recommendations

Cabinet is recommended to:

- 2.1. Endorse the proposed technical methodology as a suitable evidence base to inform the Council's bus services review.
- 2.2. Note that a Project Board has been established which includes representation from relevant Directorates of the Council and Transport Service Solutions Ltd, in order to provide direction and oversight of the work programme.



- 2.3. Note that the outcomes of the work programme will be reported to Cabinet later in 2017 for a decision on the proposed changes to supported bus routes to go out to public consultation.

### 3. Other Options Considered

- 3.1 A range of options has been considered in the earlier phases of the 2017-20 budget planning process. In particular, the timing of data collection is a key consideration within the overall programme. To ensure that there is adequate time for consultation, tendering and statutory notices to the traffic commissioner, the survey programme started in January 2017 and will run into February 2017. Subject to a review of survey results, these surveys may require seasonal adjustments based on annual trends to represent whole year averages. This is a valid and standard adjustment process which will ensure the surveys are suitable to inform the network design tasks. Should any of the surveys be considered unreliable, consideration will be given to repeat surveys where data gaps exist.
- 3.2 The approach to development of this methodology has been informed by best practice nationally, taking account of the technical, procedural, cost and deliverability issues that are necessary to ensure that the Council is well-placed to prepare alternative service options as a basis for consultation with residents.

### 4. Reasons for Recommendations

#### Proposed Approach to Bus Service Review - Methodology

- 4.1. This methodology has been developed to ensure that the Council has a reliable evidence base to inform any future decisions relating to the level of support for local bus services. The following sections of the report outline, in turn, the content and purpose of key tasks within the approach. Throughout, the aim is to ensure that appropriate evidence is compiled to consider the opportunities and implications arising for changes to local buses procured by the Council.
- 4.2. The methodology includes each of the following key stages:

**Stage 1: Run the existing prioritisation process to derive a reference case** – This will act as a baseline, against which the effectiveness of a revised bus network can be considered. This would provide a reference comparator against which the effectiveness of the re-designed network can be assessed.

**Stage 2: Passenger Surveys** – To collect current data on the usage and patronage on existing supported bus services commissioned by Cheshire East Council (CEC). A scheme of surveys will be designed and implemented for on-board bus passenger surveys targeted at users of CEC-funded supported bus services. The surveys are designed to capture information on:



- Passenger Type
- Origin and destination of journey.
- Journey Purpose
- Frequency of Travel and
- Ticket type

Surveys will be commissioned from a specialist data collection company, following procurement through a competitive procedure. Surveys will be completed during standard hours of operation for supported bus routes, with enumerators working on-board vehicles. Surveys will be completed to avoid any distortion of results arising from adverse winter weather conditions during January and February. Post-survey analysis will be completed to expand the survey data to reflect full-week operations, to adjust for any seasonal variations and to confirm key profiles of users.

**Stage 3: Accessibility Mapping** – This will enable the impact of supported bus services to be evidence by place, by time of day and day of week. Travel times will be assessed to the 9 key service centres and 2 Principal Towns within the Borough, namely:

- Alsager
- Congleton
- Crewe
- Handforth
- Knutsford
- Macclesfield
- Middlewich
- Nantwich
- Poynton
- Sandbach
- Wilmslow

Accessibility by public transport will be analysed for the following time periods:

- Morning Peak Period, weekdays
- Evening Peak Period, weekdays
- Off-Peak Period, weekdays
- Evenings and
- Sundays

Accessibility mapping will be produced to demonstrate the added value of supported local bus services, at various times of day, throughout the Borough.

Following the Network Redesign task (see stage 6 below), accessibility mapping for the revised bus network will be re-run to identify the benefits and any limitations of a new network of supported local bus services.



**Stage 4: Define criteria for mapping which relate to the Council's Criteria-based Assessment Framework** – For the purposes of future network planning, we will define a set of policy-related metrics that can be mapped for the whole of Cheshire East, to inform an assessment of need for supported local buses. The approach will be to evidence, as closely as practical, each of the existing policy criteria used by the Council in its current assessment framework relating to local supported buses.

Each parameter will be evidenced at the Borough-wide level, using available local / national data sets suited to GIS mapping. The aim is to define a specific data set that will relate to each assessment criteria. The proposed data sources are identified below, alongside the existing assessment criteria used by the Council.

| <b>Supported Bus Services Appraisal Criteria</b>                                     | <b>Proposed Service Redesign Measure</b>                                                                                                       |
|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| Accessing shops                                                                      | Number / % of households within 60min travel time of a Local Plan principal town or key service centre                                         |
| Accessing leisure and recreation opportunities                                       | Number / % of households within 60min travel time of a Local Plan principal town or key service centre                                         |
| Providing bus services in areas where there are no reasonable transport alternatives | Number / % of households with no access to a car                                                                                               |
| Accessing jobs                                                                       | Number / % of people of working age and number / % of households within 60min travel time of a Local Plan principal town or key service centre |
| Accessing education / training sites                                                 | Passenger survey data and number of educational sites served by routes                                                                         |
| Reducing carbon emissions                                                            | Number / % of households within 60min travel time of a Local Plan principal town or key service centre                                         |
| Improving local air quality                                                          | Number of Air Quality Management Areas served                                                                                                  |
| Accessing health, medical and welfare services                                       | Number of health facility locations served                                                                                                     |
| Providing bus services for older and disabled people                                 | Number / % concessionary pass holders within 60min travel time of a Local Plan principal town or key service centre                            |
| Providing bus services which have the lowest amount of subsidy from the Council      | Network redesign outputs will address this corporate objective through identifying a network which provides most benefit for budget available  |
| Providing bus services which have the highest number of users                        | Total number of households within 60min travel time of a Local Plan principal town or key service centre                                       |
| Future viability of bus services                                                     | Proximity of bus routes serving Local Plan development sites                                                                                   |
| Accessing public transport interchanges                                              | Bus routes connecting to PT interchanges (bus stations and rail stations)                                                                      |



### **Stage 5: Mapping of Needs-based Criteria**

Using the criteria defined in Stage 4, each of the criteria within the Council's assessment framework will be mapped. GIS mapping will be used to prepare layers relating to each of the criteria, with layers being capable of overlay to enable consideration of the coincidence of various criteria. Mapping of each criteria will evidence the need for supported bus services throughout the whole Borough. This will then be used to inform a network redesign exercise.

### **Stage 6: Network Redesign Exercise**

Utilising the detailed knowledge of the local bus network, this task will consider the options for re-defining the local supported bus network across Cheshire East. Taking full account of the updated evidence on patronage, accessibility mapping and the needs-related criteria mapping derived from earlier stages in this methodology, we will develop plans for a set of new supported bus services that is based on the following design principles;

- Maximising opportunities to address the greatest levels of need across the Borough
- Making the best use of opportunities to complement, not compete, with commercial services.
- Minimising duplication in the provision of supported services.
- Making the maximum use of opportunities to extend existing commercial services
- Considering opportunities to transfer supported services to commercial operations
- Ensuring that the network is coherent in terms of bus operations and contractual commissioning, taking account of scheduling.
- Being mindful of the likely levels of interest from operators across Cheshire East.

### **Stage 7: Assessment of Redefined Network option**

In this stage we will assess the impact of new network proposals. This will ensure that the draft proposals can be compared against the baseline results from stage 1.

Completion of this stage will ensure that the Council is able to respond to challenges about the impact of any changes arising from the review.

A Gap Analysis will be completed for the draft proposals, to consider alternative approaches to address any loss of connectivity, through mitigation measures such as greater use of local community and voluntary transport services.



Completion of this methodology will ensure that the draft options for redesign of local supported bus networks are well informed by current evidence on needs and usage of services throughout the Borough. The resulting options for change to local services will then be reported back to Cabinet in May 2017 for decision prior to any public consultation.

## 5. Background/Chronology

- 5.1 The Council has existing criteria in place which are used to determine which routes should be supported by the Council. These were adopted by Cabinet in August 2011 (see Appendix 2). The current adopted criteria provide a fair, transparent and accountable process to prioritise investment by scoring and ranking each supported bus service against objective criteria.
- 5.2 The criteria enable existing contracts to be assessed against 3 main objectives:
- **Contribution to strategic priorities (Local Transport Plan (LTP) Priorities)** – An assessment is made about how the service supports our strategic priorities e.g. supporting employment, business growth, access to retail and leisure, improved air quality etc.
  - **Accessibility** – An assessment of accessibility levels giving greater weight to services where there is no alternative travel option (i.e. rural areas), as well as identifying use by older people and people with disabilities.
  - **Financial Considerations** – A range of criteria which seek to assess the value for money of each contract by evaluating the cost per passenger journey and service usage.
- 5.3 The criteria aim to prioritise expenditure within budget constraints, provide maximum value for money and support wider strategic considerations. The current criteria give the greatest weighting to “Accessibility” (40%), followed by “Strategic Priority Themes (LTP)” (35%) and “Financial Considerations” (25%).
- 5.4 The adopted criteria were developed for minor network changes and the project underway involves a large scale review and assessment of the supported bus network. The methodology described in section 4 has been developed to ensure a needs-based assessment and that the Council has a reliable evidence base to inform any future decisions relating to the level of support for local bus services.
- 5.5 As part of the medium term budget plan for the Council, a total target saving of £1.576m to commence on 1<sup>st</sup> April 2018 is proposed. The proposals to change the network will be subject to a thorough and detailed public consultation exercise so that the impact of these proposals can be assessed before a final decision is made. In particular the impact on rural communities and protected equality groups will be reviewed following a period of consultation.



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

6.1. All Wards and all Ward Members

## **7. Implications of Recommendation**

### **7.1. Policy Implications**

7.1.1. The Council has existing criteria in place which are used to determine which local bus routes should be supported by the Council. These were adopted by Cabinet in August 2011 (see Appendix 2). The current adopted criteria provide a fair, transparent and accountable process to prioritise investment by scoring and ranking each supported bus service against objective criteria.

7.1.2. The proposed methodology is intended to retain the same principles of criteria-based approach to determine which local bus routes the Council continues to support financially. By considering criteria at the borough-wide level, rather than the route level, there is potential for a more holistic approach to network design when compared with the routine application of the policy criteria which is typically to consider marginal changes to the overall network. However, Cabinet will be mindful that the context for this exercise is a significant reduction in the overall budget for supported local bus services.

### **7.2. Legal Implications**

7.2.1 The Transport Act (1985) imposes duties on and grants powers to local authorities to establish policies and carry out certain functions in relation to public transport.

Section 63, (1) states:

In each non-metropolitan county of England and Wales it shall be the duty of the county council — (a) to secure the provision of such public passenger transport services as the council consider it appropriate to secure to meet any public transport requirements within the county which would not in their view be met apart from any action taken by them for that purpose.

In addition, section 63 (6) states:

A non-metropolitan county council in England and Wales or, in Scotland, a . . . council shall have power to take any measures that appear to them to be appropriate for the purpose of or in connection with promoting, so far as relates to their area —



- (a) the availability of public passenger transport services other than subsidised services and the operation of such services, in conjunction with each other and with any available subsidised services, so as to meet any public transport requirements the council consider it appropriate to meet; or
- (b) the convenience of the public (including persons who are elderly or disabled) in using all available public passenger transport services (whether subsidised or not).

Finally, section 63(7) states:

It shall be the duty of a county council or (as the case may be) of a regional or islands council, in exercising their power under subsection (6) above, to have regard to a combination of economy, efficiency and effectiveness. It shall be the duty of any council, in exercising or performing any of their functions under the preceding provisions of this section, to have regard to the transport needs of members of the public who are elderly or disabled and to the appropriate bus strategy.

7.2.2 In May 2016 the Government introduced the 'Bus Services Bill' with the aim of improving local buses and ultimately increase usage of services. The Bill will affect bus services operating in England (excluding London) and is currently progressing through Parliament with Royal Assent planned for early 2017. The key aspects of this bill are:

1. Strengthen arrangements for partnership working in the sector, introducing 'enhanced partnerships'
2. Introduce new franchising powers with decision making at a local level
3. Provide for a step change in the information available to bus passengers
4. Powers for local authorities to obtain information from providers and also to set up municipal owned bus operators.

It will be important to monitor progress of the Bill and examine any legislation that arises from it during the contemplated service re-design and to assess the impact that any actual/planned legislation may have on the proposals so that they can take into account the up to date law and future proof service delivery.

7.2.3 The Council has previously adopted the Local Transport Plan, and associated bus support criteria, to ensure it discharges the statutory obligation to: firstly, establish policies; secondly, secure appropriate public transport to discharge these policies; finally, take into account the needs of members of the public who are elderly or disabled, and has due regard to economy, efficiency and effectiveness.

7.2.4 Once the methodology is approved by Cabinet, the Council is going to consult on the proposal. When a consultation process is embarked upon it must be "fair". Unless a particular procedure is prescribed by statute, the decision maker has fairly wide discretion as to the mode of



consultation, but certain basic principles must be adhered to in all cases:

- a. Consultation must be undertaken at a time when proposals are still at a formative stage;
- b. It must include sufficient reasons for particular proposals to allow those consulted to give intelligent consideration and an intelligent response;
- c. Adequate time must be given for this purpose; and
- d. The product of consultation must be conscientiously taken into account when the ultimate decision is taken.

The Council should embark on consultation prepared to change course if persuaded to do so. If it were to embark on consultation then it would be preventing an informed and integrated response (pre-determination).

- 7.2.5 Under the Equality Act 2010, the Council is required to identify the impacts of any decisions, policies etc on certain protected groups to ensure equality is promoted, and inequality minimised. For example, there must be an assessment made of the impacts on groups or individuals who are disabled, who belong to ethnic or racial groups, on the grounds of age or sex discrimination etc. Completing an Equality Impact Assessment (EIA) as part of the consultation process will both assist in meeting the Council's equality duties and inform the eventual proposals recommended for consideration by Cabinet.

### **7.3. Financial Implications**

- 7.3.1. As part of the medium term budget plan for the Council, a total target saving of £1.576m to commence on 1<sup>st</sup> April 2018 is proposed. Failure to develop and implement proposals for a revised and more cost effective network of supported local buses would put additional pressure on the budget for the period April 2018 onwards.

- 7.3.2. The direct costs of completing this methodology are as follows:

Specialist survey company resources (following competitive tendering)  
= £39,900

Analytical resources for Accessibility Mapping (secured through the Ringway Jacobs Highways Professional Services contract) = £10,400

Specialist Project Management support on short term appointment (secured through the Ringway Jacobs Highways Professional Services contract) = £25,000 (estimate)

Transport Service Solutions (TSS) staff costs on pre-survey planning, input to network redesign and provision of detailed data = £7,800



These costs are transitional items required to fully develop the business case. These items have been included in the 2016-17 third quarter review forecasts for the Infrastructure and Highways Service.

#### **7.4. Equality Implications**

- 7.4.1. An Equality Impact Assessment (EIA) will be undertaken as part of the bus service review to inform the proposals and ensure that the impact on protected equality groups is fully considered before any decisions are made. The EIA will be developed in accordance with the Council's Equality & Diversity Strategy 2017-2020.

#### **7.5. Rural Community Implications**

- 7.5.1. Financial support for local bus services is typically required to ensure that many rural communities have access to public transport. There is the potential for redesign of local supported bus services to adversely and disproportionately impact on rural communities. Therefore, the Council's proposed approach to evidence, analysis and network design is intended to ensure that residents needs in rural areas are consistently evidenced and the impacts on rural communities are taken into consideration.

#### **7.6. Human Resources Implications**

- 7.6.1. There are no Human Resource implications arising from this report.

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

- 7.7.1. The recommendations have no immediate impact on public health. Issues associated with enabling local people to access healthcare facilities will be assessed as part of the programme of works.

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

- 7.8.1. N/A

### **8. Risk Management**

- 8.1. Any proposed changes to local bus services are inevitably going to be unpopular with affected residents. The potential of withdrawing a bus service which residents often rely on can be very emotive and often receives a significant public backlash.



- 8.2. The key risks associated with the Bus Service Review are considered in the project Risk Register. The headline risks should be noted as follows:

|                    |                                                                                                                                                                                                                                                                                                                                     |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reputational risks | Reductions to local bus services will attract adverse public and/or political comments from affected users – it is an emotive subject and often receives a significant backlash from users and residents.                                                                                                                           |
|                    | Major employers and key businesses in Cheshire East are likely to be opposed to any reduction in the services which provide access to their site.                                                                                                                                                                                   |
| Financial risks    | Where supported buses are currently used by pupils entitled to free home-to-school travel, the Council may be liable to provide alternative provision if no alternative is available.                                                                                                                                               |
|                    | Reduction in supported payments may affect the commercial viability of local bus operators, with the risk that other (commercial) services be withdraw should another operator go under. The Council is not party to any detailed business intelligence to inform an assessment of this risk.                                       |
|                    | The Council may, as a result, receive reduced income from concessionary fare reimbursement payments. No forecast of this impact is available.                                                                                                                                                                                       |
| Equity risks       | Elderly people, school children, low income households and people with disabilities, who may be entitled to concessionary travel, are disproportionately reliant on supported local bus services and at risk of social exclusion. Any changes to services should ensure that these groups are not disproportionately disadvantaged. |
|                    | There is likely to be particular impact on rural areas of the borough where services are less likely to be commercial.                                                                                                                                                                                                              |
|                    | The wider social impacts of addressing isolation, loneliness and health have not been appraised in this business case.                                                                                                                                                                                                              |

- 8.3. A comprehensive Risk Assessment and Mitigation Plan has been developed for the project and this will be reviewed and updated during delivery of this methodology.

## 9. Access to Information/Bibliography

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



## 10. Contact Information

Contact details for this report are as follows:

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| Appendix 1 - Bus Service Review Project Plan                               | 2017/18 |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
|----------------------------------------------------------------------------|---------|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                                                                            |         |     | Q4  |     |     | Q1  |     |      | Q2  |     |     | Q3  |     |     | Q4  |     |     |
|                                                                            | Nov     | Dec | Jan | Feb | Mar | Apr | May | June | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
| GOVERNANCE                                                                 |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| Project Board meetings (monthly)                                           |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| WORKSTREAM 1 - Data & Intelligence                                         |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| Collation of existing data from TSS - % concessions, HTS contracts etc     |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| On-Board Surveys - define brief, obtain costs, undertake surveys, analysis |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| Accessibility analysis - define brief, obtain costs, undertake analysis    |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| Collation of data within GIS - visual presentation of accessibility levels |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| WORKSTREAM 2 – Network re-design / develop consultation proposals          |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| CEC & TSS to develop proposals to rationalise services for consultation    |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| Workshop with local bus operators                                          |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| WORKSTREAM 3 – Consultation                                                |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| Develop Consultation Plan for approval                                     |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| Develop Communications Plan for approval                                   |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| Develop consultation material & questionnaire for approval                 |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| Launch 10 week consultation - including Scrutiny Committee                 |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| WORKSTREAM 2&3 APPROVALS                                                   |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| Report to Cabinet (9th May)                                                |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| WORKSTREAM 4 - Analysis & Develop Cabinet Recommendations                  |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| Headline consultation results                                              |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| Full consultation analysis (4 weeks)                                       |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| Present findings to Environment & Overview Scrutiny Committee              |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| Develop recommendations for Cabinet on proposed changes & mitigation       |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| Report to Senior Management Team                                           |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| November Cabinet decision - report deadline mid September                  |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| WORKSTREAM 5 – Mitigation Strategy                                         |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| Develop mitigation strategy                                                |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| Develop and deliver mitigation measures                                    |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| WORKSTREAM 6 - Implementation                                              |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| Contract notice period (3 months)                                          |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| New tender process if needed (4 months)                                    |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |
| Implementation date - 1st April 2018                                       |         |     |     |     |     |     |     |      |     |     |     |     |     |     |     |     |     |



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## Appendix 2 – Public Transport Support Criteria (adopted August 2011)

| Proposed Criteria                                |                                                    |                                                                                           |   |
|--------------------------------------------------|----------------------------------------------------|-------------------------------------------------------------------------------------------|---|
| Objective                                        | Criteria                                           | Scoring                                                                                   |   |
| <b>LTP Priority Themes</b><br>Weighting 35%      | Business growth journey purpose (max. score of 10) | Employment                                                                                | 5 |
|                                                  |                                                    | Education / training                                                                      | 4 |
|                                                  |                                                    | Health / medical / welfare                                                                | 4 |
|                                                  |                                                    | Shopping / personal business                                                              | 2 |
|                                                  |                                                    | Leisure (social / recreation)                                                             | 1 |
|                                                  |                                                    |                                                                                           |   |
|                                                  | Sustainable economic growth                        | The route serves a significant (>1000 trips) travel to work area                          | 4 |
|                                                  |                                                    | The route serves a moderate (500-1000 trips) travel to work area                          | 2 |
|                                                  |                                                    | The route serves a low (<500 trips) travel to work area                                   | 0 |
|                                                  | Impact on carbon emissions                         | The route directly serves an Air Quality Management Area (AQMA) and/or congestion hotspot | 4 |
|                                                  |                                                    | The route passes nearby an AQMA and/or congestion hotspot                                 | 2 |
|                                                  |                                                    | No AQMA or congestion hotspots are served by the route                                    | 0 |
| <b>Accessibility</b><br>Weighting 40%            | Integration - transport interchange                | More than 1 interchange point or major interchange point on route                         | 4 |
|                                                  |                                                    | One interchange point on route                                                            | 2 |
|                                                  |                                                    | No interchange points on route                                                            | 0 |
|                                                  | Accessibility - travel alternative                 | No reasonable alternative                                                                 | 5 |
|                                                  |                                                    | Alternative within 2 hours during daytime within no more than 800 metres                  | 4 |
|                                                  |                                                    | Alternative within 2 hours during daytime at same location                                | 3 |
|                                                  |                                                    | Alternative within 1 hour during daytime within no more than 800 metres                   | 2 |
|                                                  |                                                    | Alternative within 1 hour during daytime at same location                                 | 1 |
|                                                  |                                                    |                                                                                           |   |
|                                                  | Access for older & disabled people                 | More than 50% passenger journeys by concessionaires                                       | 5 |
|                                                  |                                                    | Between 33% and 50% passenger journeys by concessionaires                                 | 3 |
|                                                  |                                                    | Less than 33% passenger journeys by concessionaires                                       | 1 |
|                                                  |                                                    | No passenger journeys by concessionaires                                                  | 0 |
| <b>Financial Considerations</b><br>Weighting 25% | Cost per passenger                                 | Subsidy per passenger is no more than £1                                                  | 5 |
|                                                  |                                                    | Subsidy per passenger is more than £1, but no more than £2.50                             | 4 |
|                                                  |                                                    | Subsidy per passenger is more than £2.50, but no more than £5                             | 3 |
|                                                  |                                                    | Subsidy per passenger is more than £5 but no more than £10                                | 2 |
|                                                  |                                                    | Subsidy per passenger is more than £10                                                    | 1 |
|                                                  | Funding options / alternatives                     | Potential for external funding contributions                                              | 4 |
|                                                  |                                                    | Potential for sharing of internal resources (e.g. cross-departmental)                     | 2 |
|                                                  |                                                    | No funding / resource alternatives                                                        | 0 |
|                                                  | Service Usage                                      | More than 100,000 passenger journeys per annum                                            | 5 |
|                                                  |                                                    | More than 25,000 but not more than 99,999 passenger journeys per annum                    | 4 |
|                                                  |                                                    | More than 10,000 but not more than 24,999 passenger journeys per annum                    | 3 |
|                                                  |                                                    | More than 5,000 but not more than 9,999 passenger journeys per annum                      | 2 |
|                                                  |                                                    | Up to 4,999 passenger journeys per annum                                                  | 1 |
|                                                  | Patronage trends - commercial potential            | Passenger numbers increasing                                                              | 4 |
|                                                  |                                                    | Passenger numbers stable                                                                  | 2 |
|                                                  |                                                    | Passenger numbers decreasing                                                              | 0 |



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## CHESHIRE EAST COUNCIL

### Cabinet

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**Date of Meeting:** 7<sup>th</sup> February 2017

**Report of:** Executive Director of Place – Frank Jordan

**Subject/Title:** Cultural Framework

**Portfolio Holder:** Cllr David Brown, Highways and Infrastructure

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#### 1. Report Summary

- 1.1 The purpose of this paper is to present the Cultural Framework for consideration as being a key pillar in delivering the Council's strategic priority of 'Quality of Place'. Culture has a pivotal role in contributing to or achieving 'distinctiveness', creating and communicating the 'identity' of a place, nurturing creativity, supporting skills development and delivering wellbeing. The paper presents the Cultural Framework, the Council's priorities for the cultural sector and explains how the framework will be delivered.
- 1.2 Cheshire East Council's goal for Culture is to **transform lives and places through access to great culture**. Our role is to enable the economy, communities and places of Cheshire East to benefit from engagement with culture.
- 1.3 The Cultural Framework (appendix 1) is designed to help achieve this and to be widely used by Cheshire East Council, the Council's partners, national agencies and stakeholders, the voluntary sector, commissioners of public services, cultural organisations and individuals in the cultural sector. For the purpose of the Cultural Framework, culture is defined as: arts, heritage, museums, festivals & events, creative media, creative and digital industries.

#### 2. Recommendations

- 2.1 That the Cabinet adopt the Cultural Framework 2017-2020 for implementation from April 2017.
- 2.2 That the Cabinet delegate commissioning decisions (which shall include applying for and accepting grant funding) made within the Framework, to the Head of Rural and Cultural Economy in consultation



with the Portfolio Holder with responsibility for Culture, to be agreed on an annual basis and as required, in line with the Constitution.

- 2.3 That the Cabinet welcome the development of a Cultural Forum under the leadership of Cheshire East Council.

### **3. Other Options Considered**

- 3.1 The Framework has been developed following consultation with the cultural sector, with other public sector commissioning bodies and the Council for Voluntary Services (Cheshire East). Amongst others, the consultation process included consideration of:

- Continuing with the current system ie 'do nothing'
- Operating a commissioning only system
- Operating a grants only system

None of these was favoured through the consultation to be as fair, equitable or impactful as the framework proposed.

### **4. Reasons for Recommendations**

- 4.1 Adoption of the Framework will allow for:

- A set of clearly articulated Council priorities for Culture. This will enable major funding bodies such as the Heritage Lottery Fund and Arts Council England to understand our strategic priorities and how they match with their own.
- Efficient and effective commissioning and contracted cultural activity leading to improved delivery of the Council's outcomes.
- The ability to take a more flexible approach to supporting the development and sustainability of the Cultural Economy in Cheshire East.
- The Cultural Economy Team to communicate the Framework to the Cultural Sector and work towards implementation from April 2017.

- 4.2 Quality of Place is a key strategic priority for the Council. As well as supporting the prosperity of its residents and businesses, 'quality of place' can help create and communicate the 'identity' of a place. Culture has a pivotal role in contributing to or helping to achieve each of these elements of Quality of Place.

- 4.3 Culture also has a significant contribution to make to improve outcomes for individuals and communities, for children and young people, older and vulnerable adults. Culture supports the delivery of outcomes across Quality of Place, Regeneration, Visitor Economy,



Health and Wellbeing, Children, Families, Skills and Community Development.

4.4 There are a number of factors driving the need for this work, we must consider how to maximise the impact of Culture by having clear priorities and through using different approaches to delivery and commissioning. To achieve the Council's outcomes, this will be done through a combination of:

- Commissioning activity as Lead Commissioners (eg Barnaby or Lyceum theatre)
- Sub-contracting commissioned activity (eg Early intervention programme)
- Stronger partnership working (eg Macclesfield Heritage & Culture strategy)
- Working through matrix management arrangements (eg public art commissioning)
- Direct provision of services (eg Cheshire East Youth theatre)

4.5 Benefits of the Framework:

- It provides a clearly articulated set of priorities for Culture. This will enable major funding bodies such as Heritage Lottery Fund and Arts Council England (ACE) to understand our strategic priorities and how they match with their own. For example; cultural organisations with ACE National Portfolio Status will be expected to have matched funding from the appropriate Local Authority. The Framework will allow the Council to be flexible to enter into these arrangements when needed in order to boost the profile of Cheshire East and develop a strong cultural economy.
- Better value for money through commissioned and contracted cultural activity leading to improved delivery of Council outcomes.
- Ability to take a more flexible approach to supporting the development and sustainability of the Cultural Economy in the Borough.

## **5. Background/Chronology**

5.1 Since November 2015, the Cultural Economy Team has been working with colleagues across the Council and with external stakeholders, to develop a Cultural Framework for the Council. Through working with consultants Arts Interlink, a report has now been produced from which a final framework has been developed.



- 5.2 The value of Culture can be considered in two different ways; the intrinsic – how our lives are enriched by culture; or, how Culture can impact on achieving wider objectives such as economic wellbeing, physical and mental health, education and social cohesion. The Cultural Economy Service is well placed to deliver strong outcomes on these wider objectives with a successful track record in some of these areas over a number of years. For example, working in partnership with Total People and Love Music Trust, leveraging in funding of around £160,000 from Youth Music to deliver music and drama training for young people at risk of being NEET; Working with a range of partners including Skills and Growth Company and Cultural organisations to secure £90,000 from Arts Council England to deliver a year long programme of digital commissions and skills development opportunities called 'Shift', in 2017.
- 5.3 The Cultural agenda is closely linked to the emerging Quality of Place agenda, culture being a significant contributor to developing quality places. 'Quality of Place' principles have been adopted to inform the future strategy for the council and inform a revised corporate plan. The contribution of Culture to this agenda is also borne out in the findings of the KPMG report on Quality of Place, which is set to inform the refresh or the LEP's economic strategy. The Cultural Framework will ensure that the Council is clear on its priorities for Culture in relation to Quality of Place.
- 5.4 During the consultation we have worked closely with colleagues from other commissioning areas and will continue to do so, to ensure the framework remains fit for purpose. We are also working closely with Cheshire East Voluntary Service.

## **6. The Framework**

- 6.1 The Cultural Framework (appendix 1) is of relevance to all Council services that are commissioning or delivering aspects of Culture or seeking outcomes through cultural activity. This ranges from Public Health, Children and Families, Community Grants and Community Engagement to Visitor Economy, Regeneration and indeed the Cultural Economy service itself.
- 6.2 The purpose of the framework is to:
- a) Inform a cohesive approach across the Council to engage with the cultural sector to ensure the delivery of Quality of Place.
  - b) Develop a comprehensive understanding of the benefits of engaging with the Cultural sector across public sector commissioners and Council services.



- c) Develop a cohesive approach across the Council, to engage with the cultural sector to ensure high quality outcomes for specific programmes of work.
  - d) Support the Cultural sector to engage with Public Sector commissioners and Council Services.
  - e) Facilitate closer with the Cultural sector to maximise opportunities for investment for cultural activity in Cheshire East.
- 6.3 There are a number of mechanisms for generating outcomes from Cultural organisations, which are often small and voluntary. This includes grants, formal commissioning, open tenders and Service Level Agreements.
- 6.4 The Framework will enable appropriate arrangements to be in place that are 'fit for purpose', fair and targeted on the outcomes sought. It is also important to ensure that the funding mechanism is appropriate to the nature and scale of the local organisations involved in delivery of cultural activities and that a range of options are available other than just tendering. The type of activity and type of individual artists or organisations involved will necessitate consideration of this aspect to find an approach to commissioning or funding that meets legal obligations but still works for the sector.

## **7. Priorities**

- 7.1 The Council's goal for Culture is to transform lives and places through access to great culture. The Council has a role as enabling the economy, communities and places of Cheshire East to benefit from engagement with culture, contributing to wellbeing, quality of place, creative skills and prosperity. We do this through the provision of support for individuals and organisations working in the arts, heritage, museums, creative media, festivals and events. A set of Cultural priorities for the Council have been developed as part of the Framework through the consultation process. These are included within the Framework at Appendix A.
- 7.2 The consultation process also identified commissioning priorities from other areas of the Council and external partners such as the Police and Crime commissioner and the Fire Service.

## **8. Delivering the Framework**

- 8.1 The Framework is intended to be put into practice from April 2017 for a 5 year period. It will be reviewed annually during this time to monitor effectiveness and success. At the end of the 5 year period it will be evaluated.



- 8.2 The Council's priorities for Culture are intended to inform all instances where the Council will commission or directly provide cultural activity in order to deliver Quality of Place.
- 8.3 The Framework (appendix 1) describes how the Council can commission cultural services in line with its priorities for Cultural provision.
- 8.4 The responsibilities of the Cultural Economy Team as sponsors of the Framework are threefold; to monitor, evaluate and report on progress towards the Framework objectives, to work collaboratively with commissioners to develop the capacity of the cultural sector to take up the additional opportunities for procurement with the Framework.
- 8.5 The Framework describes how the Cultural Economy Team will utilise available funds, either from core budget or from leveraging in external funding, to deliver the Framework in line with the Cultural priorities. It is recommended that funding decisions resulting from any of these mechanisms are delegated to the Head of Cultural and Rural Economy in agreement with the Portfolio Holder with responsibility for Culture. This will ensure transparency in decision making.
- 8.6 In order to ensure quality, the Framework will adopt the Quality Benchmark criteria developed by Arts Council England to provide a consistent evaluation measure when commissioning or contracting services. These are set out in the Framework.

## **9. Supporting the Cultural Sector**

- 9.1 Cultural organisations are well placed to deliver the outcomes that Cheshire East Council wants. At a time when preventing the need for expensive interventions further down the line is key, they can help build healthy and positive communities in ways that are both empowering and cost effective
- 9.2 For the Framework to succeed, cultural organisations will require the capacity to engage with partners and with commissioners. Building their capacity includes creating the structures and systems, identifying the right people and embedding skills so that they are better able to meet their objectives and engage in consultation and planning, manage community projects and take part in partnerships and community enterprises. It is proposed to establish a cultural forum for Cheshire East.
- 9.3 Support and co-ordination for this forum will be provided in the first year by the Cultural Economy Team. Following this period, members of the group will determine its own future, led by the sector.



## **10. Resources**

The Framework is designed to encourage flexible and adaptable use of available resources. Wherever possible, opportunities to lever in additional funding from external sources will be pursued. Partnership working and collaborative commissioning will also be explored fully and put into place wherever possible in order to maximise available resources. In this way the Framework will seek to ensure value for money.

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

All Wards

## **12. Implications of Recommendation**

### **12.1 Policy Implications**

The Framework is in line with the Council's priorities and Quality of Place agenda.

### **12.2 Legal Implications**

Contracts and partnership arrangements resulting from implementation of the Framework will be in lines with the Council's legal regulations.

### **12.3 Financial implications**

The current available commissioning budget within the Cultural Economy Service is £40,000. The framework is designed to be implemented within current budgets. However, the Framework will also guide and enable the effective allocation of other service budgets across the Council where cultural activity supports delivery of council priorities and outcomes and will be flexible enough to respond to additional opportunities. Indeed, application of the framework also presents significant opportunities to lever in external funding; from both external funding bodies such as Arts Council England and Heritage Lottery Fund or indeed by pooling budgets with other public sector commissioners. Contracts and partnership arrangements resulting from implementation will be in line with the Council's financial and procurement regulations.

### **12.4 Equality implications**

The Framework will provide opportunities to reduce inequalities.



**12.5 Rural Community Implications**

The Framework will provide opportunities for rural economy and community development

**12.6 Human Resources Implications**

None

**12.7 Public Health Implications**

The Framework will allow opportunities to reduce health inequalities and improve wellbeing

**12.8 Implications for Children and Young People**

The Framework will provide opportunities for children and young people to access culture and skills development

**13. Risk Management**

None

**14. Access to Information/Bibliography**

Cultural Development Framework April 2016 – March 2021  
by Arts Interlink

**15. Contact Information**

Contact details for this report are as follows:

|                     |                                 |
|---------------------|---------------------------------|
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| <b>Designation:</b> | Cultural Economy Manager        |
| <b>Tel. No.:</b>    | 01270 686089                    |
| <b>Email:</b>       | Helen.paton@cheshireeast.gov.uk |



Appendix 1

# Cheshire East Council Cultural Framework 2017 – 2022





## **Cheshire East Council Cultural Framework**

### **1. Who is the Cultural Framework for?**

Cheshire East Council's goal for Culture is to **transform lives and places through access to great culture**. Our role is to enable the economy, communities and places of Cheshire East to benefit from engagement with culture, contributing to wellbeing, quality of place, creative skills and prosperity. This is achieved through the provision and commissioning of arts, heritage, museums, creative media, festivals and events. (CEC's Strategic Priorities for Culture - See appendix A).

The Cultural Framework is designed to be widely used in Cheshire East by Cheshire East Council, the Council's partners, national agencies and stakeholders, the voluntary sector, commissioners of public services for the people of Cheshire East, and cultural organisations and individuals in the cultural sector.

Culture can empower and influence in various ways that help to shape:

- Relationships between individuals and groups
- Shared memories, experience and identity
- Diverse cultural, faith and historic backgrounds
- Social standards, values and norms
- What we consider valuable to pass on to our children

These effects have individual, economic and social dimensions that can be fleeting, life-changing or affect successive generations, and which we are mainly interested in when we commission culture for outcomes. We believe that culture has a significant role to play in bringing these benefits to the people of Cheshire East.

### **2. What We Mean by Culture**

For the purpose of the Cultural Framework, culture is defined as: arts, public art, heritage, museums, festivals & events, creative media, creative and digital industries.

### **3. Quality of Place**

Quality of Place is a strategic priority for the Council and recognised as a key economic driver by the Local Strategic Enterprise Partnership (LEP). The cultural offer, quality of our natural & built environment, vitality of our towns and reputation for business, creativity, educational standards, lifestyle and wellbeing all contribute to Quality of Place. Distinctiveness of identity influences perceptions and supports place marketing opportunities. As well as supporting the prosperity of its residents and businesses, 'quality of place' can help create and communicate the 'identity' of a place.

Culture has a pivotal role in contributing to or achieving each of these elements of Quality of Place.





### ***Achieving Quality of Place***

## **4. The Framework**

### **4.1 Purpose**

The purpose of the Framework is to:

- a) Inform a cohesive approach across the Council to engage with the cultural sector to ensure delivery of Quality of Place.
- b) Develop a comprehensive understanding of the benefits of engaging with the Cultural sector across public sector commissioners and Council services.
- c) Develop a cohesive approach across the Council, to engage with the cultural sector to ensure high quality outcomes for specific programmes of work.
- d) Support the Cultural sector to engage with Public Sector commissioners and Council services.
- e) Facilitate closer relationships with the Cultural sector to maximise opportunities for investment in cultural activity in Cheshire East.



## 4.2 How it will be used

This framework is intended as a guide for Council services in delivering Quality of Place through Cultural interventions and the Council's priorities for Culture. It is designed to inform how the Cultural sector can be engaged by different service areas, to deliver specific objectives and in particular to inform the work of the Council's Cultural Economy Service in delivery of the Council's outcomes.

## 4.3 Council Priorities for Culture

The Council has adopted a set of priorities to inform the commissioning of cultural provision and services. These are set out at appendix A. These priorities are intended to inform all instances where the Council will commission or directly provide cultural activity in order to deliver Quality of Place.



**Cultural Priorities**



#### 4.4 The approach

To help achieve its goal for Culture, **‘to transform lives and places through access to great culture’**, the Council can enable engagement with culture that contributes to wellbeing, quality of place, creative skills and prosperity. Cultural activity, engagement and interventions should:

- **Help to achieve the Council’s stated goal and priorities for culture**
- **Be delivered by appropriate, quality providers in an efficient, effective way that delivers for our residents.**
- **Seek opportunities to add value, capacity or resource.**
- **Maintain and conserve quality and standards and seeking betterment where possible.**
- **Be outcome focused, supporting the quality of place agenda and the Council’s outcomes**

This can be achieved in a number of ways through direct engagement by the Council, through partnerships or through commissioning and other delivery mechanisms. To maintain quality and ensure that the Council is best advised on appropriate mechanisms and providers, the Cultural economy Service will support services in delivering against this framework as well as its own direct service provision.

### 5. Delivering the Framework

#### 5.1 Role of the Cultural Economy Service

This describes how the Cultural Economy Service will use core budget to commission cultural services in line with the Council’s priorities for Cultural provision. In addition, the Cultural Economy Team will be involved in the design of all tenders that potentially involve cultural activity, and in the ensuing processes of selection, appointment and evaluation.

The responsibilities of the Cultural Economy Team as sponsors of the Framework are threefold; to monitor, evaluate and report on progress towards the Framework objectives; to work collaboratively with commissioners and commissioning bodies including through cross-sector working groups; and to develop the capacity of the cultural sector to take up the additional opportunities for funding with the Framework.

#### 5.2 What We Mean by Commissioning

Bringing about development and change in communities is often a slow process and it may involve testing different approaches and evaluating their impact. The outcome we want to achieve may only come about as the result of a number of initiatives being commissioned over quite a long period of time. When we talk about ‘commissioning for outcomes’ we are drawing attention to the impact of the activity on those it is intended to benefit. Commissioning therefore always involves those who are receiving the service, or engaging in the activity, in helping to shape it. Within the context of the cultural development framework we define commissioning



as, the provision of a quality service/s for individuals and communities to address needs and inequalities within the resources available.

Having decided the best way to achieve outcomes, the council will then contract with an individual or organisation to provide the service. Contracts for cultural activity may be issued by any of the commissioning bodies referred to in the Framework. The Cultural Economy Team should be involved in the design of all specifications that potentially involve cultural activity, in order to ensure quality as part of the selection, appointment and evaluation processes.

### **5.3 Delivery Mechanisms**

#### **a) Restricted Funding– Cultural Organisations**

The Cultural Economy service is keen to support development of a vibrant and sustainable cultural economy in the Borough. To this end, and in line with Council priorities, we will commission a number of Cultural organisations to deliver a range of services or programmes of work. These commissions may last between 1 and 4 years and are likely to be strategic in nature and part of a wider cultural economy, supported by Arts Council England and Heritage Lottery programmes and will form part of an ongoing strategic conversation with these bodies. Invitations to submit proposals for this commissioning strand will be issued on an annual basis. Organisations may only have one restricted funding operating at any given time.

#### **b) Strategic Commissioning**

The service will, from time to time, as appropriate to need and available budgets, issue invitations for tenders for specific interventions or programmes of work. These will be in response to an identified strategic need, again, in line with service and Council priorities. Invitations to submit tenders for these contracts will be issued on the basis of need.

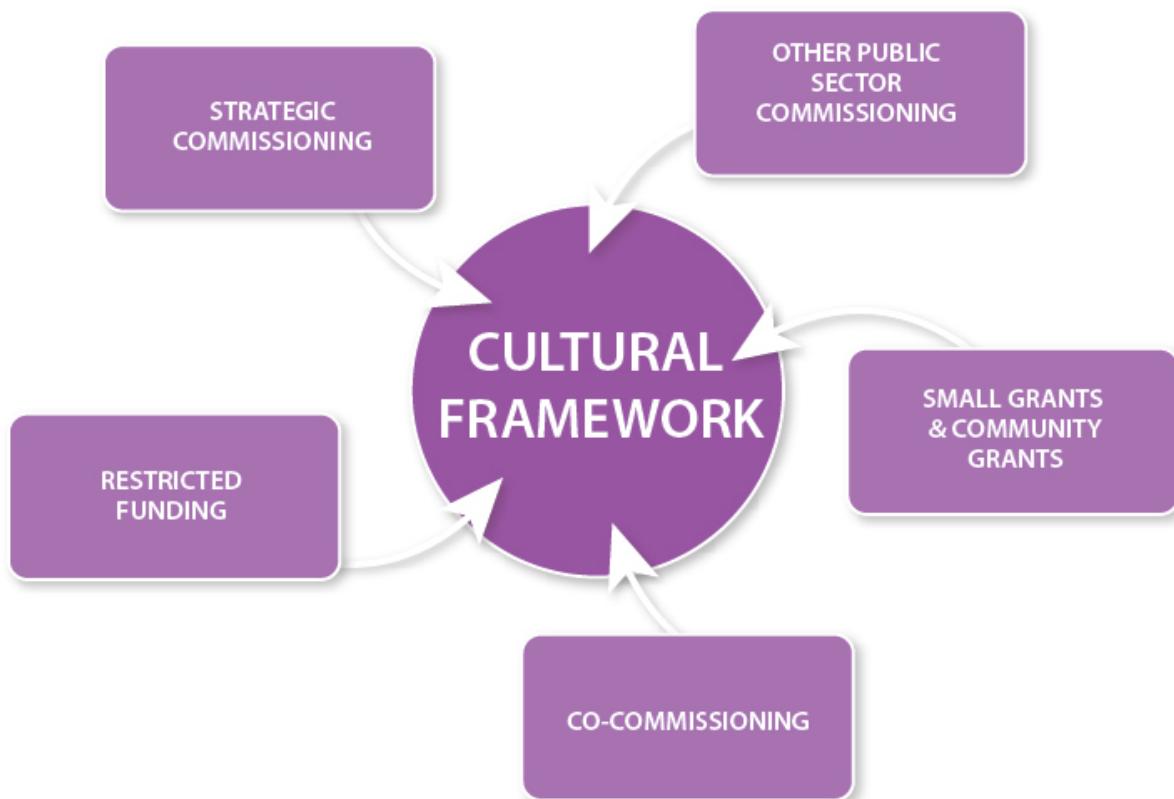
#### **c) Small Cultural Grants**

Smaller grants may be issued to Cultural organisations or other, constituted, not-for-profit organisations wishing to undertake a cultural activity. This is likely to be conducted through the Council's existing Community Grants programme although at times, and where specific need is demonstrated, it may be undertaken by the Cultural Economy Service in line with published priorities. When these opportunities are available they will be published and open applications will be invited.

#### **d) Co-commissioning**

From time to time there may be opportunities for the Cultural Economy team to partner with other commissioning services, either within the Council or external, in order to maximise available budgets and meet a wider identified need. We will actively seek out these opportunities and will publish as and when they are available.





### ***Delivering the Framework***

#### **5.4 Use of the Framework by Other Services**

Any service intending to commission or contract cultural provision should refer to the Council's priorities for Culture (Appendix A) to use as a guide to what should be prioritised. The framework and its priorities may also be of value as a guide for other commissioning bodies. The Council's Cultural Economy Service is able to support engagement with the Cultural sector and to provide help and assistance to ensure that appropriate specifications, tender documents, selection and evaluation criteria are in place.

#### **5.5 Monitoring and Measuring Success**

Depending on its complexity, the evaluation of the resulting contract should take account of the outcome, the benefit that is conferred on residents, visitors, businesses, and other target groups. When asking how successful a commission has been we may, for instance, not just want to know about the number of people taking part, but how they or their community were affected as a result. This would enable the services that are provided to be placed in the wider strategic context of Cheshire East.

Striving for the highest quality in everything we commission, or provide, is of the utmost importance in achieving outcomes. The Quality Benchmark we will use draws



on Arts Council England's guidance on the subject. They offer areas to consider throughout the life of projects, from planning to evaluation, and ensure that the voice of communities remains firmly at the heart of activities.

When evaluating bids we will expect applicants to explain how they address the following aspects of quality where they are relevant to the nature and size of the commissioned service or project.

- Striving for excellence
- Emphasising authenticity
- Being inspiring, and engaging
- Ensuring a positive audience experience
- Actively involving people
- Providing a sense of personal progression
- Developing a sense of ownership and belonging

Detailed evaluation criteria will be made available along with tenders or funding opportunities and requirement will be scaled appropriately according to size of investment.

## **6. Sector Support**

### **Cheshire East Cultural Forum**

For the Framework to succeed, cultural organisations will require the capacity to engage with partners and with commissioners. Building their capacity includes creating the structures and systems, identifying the right people and embedding skills so that they are better able to meet their objectives and engage in consultation and planning, manage community projects and take part in partnerships and community enterprises.

In the first instance this will be delivered through the establishment of a Cultural Forum. The Cultural Economy Team will provide support and co-ordination for this forum in the early stages. Following the first year, the group will determine the best way to proceed.

The functions of the Forum will be to:

- Evolve a collective voice for culture in Cheshire East
- Discover and share commissioning opportunities
- Identify partners to collaborate with
- Share and develop best practice
- Work together to lever in funding for Cultural activity
- 

The Cultural Economy team will also work with the forum in its early stages to identify training needs of the sector in relation to commissioning and responding to tenders and to introduce the Framework.

## **7. Resources**

The Framework is designed to encourage flexible and adaptable use of available resources. Wherever possible, opportunities to lever in additional funding from external sources will be pursued. Partnership working and collaborative



commissioning will also be explored fully and put into place wherever possible in order to maximise available resources. In this way the Framework will seek to ensure value for money.

***Appendices***

**Appendix A – Cheshire East Council Cultural Priorities**

**Appendix B - Other Public Sector Commissioning Priorities**



## **Appendices**

### **Appendix A – Cheshire East Council Cultural Priorities**

#### **Purpose:**

To transform lives and places through access to great culture <sup>1</sup>.

**Enabling the economy, communities and places of Cheshire East to benefit from engagement with culture, contributing to lifestyle, wellbeing, quality of place, creative skills and prosperity.**

#### **Achieved by: *Championing and supporting cultural activities which;***

- Promote Cheshire East as a high quality place to live, work, visit and invest
- Support a sustainable cultural ecology which contributes to local and regional economies
- Ensure stimulating and aspirational experiences for residents and visitors
- Enhance the quality of life and wellbeing of local people

#### **We Will Prioritise:            *(Overarching)***

- Activities targeted at young people, older people and people with a disability
- Activities in deprived areas of the Borough
- Activities which support economic growth and regeneration

#### ***(Specific)***

- Activities which support priority regeneration areas of Crewe and Macclesfield
- Activities which provide pathways into work and development for young people
- Activities which support our creative and digital media agenda
- Activities which are sustainable
- Activities which are innovative or ground breaking and of high quality
- Activities which are focused on prevention rather than cure
- Activities that support Community Cohesion

**Nb** <sup>1</sup> Culture: arts, heritage, museums, festivals & events, creative media, Creative and digital industries



## Appendix B - Other Public Sector Commissioning Priorities

As part of the consultation process in 2015 the cultural economy team and its consultants (Arts Interlink) met the members of the Joint Commissioning Forum and invited the commissioning managers to describe their current priorities. Every public service commissioner produces a detailed strategy document that would normally be the basis for discussion when a service is designed or redesigned. These are the principal commissioning bodies and their priorities that were described at the time:

**Adult Social Care:** The emphasis is on helping people over 18 to live well for longer. As the population includes a substantial number of older people this means a focus on independent living, helping people to stay active and to avoid loneliness. Service delivery is increasingly likely to be through personalised budgets.

**Public Health:** In April 2013, responsibility for local public health functions transferred to Cheshire East Council. Alongside mandatory responsibilities such as providing public health advice to local NHS commissioners and information and advice to address health protection threats, responsibility for the commissioning of a number of public health services was also transferred. Public Health has commissioned an Integrated Wellness and Lifestyle Support System (Passport 2 Health), assessing individual need for access to primary prevention, lifestyle services, information and advice. Other preventative services such as the 0-19 Healthy Child Programme, Substance Misuse Services and Infection Control services are also commissioned.

**Children and Young People:** The emphasis is on respecting the voice of the child in planning and delivery stages of service provision. Services provided are often statutory, but communication and advocacy are important factors in successful implementation.

**Police and Crime:** The emphasis is on helping people to feel safer, addressing re-offending rates and undertaking early intervention through engagement with schools.

**Partnerships and Communities:** The emphasis is working on inequalities in wards of Cheshire East through community hubs that provide access to a wide range of services e.g. community grants, improving disaster resilience and empowerment.

**Regeneration:** The emphasis is on place shaping as an approach with the aim of increasing footfall in town centres through the strategic use of assets. Eventual outcomes include increased and better quality employment in e.g. science, rail and creative industries. Geographical regeneration priorities for the Council are Macclesfield and Crewe.

**Visitor Economy:** The emphasis is on developing the distinct identity of Cheshire East for the visitor, building on local assets and addressing skills weaknesses in the hospitality sector. Festivals are seen as an important tool in engaging communities, creative practitioners, volunteers and visitors in raising the profile of the area.



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## Cheshire East Council

### Cabinet

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**Date of Meeting:** 7<sup>th</sup> February 2017

**Report of:** Frank Jordan, Executive Director, Place

**Subject/Title:** The Northern Gateway Partnership and Growth Strategy

**Portfolio Holder:** Cllr Don Stockton, Regeneration

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#### 1. Report Summary

- 1.1. This report provides an update on progress of the Northern Gateway Partnership ('the Partnership') and the work done to date. It seeks Cabinet endorsement of proposed additional work, to define a cross-border Growth Strategy for the region which seeks to develop a vision of how partners can maximise the potential growth and increased connectivity resulting from HS2.
- 1.2. This report also includes a governance structure for the Partnership in which Cheshire East Council will play a fundamental role. This involves not only acting as accountable body for the Partnership and for the Cheshire and Warrington Local Enterprise Partnership (LEP), but also in providing programme management support to drive the development of the Growth Strategy over the coming months and to inform the development of delivery proposals, which will be brought to Cabinet for consideration at a future date.

#### 2. Recommendations

- 2.1. Cabinet is recommended to:
  - Note the progress made by the Northern Gateway Partnership to date and to approve the proposed future work programme to further develop the regional Growth Strategy for the Northern Gateway Development Zone (NGDZ);
  - Endorse the emerging Vision for the Partnership;
  - Request a report back to Cabinet on the final Growth Strategy and proposed delivery arrangements;
  - Approve Cheshire East Council's financial contribution to supporting the Partnership;
  - Approve that Cheshire East Council, as accountable body for the Cheshire and Warrington LEP and the Partnership, receive



and administer the new funding allocation of £625,000 from Department of Communities and Local Government (DCLG) to fund further development of the regional Growth Strategy;

- Endorse Cheshire East Council's role within the Governance structure as proposed by the Northern Gateway Board, see **Appendix A**; and
- Authorise the Leader, in consultation with the Chief Executive, Chief Operating Officer and Director of Legal Services, (and Portfolio Holders – Regeneration and Assets and Finance), to enter into a formal Collaboration Agreement for the Northern Gateway, in accordance with the draft Heads of Terms at **Appendix B**;
- Authorise the Executive Director Place to proceed with procuring consultants, negotiating contracts, authorising spending and associated responsibilities in continuing development of the regional Growth Strategy, for and on behalf of the Partnership, in accordance with the proposed governance arrangements;
- Authorise the Director of Legal Services (in consultation with the Executive Director Place) to approve and execute all legal documentation he considers necessary to give effect to the above.

### **3. Other Options Considered**

- 3.1. The alternative option is to not to endorse the work underway on the regional Growth Strategy and for Cheshire East Council to withdraw from the Northern Gateway Partnership.
- 3.2. This Partnership, however, provides a significant opportunity to work collaboratively with neighbouring Local Authorities and two Local Enterprise Partnerships (LEPs) in order to realise the potential of the region, helping to fuel economic growth which is inclusive as well as attracting new communities and investors to the area.
- 3.3. The Partnership is also a powerful mechanism through which to present a compelling case to Government for investment at the Crewe Hub Station, and additional investment to maximise the benefits of this for Crewe and surrounding areas both within, and outside of, Cheshire East. The Partnership has strong backing from Government, who recognise that the public sector has a significant role to play in helping to realise balanced growth across the region. The Northern Gateway Partnership represents a new opportunity for place-based growth through collaborative leadership, combining the dedication and commitment of seven local authorities and two Local Enterprise Partnerships.



- 3.4. To withdraw at this point has potentially significant implications not only for Cheshire East but also for the region. As illustrated in the Governance structure set out in **Appendix A** of this report, the Council plays an integral role in drawing together and aligning various work-streams across the Partnership in order to develop a comprehensive Growth Strategy which will help to balance growth and fully realise the potential of investment in the NGDZ.

#### 4. Reasons for Recommendations

- 4.1. With Cabinet endorsement of the work done to date on the Partnership, and of the emerging Vision for the Partnership, work will then continue to further inform and refine the Growth Strategy in order to meet the target date for submission to DCLG in April 2017. The Growth Strategy will act as a key advocacy and policy document which will define asks of Government in delivering balanced growth for the whole region to 2040 and beyond.
- 4.2. This work will require funding, support and commitment from Cheshire East Council in terms of budgetary support, plus officer time and resource in implementing the Governance structure as set out in **Section 7.3** of this report, but also in acting as the accountable body for the Partnership.
- 4.3. The budget includes two separate allocations of funding from DCLG, each for £625,000, which totals £1.25m. In accordance with Section E of the Council's Finance Procedure Rules in order to receive the latest funding allocation on behalf of the Partnership, this report requests that Cabinet approval for the Council to receive these funds on behalf of the Partnership.
- 4.4. The Partnership recognises the importance of governance in helping to programme and navigate the process of developing and delivering the Growth Strategy. Cabinet approval is sought to enter into a formal Agreement for the Partnership which will be based on the Heads of Terms for the Partnership (attached at **Appendix B** to this report), and outline the roles, responsibilities and relationship between Partners in progressing this work, in order to illustrate a clear and transparent Partnership arrangement which stakeholders can have confidence in.

#### 5. Background/Chronology

- 5.1. The Northern Gateway Partnership has made significant progress since its launch at MIPIM UK in Autumn 2015. A Partnership of seven local authorities and two Local Enterprise Partnerships<sup>1</sup> have been working with Government to develop a cross-border Growth Strategy which seeks to capitalise on investment in HS2 to fully realise the economic potential of the NGDZ.

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<sup>1</sup> Cheshire and Warrington Local Enterprise Partnership; Stoke-on-Trent and Staffordshire Local Enterprise Partnership; Cheshire East Council; Cheshire West and Chester Council; Newcastle-under-Lyme Borough Council; Stafford Borough Council; Staffordshire County Council; Staffordshire Moorlands District Council; Stoke-on-Trent City Council.



- 5.2. In March 2016, Government granted a £625,000 funding allocation to drive forward development of the Growth Strategy. It reinforced its support for the Partnership with a further allocation of £625,000 in November 2016 to continue this work.
- 5.3. Cheshire East Council has been represented at Director, Chief Executive and Leader level since the Partnership was established in 2015, in order to define and progress a comprehensive work programme which will inform and shape the Growth Strategy. Cheshire East has also provided programme support and direction for the Partnership, and this paper includes a proposal for the structure of continued representation and support, as suggested by the Partnership (see **Appendix A**).
- 5.4. In October 2016, the Partnership announced the appointment of Jackie Sadek as the Independent non-executive Chair of the Northern Gateway Partnership for an initial period of 12 months, which can be extended for a further 12 months, subject to review by the Partnership. This post will help to promote the Northern Gateway at a national and international level – Jackie Sadek brings a wealth of expertise, experience and knowledge to the Partnership and is a keen advocate of the ambitions held by Partners to realise the potential of the NGDZ.
- 5.5. In December 2016, the Partnership completed Phase 1 of the NGDZ work programme, undertaking a detailed economic and housing baseline analysis, together with a place visioning piece. This formed the draft / embryonic Growth Strategy that has been submitted to Government as an evidence base.
- 5.6. The Partnership is now working closely with colleagues from DCLG to refine the Growth Strategy, to develop a series of investable propositions, and complimentary research packages, which will further inform the final Growth Strategy that is to be formally submitted to DCLG in April 2017. The approach taken is fully in line with the Quality of Place principles adopted by Cabinet on December 6<sup>th</sup> 2016 as a strategic driver for the Borough.
- 5.7. The Strategy will also have implications for communities outside of the core local authority members' boundaries - there is the potential for the Partnership to build relationships with these areas and communities and consider appropriate membership arrangements in the future, subject to agreement from existing Partners. Further details on this matter will be included in the collaboration agreement which will follow in accordance with the Heads of Terms as at **Appendix B**, subject to Cabinet approval of the recommendations at paragraph 2.1 within this paper.

#### **Growth Strategy: Work to date**

- 5.8. The Northern Gateway Partnership has commissioned a team, led by consultants CBRE, to conduct a Baseline Economic and Housing Analysis for the Northern Gateway region, which included analysis of national and international case studies comparable to the Northern Gateway which



illustrate the impact investment in high speed rail can have on local economies. Alongside this, a further Place Visioning piece (the draft, embryonic Growth Strategy) has been developed by a team led by Peter Brett Associates LLP.

- 5.9 Analysis evidences that significant growth is deliverable, but also that it is contingent on securing the maximum level of high speed rail investment in the area coupled with improved inter- and intra-regional connectivity to generate new opportunities for economic development. It is the combination of a regular, frequent and reliable high speed rail service, alongside a comprehensive growth strategy, which will ensure that the whole NGDZ area is in a strong position to deliver the full economic potential of HS2.
- 5.10 Whilst the broad picture is good, a more detailed analysis of the area clearly shows that the economic landscape is highly diverse, with significant areas of high deprivation and low housing market demand.
- 5.11 An analysis of land supply for future development across the NGDZ has been undertaken, with a high-level analysis of the deliverability of sites. CBRE conclude that in broad terms there is a healthy and well-balanced land supply across the NGDZ that can support the Partnership's ambition to deliver significant levels of homes and jobs across the Development Zone area. It is recognised that delivery of well-connected, high quality residential environments is vital to attracting and retaining people throughout all stages of life.
- 5.12 By focussing investment upon creating high-performing schools, academies, apprenticeships and further education facilities, and connecting these opportunities to residential areas and job opportunities, the NGDZ could assist in the creation of a highly skilled population, with good access to jobs which will help fuel future economies.
- 5.13 The Partnership needs to work 'with the market' to improve linkages between key manufacturing sectors within the NGDZ, which will ensure that the highly-valued businesses within the sub-region are incentivised to stay within the area and grow to the benefit of the wider population.
- 5.14 The Partnership is clear that this growth will be inclusive growth targeted at improving conditions for Northern Gateway residents and businesses as well as attracting new communities and investors to the area.
- 5.15 Achieving this scale of 'good growth' though, is contingent on both securing the maximum possible levels of high speed rail connectivity across the area, supported by a range of infrastructure investments to support connectivity, alongside innovative approaches to secure far-reaching change which disrupts existing patterns of development and policy delivery.

### **The emerging Vision for the Partnership**

- 5.16 The NGDZ is well placed to take advantage of major changes underway in the economic geography of the UK and governance structures. HS2 will create



new connections across the UK, providing a real opportunity to re-shape growth patterns across the area to deliver 'good growth'. This, combined with an active process of devolving power from central Government to localities, offers real opportunity for areas to plan and direct investment more effectively. An Industrial Strategy is being developed nationally which is likely to recognise the importance of the UK's regions in playing their part in growing the economy which provides a platform for the Northern Gateway to define a new economic chapter for the area and provide a focus for policy innovation.

- 5.17 The proposed Vision for the Northern Gateway is to become a distinctive constellation of connected, successful places, offering a competitive, accessible quality of life and a diversity of investment opportunities, which will drive a new economic chapter and identity for the area. This Vision is built on *a moment of change*, catalysed by the optimum investment in high speed rail, and we seek to become an internationally recognised exemplar, delivering 'good growth' that is welcomed by all, creating new and lasting connections between people, places and businesses, enabling existing and new residents to contribute to and benefit from economic success.
- 5.18 This is fully in line with the Quality of Place principles adopted by Cabinet on December 6<sup>th</sup> 2016 as a strategic driver for the Borough. This Vision also supports the 'Great Place' bid for a national pilot scheme funded by Heritage Lottery Fund, Arts Council England and Historic England. This bid recognises a place defined by its strategically important location, that came in to being to make things, and developed unrivalled connectivity to distribute what it made to the world. The bid looks toward our Great Place's future through the young people of today and a future identity built on their ideas and activities in the context of a new economic potential
- 5.19 This emerging Vision therefore recognises the importance of capitalising on the potential of the region's urban heart, with a focus on Crewe, Stoke-on-Trent, Newcastle-under-Lyme and Stafford, all underpinned by unparalleled connectivity to the national transport network via the hub at Crewe. This will be complemented by a robust package of transport, and infrastructure initiatives will deliver a highly-connected HS2 sub-region, bringing more places closer together and delivering growth well beyond the tight growth footprint of HS2 locations.
- 5.20 The Northern Gateway Partnership will lead ambitious change which will improve the prosperity, life chances and wellbeing of our existing and future communities, through a series of targeted measures which are underpinned by a commitment to achieving a quality and diversity of place second to none.
- 5.21 The work done to date has developed a Vision and direction for the Partnership, and members of the Partnership will continue to work together to refine this in order to deliver a comprehensive Growth Strategy in spring 2017, and to explore in detail mechanisms for delivering this Strategy.



## **Growth Strategy: Next Steps**

- 5.22 Work is currently underway to complete four distinct but inter-related areas of additional research across the NGDZ which includes:
- Spatial Opportunity Plans- defining options for growth;
  - Land Use, Connectivity and Development Viability Study – setting out proposals for connectivity improvements to provide strategic transport capacity and more locally unlock sites;
  - Financial Model ,Funding Delivery and Economic Assessment;
  - Skills, Supply Chain and Local Labour Strategy.
- 5.23 This research will complement work underway on area masterplans for Crewe, Stoke-on-Trent, Stafford and Winsford in order for the Partnership to have a full Growth Strategy ready for spring 2017. A more detailed report containing an update on development of the Crewe Masterplan will be presented to Cabinet on 14<sup>th</sup> March 2017.
- 5.24 Partners are also working to present an update on the Partnership’s progress, similar to this report, to the respective approval mechanisms in order to ensure all Partners are aligned and taking reports to their Cabinets / approval processes to ensure that the Partnership is operating on the same footing.
- 5.25 Further information on the Growth Strategy will be provided to Cabinet in subsequent reports over the coming months.

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

- 6.1 All Wards, all Ward Members.

## **7 Implications of Recommendation**

### **7.1. Policy Implications**

- 7.1.1. The draft Growth Strategy documents already submitted to Government include an outline, high-level spatial strategy which is not a substitute for the land-use planning process, but has highlighted a series of potential and prioritised locations for future development which is now the subject of further testing and refinement in order to establish a firm set of proposals and investable propositions in the final Growth Strategy to be submitted to Government in April 2017.
- 7.1.1 The emphasis on ‘quality of place’ within the emerging Growth Strategy for the NGDZ has a significant relationship with consideration of strategic economic policies, place making and place management within Cheshire East.

### **7.2 Legal Implications**

- 7.2.1. The Partnership Governance and the development of a Collaboration Agreement between Partners, in accordance with the Heads of Terms as set out at **Appendices A and B**, to this report, will enable all stakeholders internal



to the Partnership to be clear on their roles and responsibilities, and demonstrates accountability and transparency to external Partners. Appropriate indemnities will need to be sought to safeguard the Council as it is undertaking the role of accountable body for the partnership.

### 7.3 Financial Implications

**7.3.1** The Partnership is funded by contributions from each Partner and grant contributions from DCLG to the Partnership. The total programme budget available is circa £2m. The total funding to be received by other partners is over £500,000, including masterplanning costs, along with £1.25m of funding from Government.

**7.3.2** Cheshire East Council's contribution to the partnership is £226,251 which includes a budget of £195,000 for the Crewe Masterplan work, and which is being funded by the Investment Sustainability Reserve. A breakdown of the budget is provided below:

| Outputs                                                             |                                                                        | Cheshire East Council Contribution |
|---------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------|
| <b>Growth Strategy:</b>                                             | Phase 1 - Baseline analysis                                            | £2,500                             |
|                                                                     | Phase 2 - Masterplan                                                   | £195,000                           |
|                                                                     | Phase 3 - Land Use, Financial Modelling and Skills Studies             | £4,167                             |
|                                                                     | Production/finalising                                                  | £1,000                             |
|                                                                     | <b>Stakeholder engagement, business development and communications</b> | <b>£6,500</b>                      |
| <b>Independent Chair</b>                                            |                                                                        | £4,167                             |
| <b>Programme administration</b>                                     |                                                                        | £12,917                            |
| <b>TOTAL:</b>                                                       |                                                                        | <b>£226,251</b>                    |
| <b>TOTAL CONTRIBUTION MINUS MASTERPLAN COSTS:</b>                   |                                                                        | <b>£31,251</b>                     |
| <b>Total contribution excluding masterplan costs for 2016/2017:</b> |                                                                        | <b>£20,751</b>                     |



**Total contribution excluding  
masterplan costs for  
2017/18\*:**

*\*Includes Programme Administration costs  
until June 2017, Independent Chair and  
Marketing costs until October 2017*

**£10,500**

- 7.3.3 As accountable body for the Partnership, Cheshire East Council is responsible for managing and monitoring this budget and providing quarterly reports to the Partnership Board (see Governance structure at **Appendix A**).
- 7.3.4 As referenced above, the budget includes two allocations of funding from DCLG, each for £625,000 from 2015 and 2016, which totals £1,250,000. This paper recommends that Cabinet approve that Cheshire East will receive this funding from Government on behalf of the Partnership, which will be used to further develop the Growth Strategy.

## **7.4 Equality Implications**

- 7.4.1 The Partnership's overall goal is to develop a comprehensive Growth Strategy for the NGDZ. This Growth Strategy will include a spatial strategy which ensures that 'good growth' is delivered in the right way, in the right places, building on a programme of infrastructure investment which enhances connectivity, capitalising on existing competitive economies and securing prosperity for local people of today and tomorrow through a comprehensive skills package.
- 7.4.2 The Partnership recognises that not all communities, businesses and individuals will benefit in the same way and at the same time, but aligning investment and targeting intervention on a regional scale through a comprehensive Growth Strategy will deliver the most effective and appropriate sequencing for growth in order that this is inclusive and balanced.
- 7.4.3 This accords with the Cheshire East Equalities and Diversity Policy in that the Partnership seeks to ensure that all residents, communities and businesses, existing and new, are able to contribute to and benefit from economic success.

## **7.5 Rural Community Implications**

- 7.5.1 The emphasis on 'quality of place' within the emerging Growth Strategy for the NGDZ has a significant relationship with any consideration of rural strategy. This is in respect to both the quality of rural places for our residents and businesses and the contribution that the rural area makes to 'quality of place' overall, including perceptions of Cheshire East and related locational decision-making.

## **7.6 Human Resources Implications**

- 7.6.1 Cheshire East Council will play a significant role in the Partnership and a commitment from Cheshire East staffing resources is required in order to implement the Governance Structure as set out at **Appendix A**.



- 7.6.2** A core team of dedicated programme management staff will be partially paid for out of Partners contributions to the Partnership, and Cheshire East Council's contribution to this is identified at 7.3.2 of this report.

## **7.7 Public Health Implications**

- 7.7.1** The Partnership's progress to date and work currently underway to inform and shape the Growth Strategy aims to not only realise the growth potential but to do so in a way which has profoundly enhances the quality of our places.
- 7.7.2** The outcome of this work, the Cheshire East Council's commitment to it, can have significant impacts upon the health of Cheshire East's communities, as well as the wider region, through the design of and access to such quality environments, supporting a positive mental and physical wellbeing impact as people are more likely to be proactive in enjoying the quality places within which they live or that they are visiting.
- 7.7.3** The final Growth Strategy will articulate a strategic focus and planned design and delivery of quality places, in addition to the economic benefits which will be felt by local people able to access job opportunities with the positive impacts upon the wider determinants of health that this brings. The recommendations in this paper will enable production of the final Growth Strategy.

## **7.8 Implications for Children and Young People**

- 7.8.1** As above, the work underway to inform the Growth Strategy will articulate the potential for growth over the coming years, to 2040 and beyond – this work and Cheshire East Council's role within the Northern Gateway Partnership will have implications for Cheshire East's communities, both existing and new, and for residents of all ages.
- 7.8.2** The recommendations in this report will enable production of the Growth Strategy, and the existing work programme looks specifically at areas such as Skills and Supply Chain, which will draw together existing knowledge, and help to fill gaps in this knowledge to comprehensively incorporate this information into the Growth Strategy, having direct implications for children and young people of Cheshire East and the wider NGDZ region. The NGDZ geography has been used to develop a 'Great Place' funding bid that looks toward our Great Place's future through the young people of today and a future identity built on their ideas and activities in the context of a new economic potential.

## **8 Risk Management**

- 8.1.** The work being undertaken by the Partnership to produce the regional Growth Strategy is centred around, and contingent on, investment in HS2. The Government's proposals for HS2 are continuing to be developed but remain subject to consultation and legislation.



- 8.2. In July 2013, the initial HS2 Phase 2 route was announced and consulted on. The Council submitted a response to that consultation in January 2014 which raised concerns over some aspects of the design, called for the best standard of mitigation and compensation, whilst also setting out the Council's case for the early delivery of a HS2 Hub Station at Crewe (in 2013 Phase 2 was programmed for completion by 2033). Since the initial route announcement, the Council has been in continued dialogue with HS2 Ltd, Department for Transport (DfT) and Network Rail around the HS2 proposals through Cheshire East and for Crewe Station.
- 8.3. Since 2014, Phase 2 has been split into 2a and 2b, so that the programme for HS2 Phase 2a could be accelerated to deliver the route from Phase 1 at Fradley to Crewe by 2027. The Phase 2a hybrid Bill is expected to be deposited in Parliament in 2017, with construction starting in 2020.
- 8.4. On 15<sup>th</sup> November 2016, Government made the announcement and published a Command Paper confirming the proposed Phase 2b route, which covers the remainder of Phase 2, the section from Crewe to Manchester (as well as the eastern leg from Birmingham to Leeds). The Phase 2b route has been immediately safeguarded. The announcement has included the launch of two consultations:
  - A consultation on route refinements
  - A consultation on property schemes
- 8.5. The Council has worked closely with Network Rail, HS2 Ltd. and the DfT to develop the Crewe Hub proposal which aims to provide more capacity, better connectivity, more resilience, and improved access to and facilities at Crewe. The benefit could be felt far beyond Crewe to all of the connecting routes and locations served. The Command Paper states that Government continues to support the vision for a Crewe Hub station and confirms that the preferred location for the Hub Station is around the existing Crewe Station (as opposed to at Basford).
- 8.6. Key considerations in developing options for the Crewe Hub, and deciding whether or not to take them forward, is affordability and value for money. The Government plans to take decisions on additional investment at Crewe in 2017 and will confirm whether any such measures should be included in the hybrid Bills for Phase 2a and Phase 2b. Work is being undertaken jointly with the HS2 Growth Partnership and Government to further understand the costs and funding options for the Crewe Hub which is being fed into the wider Growth Strategy.
- 8.7. There is a significant amount of work underway in order to meet the deadline of April 2017 for submission of the final Growth Strategy to Government. The Partnership's success in developing the Growth Strategy is contingent on the collaboration of those Partners and their willingness to commit to development and delivery of the Growth Strategy.
- 8.8. This Partnership represents a significant step in realising the potential of the NGDZ through ambitious, radical yet deliverable growth. By entering into the



Partnership Agreement in accordance with the Heads of Terms set out at **Appendix B**, and by implementing the Governance structure at **Appendix A**, all Partners will be formalising this collaboration which, by clarifying roles, responsibilities and aims of the Partnership, will help to avoid the risks associated with any fragmentation or ambiguity.

## **9. Access to Information**

**9.1.** Appendix A: Northern Gateway Partnership proposed Governance Structure

**9.2.** Appendix B: Northern Gateway Partnership Draft Heads of Terms

## **10. Contact Information**

Contact details for this report are as follows:-

|                     |                                                                                          |
|---------------------|------------------------------------------------------------------------------------------|
| <b>Name:</b>        | <b>Karen Tierney</b>                                                                     |
| <b>Designation:</b> | <b>Programme Director, Northern Gateway Partnership</b>                                  |
| <b>Tel. No.:</b>    | <b>01270 686580</b>                                                                      |
| <b>Email:</b>       | <a href="mailto:Karen.Tierney@cheshireeast.gov.uk">Karen.Tierney@cheshireeast.gov.uk</a> |



# Governance and Programme Management

Leadership

Northern Gateway Leaders  
and LEP Chairs Board  
Independent Chair – Jackie  
Sadek

Comms and  
Engagement

Accountability

CEX Delivery Board  
SRO- Mike Suarez

Crewe Joint Sponsor  
Board  
SRO – Mark Carne

Programme Director  
LA Directors

PMO

Growth Strategy

Delivery

Phase 1

Phase 2

Area Masterplans

Crewe Hub Funding  
and Delivery

HS2 and Ra  
Delivery incl Crewe  
Station

Baseline  
Economic and  
Housing  
Analysis

Place  
Visioning

NGDZ  
Spatial  
Opportunity  
Plans

NGDZ Land  
Use,  
Connectivity  
and  
Development  
Viability Study

NGDZ  
Skills and  
Supply  
Chain  
Study

Financial  
Model,  
Funding  
Delivery and  
Economic  
Assessment

Stoke-on-  
Trent

Stafford

Crewe

Winsford

Workstreams



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**SUMMARY OF PROPOSED COLLABORATION AGREEMENT:  
NORTHERN GATEWAY DEVELOPMENT ZONE**

**(THE CONDITIONS OF PARTNERSHIP SET OUT IN THIS SUMMARY ARE FOR  
INFORMATION ONLY AND REMAIN SUBJECT TO CONTRACT)**

Partners to the proposed Consortium:-

- Cheshire East Borough Council (CEBC)
- Cheshire West and Chester Borough Council
- Newcastle under Lyme Borough Council
- Stafford Borough Council
- Staffordshire County Council
- Staffordshire Moorlands District Council
- Stoke-on-Trent City Council
- Cheshire and Warrington Local Enterprise Partnership
- Stoke-on-Trent and Staffordshire Local Enterprise

Any member of the Consortium may propose that an organisation be co-opted to the Consortium as an Associate Consortium Member

**BACKGROUND**

The Government's announcement to bring High Speed rail to the region and High Speed 2 (HS2) interchange hub at Crewe, together with other HS2 connectivity at Stoke-on-Trent and Stafford, has the potential to bring significant economic growth and regeneration benefits to the region.

The parties to the agreement intend to record the nature of their collaboration with regard to various legal, financial and administrative obligations in respect of the development and delivery of a coherent Growth Strategy for the Northern Gateway Development Zone (NGDZ).

The parties to the agreement agree in principle to collaborate in the subsequent development of a Delivery Strategy rooted in the principles, proposals and priorities established in the Growth Strategy, that Delivery Strategy to be subject to a separate Agreement and Approval.

**GEOGRAPHICAL COVERAGE**

The Northern Gateway Development Zone boundary extends to the area on the attached plan (**Appendix A**).

**OBJECTIVES**



- To develop a coherent Growth Strategy for the NGDZ delivering 100,000 new homes and 120,000 new jobs by 2040;
- To subsequently collaborate in the development of a joint Delivery Strategy to deliver against the approved Growth Strategy
- To work collaboratively across a single economic footprint creating a coherent investment market, boosted by the international investment magnet of High Speed Rail connectivity producing attractive growth opportunities for investors;
- A shared commitment to sustainable places, driven by high quality design and construction creating a quality of life that enhances the appeal of the area to enterprise and employees. This includes sustainable local housing growth that drives footfall to sustain and develop existing town centres that may otherwise continue to struggle and by offering innovative design and self-build opportunities to help retain graduates in urban centres.

#### **PRINCIPLES OF COLLABORATION**

The parties agree to adopt the following principles:

- Establish and adhere to the governance structure set out in the Collaboration Agreement;
- Respond to the Growth Strategy through the development of a jointly prioritised Delivery Strategy (subject to separate approval) in line with the strategic objectives and priorities identified in the Growth Strategy.
- Be accountable;
- Learn, develop, share and seek to achieve full potential;
- Adopt a positive, proactive outlook;
- Adhere to statutory requirements and best practice;
- Act in a timely manner;
- Manage stakeholders effectively;
- Deploy appropriate resources;
- Act in good faith to support achievement of the Objectives.

#### **ROLES, DUTIES AND RESPONSIBILITIES**

CEBC will be appointed as Accountable Body and currently holds a Section 31 grant from central Government accepted on behalf of the Consortium. The Agreement will set out the functions of the Accountable Body.

Each Partner will contribute the required Inputs to enable the completion of the Growth Strategy



Each Partner proposes to contribute the required inputs to enable the implementation of the Delivery Strategy, subject to approval of the Delivery Strategy

Each Partner will contribute to engagement with a range of stakeholders including investors, communities, landowners and central Government to maximise the benefits of the proposed investment in HS2 in their region.

## PROPOSALS AND PROJECTS

The Collaboration Agreement allows for the completion of the Growth Strategy and sets out proposals for the development of the Delivery Strategy (subject to approval) and its component projects and proposals (subject to approval) which fall within the Objectives of the Agreement to be put forward.

## GOVERNANCE

The Consortium's governance will:

- Provide strategic oversight and direction;
- Be based on clearly defined roles and responsibilities at organisation, group and, where necessary, individual level;
- Align decision-making authority with the criticality of the decisions required;
- Provide coherent, timely and efficient decision-making.

## INDEPENDENT CHAIR

An Independent Chair will be appointed by the Consortium and will be tasked with working alongside the Consortium Partners to lead the development of the Growth Strategy and the subsequent development and implementation of the Delivery Strategy and the propositions set out in that Strategy.

## REPORTING AND MONITORING

An Annual Review Meeting will review performance against set objectives.

The agreement will set out the roles and membership of the following boards and associated reporting will be undertaken at three levels:

- **Leadership: The Partnership Board** will consist of political Leaders as representatives from each Local Authority Partner, the Chairs of the LEPs, and the Independent Chair for the Consortium. The Partnership Board will meet monthly and provide strategic leadership for the Consortium.
- **Accountability: The Chief Executives' Delivery Board** will consist of Chief Executives / Chief Officers as representatives from each Consortium Member. The Chief Executives Delivery Board will set delivery objectives for the Directors Delivery Board (see below) and scrutinise performance against these objectives. This Board will review and monitor reports submitted from the Directors Delivery Board. For the purposes of



this Agreement activity will be limited to the development and establishment of the Growth Strategy. Subject to approval of a separate Agreement this Board will similarly set and scrutinise objectives set out in the Delivery Strategy

- **Delivery: The Directors' Delivery Board** will consist of the Programme Director for the Consortium plus an individual Director from each Consortium Member as a representative. The Directors Delivery Board will undertake action to implement delivery of those objectives as set by the Chief Executives' Delivery Board and will produce Quarterly Reports to the Chief Executives' Delivery Board to summarise performance against set objectives. Directors shall also be responsible for drafting reports into their respective organisation as required for consideration and review. For the purposes of this Agreement activity will be limited to the development and establishment of the Growth Strategy. Subject to approval of a separate Agreement this Board will similarly implement objectives set out in the Delivery Strategy

## **FUNDING**

The current funding of the Consortium is in accordance with the budget schedule set out in **Appendix B** to enable the completion and establishment of the Growth Strategy

The budget schedule will be reviewed by the Chief Executives Delivery Board.

Any future funding allocations from the Consortium members will be agreed by the Chief Executives Delivery Board subject to each Partner's internal budget approval mechanisms. It is anticipated that such funding allocations will be in line with the strategic objectives and priorities identified in the Delivery Strategy.

Associate Consortium members are not required to commit regular funding but may be requested to contribute on an ad hoc basis.

## **OWNERSHIP OF ASSETS**

It is not intended that the Consortium will hold any assets

## **CONFIDENTIALITY**

Each party shall keep the other party's Confidential Information confidential and shall not

- Use such Confidential Information except for the purpose of exercising or performing its rights and obligations under the Collaboration Agreement
- Disclose such Confidential Information in whole or in part to any third party, except as expressly agreed by the Consortium
- A party may disclose the other party's confidential Information to those of its representatives who need to know such Confidential Information for the Permitted Purpose, provided that it informs such representatives of the confidential nature of the



confidential Information before disclosure; and ensure they comply with the confidentiality obligations set out in the agreement.

#### **ANNOUNCEMENTS**

None of the Consortium members shall make, or permit any person to make, any public announcement, communication or circular concerning the Consortium as this will be dealt with on behalf of the Consortium through an agreed communications protocol.

#### **DATA PROTECTION AND FREEDOM OF INFORMATION**

Each Consortium member will ensure that it complies with the requirements of all legislation and regulatory requirements in force from time to time relating to the use of personal data, including, without limitation, the Data Protection Act 1998.

#### **INTELLECTUAL PROPERTY**

The agreement does not transfer any interest in Intellectual Property Rights. All Intellectual Property Rights developed or created by a Consortium member pursuant to a Project shall be owned by that party.

#### **ANNUAL REPORT AND REVIEW**

The Consortium will receive and approve an Annual Report and Accounts and review the Collaboration Agreement annually.

#### **TERMINATION**

The agreement will contain termination rights in relation to the agreement as a whole and in relation to any individual Projects.



# APPENDIX A – Plan of the Northern Gateway area



*Image produced by CBRE*

APPENDIX B – Budget allocation for the Partnership to enable the delivery and establishment of the Growth Strategy to be agreed (a separate budget will be identified to establish and implement the Delivery Strategy the detail of which will be contained in a separate Agreement to establish the Delivery Strategy)



## Cheshire East Council

### Cabinet

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**Date of Meeting:** 7<sup>th</sup> February 2017

**Report of:** Frank Jordan – Executive Director - Place

**Subject/Title:** Connecting Cheshire - Digital 2020 Programme

**Portfolio Holder:** Cllr Don Stockton, Portfolio Holder for Regeneration

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#### 1. Report Summary

- 1.1. Fibre broadband is now available to over 97% of homes and businesses across Cheshire and Warrington, which is testament to the intervention taken by Cheshire East Council to further the rollout of high speed broadband. However, further action is necessary to reach the final 3%; supporting the rural economy, connecting communities and driving business productivity. Whilst we are committed to achieving connections in rural communities and indeed want to support these areas it is important to realise that rural areas are costly to connect to and can be operationally and structurally challenging to reach. The Digital 2020 programme will benefit 1,470 Small and Medium Enterprises (SMEs)<sup>1</sup> and is expected to create 441 net additional FTE jobs, generating net additional economic growth of £42m Gross Value Add (GVA) for the sub-region. This represents a return of £5.80 for every £1 invested.
- 1.2. This paper seeks approval for a 3 year programme of work, commencing in March 2017, which will enhance access to digital technology for SME's and residents in the Cheshire & Warrington Local Enterprise Partnership area - the project is referred to as the, 'Digital 2020 Programme'. The programme builds on the previous successes of the Connecting Cheshire Partnership broadband projects. For this programme the partners are Cheshire East Council, Cheshire West and Chester Council and Warrington Borough Council. There are six strands of activity defined at a high level for the Digital 2020 programme and this paper refers to the first 3 strands as follows:-
- 1.3. The strands in this work programme are as follows:-
- **Broadband Not Spots** - Premises with an internet download speed of less than 30mbps): extending superfast broadband infrastructure to under-served businesses and residential premises

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<sup>1</sup> See section on impact below: 1,370 will receive access to enhanced connections through the Not Spots scheme. A further 100 SMEs are expected to be created as enhanced connectivity reduces barriers to entry. We do not add the 60 SMEs generating growth through the Digital Support scheme here - this would double count against those generating growth through the take-up of superfast connections.



- **Voucher Scheme:** helping eligible enterprises access business grade connections and fully exploit enhanced broadband and digital technology
- **Digital Support:** providing advice and guidance to secure digital-led business growth.

The three strands for future consideration relate to digitally connecting the Science Corridor, Smart and Connected towns, and Digital Skills.

- 1.4 To deliver the three strands defined thus far a budget of £7.3m is required. This is comprised of grant funding and gap funding as follows:-

- Department of Communities and Local Government European Regional Development Fund **£3.635m** (Full Application currently being assessed)  
*NB: This has already been considered by Cabinet in September as part of a paper on ESIF monies and was approved*
- Department of Culture, Media and Sport – Broadband Delivery UK **£2.54m**
- Connecting Cheshire funds - **£0.96m**
- SME Contribution **£0.14m**

- 1.5 In accordance with the previous broadband delivery projects successfully undertaken by The Connecting Cheshire Partnership, Cheshire East Council will be the Lead Authority and Accountable Body. This means that the Council is responsible for all management arrangements including running procurements and meeting all contracting, monitoring and reporting requirements of grant awarding bodies. As lead authority Cheshire East Council will also bear the liability for the actions it is responsible for. Further details of the arrangements of the partnership and the Council's role as Lead Authority will be detailed in a Collaboration Agreement between the Councils.

- 1.6 The Skills & Growth Company, a wholly owned council company, will deliver the programme on behalf of Cheshire East Council. This will include the management of the programme and its associated projects, liaison with sub-contractors to ensure evidence and data returns are submitted on time and in accordance with DCLG and BDUK regulations.

## 2. Recommendations

It is recommended that Cabinet:

- a. Delegate authority to the Executive Director for Place to apply for external grant funds for the schemes within in the Digital 2020 Programme and to enter into all necessary grant, and grant related, procurements and award of contracts to deliver the 3 strands of the Digital 2020 Programme as set out in Section 1.3.
- b. Appoints the Executive Director of Place, or his nominee, as the Council's Nominated Officer on the Connecting Cheshire Partnership's Project Board and SRO of the Project and to delegate all decision making in relation to the



Connecting Cheshire Partnership and the Digital 2020 programme to the Executive Director of Place.

- c. Approve the use of any In-fill monies from Connecting Cheshire Contract 1, for the Digital 2020 Programme.
- d. Approve the entering into of a Collaboration Agreement and Inter Partner Finance Protocol between Cheshire East, Cheshire West and Warrington Borough Council.
- e. Authorises the Director of Legal Services to enter into any necessary legal documentation to give effect to the above recommendations.

### **3. Other Options Considered**

- 3.1. Not make an intervention and wait for the market to identify cheaper technology solutions that make the deployment of broadband infrastructure in rural locations more commercially viable. There is no market intelligence to suggest that there are any such technologies being developed within the timescales to meet the European directive.
- 3.2. Identify ways to stimulate the market to encourage telecommunications companies to deploy infrastructure in more remote locations.
- 3.3. Set up a telecommunications business and deploy the required infrastructure.

### **4. Reasons for Recommendation**

#### **Strong Partnership and Delivery**

- 4.1. The Connecting Cheshire project has continued to benefit from high profile and strong partnership working between the participating councils and delivery partners, combined with high levels of stakeholder engagement and public support. This programme aims to build on that success.
- 4.2. Local authority partners in the Connecting Cheshire Partnership, namely Cheshire West and Cheshire Council and Warrington Borough Council are supportive of the proposal to continue the deployment of superfast broadband to achieve coverage as close to 100% as possible, and of the funding model which anticipates no new additional LA funding to be sourced, recognising high-speed broadband connectivity as a high corporate priority.

#### **Aligned to Government and European Policy**

- 4.3. The programme is fully aligned with the Governments Digital Strategy and its' aspirations to be one of the best connected countries in the world, and achieving the demanding European Commission's 'Europe 2020' objectives, including 100% superfast coverage by 2020.



## **Unlocking Grant Funding**

- 4.4. The Connecting Cheshire Partnership has bid for and secured an additional £2.54m of funding as part of Broadband Delivery UK's Superfast Extension Programme for the Digital 2020 Programme.
- 4.5. BDUK and other match funding will act as a lever to unlock a further £3.635m of ERDF grant funding from the European Structural and Investment Fund.

## **Value for Money**

- 4.6. Digital 2020 will generate outputs and results for the ERDF programme and open opportunities to drive longer-term sustainable growth in the Cheshire & Warrington economy. It will also leverage investment from the private sector through SME contributions, minimising the extent of market failure and contribution of public funds.

## **Market Failure**

- 4.7. In spite of the great success of the Connecting Cheshire project and earlier broadband projects a recent Open Market Review (currently out to Public Consultation) has identified that there remains a Market Supply Failure and high demand, particularly in the most remote and rural locations. The Connecting Cheshire Partnership has consulted widely with business groups, public sector partners and market operators to arrive at a deliverable and integrated package of support which will help SMEs grow, address Operational Programme objectives and meet the local priorities set out in the Priority Axis 2 (PA2) Call from the Cheshire & Warrington LEP (See Section 5.3).

## **5. Background/Chronology**

### **5.1 Background**

- The Connecting Cheshire Programme began in 2012 and has so far reached a further 93,000 premises across the sub-region in 2 phases of infrastructure delivery. Over 600 cabinets and 1000 miles of fibre optic cable have been installed.
- The project has been hugely successful and recently reached a milestone whereby over 40% of homes and businesses have upgraded to superfast broadband. The project is proud to have received commendations and recognition in a number of national and local award schemes <http://www.connectingcheshire.org.uk/?s=awards>.

### **5.2 Project Aim**

- 5.2.1 The Digital 2020 Programme will improve the quality (speed and reach) of digital infrastructure and boost the use of digital technology by businesses in the Cheshire and Warrington sub-region. Digital 2020 will strengthen the



competitive potential of SMEs, help develop new products and services, and ensure businesses exploit e-commerce opportunities to access new markets.

5.2.2 There are three complementary strands in the initial 3 year phase:-

- **Not Spots:** extending superfast broadband infrastructure to under-served businesses and residential premises. This will be delivered with a partner contracted under an Open OJEU procedure.
- **Voucher Scheme:** A grant for eligible SMEs of up to £4,000 for digital connectivity, hardware or software to help enterprises access business grade connections and fully exploit enhanced broadband and digital technology. This will be delivered by a supplier or the Skills & Growth Company. The SMEs will provide match funding.
- **Digital Support:** A support service for SMEs to improve their digital knowledge and capability which will, via workshops and master classes, enable them to use the internet to expand their commercial presence. Topics covered may include the commercial use of social media, cyber security, search engine optimisation and e-payments. This will be delivered by The Skills & Growth Company, supported by one or more subject matter experts.

5.2.3 Three further strands of Digital 2020 may be developed in the future, these will be assessed for viability in 2017 with a view to them running from 2018-2020:-

- **Digitally Connecting the Science Corridor:** Cheshire and Warrington have significant science assets within the UK. This project will enhance the assets for businesses and researchers, enhance research and innovation infrastructure, and encourage business investment in collaborative research.
- **Smart and Connected Regions and Places:** Improve the digital connectivity for example within town centres, including open access Wi-Fi, to increase dwell times of visitors and possible individual spend, encourage independent businesses to improve their online shopping offer and increase trade.
- **Digital Skills – Training and Development:** To provide targeted digital skills training to address possible skills gaps to enable individuals to start or progress their working career. Community-based targeted digital skills training will be developed to address the skills gaps within the following key priority groups identified by Cheshire & Warrington LEP: job seekers, economically inactive, under-employed, older people, people affected by redundancy, returners – e.g. women returners, ex-offenders or ex-forces.

### 5.3 Outcomes

5.3.1 The Digital 2020 Programmes' principle funding stream will be from European Regional Development Fund Priority Axis 2: 'Enhancing Access to, and Use and Quality of, Information and Communications Technology'. The programme therefore has to demonstrate how it contributes to the following European Structural Investment Fund Investment Priorities:-



- 2A** Extending broadband deployment and the rollout of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy
- 2B** Developing Information and Communications Technology products, services, e-commerce, and enhancing demand for Information and Communications Technology

5.3.2 There are 4 pathways by which the impacts from the programme will flow to end users, as described in the following table:-

#### Categories of Impact Assessed in the Economic Case

| Impact Categories                                                                                                                                          | Digital 2020 Strand  | SMEs / workers benefitting     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|--------------------------------|
| 1) <b>Business growth:</b> from the enhanced performance of existing businesses adopting superfast broadband                                               | Not Spots & Vouchers | 1,370 SMEs                     |
| 2) <b>Business growth:</b> following support to exploit superfast broadband                                                                                | Digital Support      | 60 SMEs                        |
| 3) <b>New business starts:</b> applying evidence of the impact cloud computing has in reducing barriers to market entry                                    | Not Spots & Vouchers | 100 new starts                 |
| 4) <b>Worker flexibility:</b> applying evidence of productivity benefits to firms implementing flexible working practices using fibre-enabled applications | Not Spots            | 350 workers                    |
| <b>Total SMEs / workers benefitting</b>                                                                                                                    |                      | <b>1,470 SMEs, 350 workers</b> |

Source: Regeneris Consulting



5.3.3 The following tables summarise the impact of the Digital 2020 programme. The net values indicate that the programme will generate £42m and 441 jobs across the Cheshire and Warrington sub-region:-

Table 1.2 Additional GVA and FTE Jobs Impacts Associated with Digital 2020

| Impact Categories                                     | Gross GVA Impact (£m) |               | Gross FTE Jobs Impact |               |
|-------------------------------------------------------|-----------------------|---------------|-----------------------|---------------|
|                                                       | 1. Preferred Option   | 2. Do Nothing | 1. Preferred Option   | 2. Do Nothing |
| Business growth resulting from Not Spots and Vouchers | £15.2                 | £5.1          | 21                    | 7             |
| Business growth resulting from Digital Support        | £7.8                  | £0.0          | 129                   | 0             |
| New business starts                                   | £32.7                 | £11.0         | 400                   | 135           |
| Increased Worker flexibility                          | £3.1                  | £1.0          | 52                    | 19            |
| <b>Total</b>                                          | <b>£58.8</b>          | <b>£17.2</b>  | <b>602</b>            | <b>161</b>    |

Source: Regeneris Consulting

| Net Additional GVA and FTE Jobs Impacts | Digital 2020 |          |
|-----------------------------------------|--------------|----------|
|                                         | GVA (£m)     | FTE Jobs |
| Gross Impact                            | 58.8         | 602      |
| Net Additional Impact                   | 41.6         | 441      |

Source: Regeneris Consulting

## 5.4 Value for Money

The programme will deliver £5.80 for every £1 of public sector funding. This represents a strong return on investment. It should also be noted that conservative assumptions have been applied throughout. There is potential for the scale of impacts to be significantly greater:-

Net Additional GVA and FTE Jobs Impacts

|                            | Digital 2020 Programme |          | A Not Spots Only Programme |          |
|----------------------------|------------------------|----------|----------------------------|----------|
|                            | GVA (£m)               | FTE Jobs | GVA (£m)                   | FTE Jobs |
| Net GVA (£m)               | 41.6                   | 441      | 25.3                       | 237      |
| Public Sector Funding (£m) | £7.1                   |          | £5.1                       |          |
| <b>Benefit-Cost Ratio</b>  | <b>5.8:1</b>           |          | <b>5.0:1</b>               |          |
| <b>Cost per FTE Job</b>    | <b>£16,200</b>         |          | <b>£21,400</b>             |          |

Source: Regeneris Consulting



### 5.5. Business Outcomes

In order to achieve the economic (GVA and job) impacts detailed above, the following outputs will need to be achieved. Outputs will be tracked by the programme delivery team on a regular basis.

Failure to achieve all of the required outputs may result in DCLG clawing back grant funding. NOTE: Some of the outputs below are not counted by ERDF (P3 connection outputs are not counted under the ERDF Priority 2A (Not Spots), P4 take-up outputs are not counted under the ERDF Priority 2B (Vouchers/Digital Support)).

#### 5.5.1 Not Spots

**994** additional businesses with broadband access of at least 30Mbps (ERDF P3)  
**298** additional businesses taking up broadband with speeds of at least 30Mbps

#### 5.5.2 Voucher Scheme

**93** more businesses with broadband access of at least 30Mbps  
**139** more businesses taking up broadband with speeds of at least 30Mbps (ERDF P4)  
**157** enterprises receiving support (ERDF C1)  
**24** new enterprises receiving support (ERDF C5)

#### 5.5.3 Digital Support

**117** enterprises receiving support (ERDF C1)  
**17** new enterprises receiving support (ERDF C5)  
**7** Enterprises supported to introduce new to the firm products (ERDF C29)

### 5.6 Wider Impacts

5.6.1 The programme will also contribute to wider economic, social and environmental objectives. These are qualitative observations and do not form part of the Benefit Cost Ratio but form a crucial part of the economic case for investment:

- **inward investment:** attracting new businesses to C&W enticed by our highly competitive broadband offer
- **reduced commuting:** lowering carbon emissions and congestion through wider use of video conferencing and other means of virtual communication
- **enhanced public service delivery:** driving up the ability of the public sector to implement new and more efficient accessible services
- **access to education:** facilitating access to international learning opportunities from within C&W using interactive on-line learning tools
- **access to health services:** providing health care remotely to our elderly population allowing them to be better cared for in their own homes for longer
- **tourism:** improving the visitor experience with wider spread access to internet and related services across the county



- **Social inclusion:** reducing the digital divide between places with and those without good broadband access

5.6.2 Digital 2020 will also help to stimulate further investment beyond the lifetime of the programme:

Where broadband is extended into rural locations it can encourage further private investment, by pushing superfast infrastructure deeper into locations adjacent to the most challenging areas to connect from a cost and engineering perspective.

The Voucher Scheme will encourage a greater breadth of broadband suppliers to establish a foothold from which they can continue to expand their offer to SMEs.

The Digital 2020 Programme provides an opportunity to embed the legacy of business support and emphasis on digital information and training within the LEP's Growth Hub.

## 6. Governance

- 6.1 The Council, along with senior representatives of Cheshire West and Chester Council, Warrington Borough Council and the Local Enterprise Partnership, already have a governance group in place, 'The Connecting Cheshire Board', which will continue to operate for the Programme to meet the needs of the funders and suppliers. This group will have oversight of the programme and ensure that it meets the needs of the key strategic partners and the client group across Cheshire & Warrington. In addition the Executive Director for Place will maintain oversight from a Cheshire East perspective as part of the Partnership's Project Board and as the commissioner of the Skills and Growth Company.

### The governance model is shown at Appendix A

- 6.2 Answerable to the Connecting Cheshire Board will be a dedicated programme delivery function, comprising of 4 full-time staff funded by the programme and 2 part funded posts (see Appendix 3). These posts are temporary, for a fixed period of time, and there is no on-going liability on Cheshire East Council or the other local authorities beyond the terms of the employment contracts. The delivery team will be based in the Skills and Growth Company managing the project for Cheshire East as the Lead Authority. The delivery will:-

- 1.1.1. Manage the overall programme plan for Digital 2020 ensuring that the programme delivers the agreed Business Outcomes.
- 1.1.2. Ensure that controls (decision making, risk and issues logs) are in place to satisfy the regulatory and compliance requirements of Cheshire East, the Connecting Cheshire Partnership, the Local Enterprise Partnership, Broadband Delivery UK and the Department for Communities and Local Government (DCLG) for European Funding and State aid.



- 1.1.3. Ensure that the procurement of any external products and/or services are aligned with European Procurement Regulations and ensure that the contracts that are put in place enable performance to be monitored in terms of quality, quantity and financial probity to meet European Funding (ERDF) conditions. The procurements will be managed by Cheshire East with the Skills & Growth Company leading the specifications and evaluation on behalf of the Connecting Cheshire Partnership. The contracts will be the responsibility of Cheshire East Council.
- 1.1.4. Manage all audit and compliance requests, to ensure that the integrity of all programme documentation is maintained.
- 1.1.5. Ensure that the programme aligns with corporate objectives and regional strategic initiatives.
- 1.1.6. Maximise the value of Partnership working through shared learning and collaboration.
- 1.1.7. Report regularly to the Project Board and the Executive Director for Place.

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

- 7.1. All wards in Cheshire East and the wider Cheshire and Warrington area will benefit.

## **8. Implications of Recommendation**

### **8.1. Policy Implications**

- 8.1.1. The Framework is complementary to the following corporate policies:

- 8.1.2. The Council's Three Year Plan

- 1.1.2.1. *Outcome 2: Cheshire East has a strong and resilient economy*
  - 1.1.2.2. *Priority 1: Local Economic Development*
  - 1.1.2.3. *Change Project 1.3 Investment to support business growth*

- 8.1.3. Ambition for All: Sustainable Communities Strategy 2010-2025:

- 1.1.3.1. *Priority 2 - Create conditions for business growth*
  - 1.1.3.2. *Harness emerging growth opportunities*
  - 1.1.3.3. *Create a climate attractive to business investment*

### **8.2. Legal Implications**

- 8.2.1. A number of procurements will be required to facilitate the delivery of the 3 strands of the programme as set out in Section 1.3. In particular the Not Spots procurement has a value of £5m and will be an open OJEU compliant process. A procurement may be required to secure the services of a Voucher Scheme provider and smaller compliant procurements will be undertaken for specialist service providers for the Digital Support Programme with the support of Cheshire East Councils legal services and procurement teams.



8.2.2. As Lead Authority Cheshire East Council will be responsible for liabilities arising out of acts or omissions in relation to the programme. Therefore indemnities should be sought from all of the parties to ensure that these liabilities are shared.

8.2.3. A Collaboration Agreement between the three Local Authorities will be required to underpin the working relationship between the partners, including the sharing of liabilities together with an Inter Partner Finance Protocol.

### 8.3. Financial Implications

8.3.1 There are no anticipated new financial requirements for Cheshire East Council, or the other members of the Connecting Cheshire Partnership. Existing unspent Local Authority contributions towards broadband will be invested to unlock £6.1m grant funding. In total, the programme is budgeted to cost £7.3m comprised of grant funding and gap funding as follows:-

|                                                                    |
|--------------------------------------------------------------------|
| ERDF - £3.635m (Full Application currently being assessed by DCLG) |
| BDUK - £2.54m (Awarded in principle) See Appendix 2                |
| Connecting Cheshire funds - £0.96m                                 |
| SME Contribution £0.14m                                            |

8.3.2 As part of the Collaboration Agreement between the three LAs, an Inter Partner Finance Protocol will be drafted to ensure that all parties are clear of their responsibilities and liabilities. Provision has been made in the programme budget for Cheshire East Finance resources to work closely with the programme delivery team and ensure the risk of cost overruns or liabilities falling on the partner authorities is minimised.

8.3.3 The project will be reported through Cheshire East Council's capital budget along with quarterly reporting to both BDUK and DCLG in respect of external grants. The budget assumes that all expenditure will be eligible for claiming against available grant funding. Any ineligible expenditure arising as a result of timing or an inability to match to outcomes may therefore need to be met by the Connecting Cheshire Partnership.

8.3.4 A breakdown of how the funding will be spent can be found in the tables below.



| Activity           | Budget            |
|--------------------|-------------------|
| Not Spots          | £ 5,080,000       |
| Voucher Scheme     | £ 695,000         |
| Digital Support    | £ 550,000         |
| Programme Delivery | £ 950,000         |
| <b>Total</b>       | <b>£7,275,000</b> |

#### 8.4 Equality Implications

8.4.1 An Equality Impact Assessment will be undertaken for the Digital 2020 programme.

8.4.2 Local communities are expected to be positively impacted as they are being encouraged to work together and share ideas through the 'Digital Champion' engagement programme. Throughout the programme to date, Connecting Cheshire has taken a very proactive and inclusive approach to engagement and attended many events and Parish Council meetings to update residents and businesses on the progress of the project. A network of community Digital Champions was recruited to help raise the profile of the project and act as advocates for upgrading once the network is installed. During Digital 2020 this approach will be maintained and combined with a dedicated email account and via social media to update on progress and answer enquiries.

8.4.3 The intervention has equality implications as the intention is to invest in broadband technologies in areas of market failure which are largely rural. Historically, these areas have suffered with poor broadband services and a lack of market competition creating a digital divide between urban and rural areas. The aspiration is to invest in superfast broadband in areas of market failure to address imbalance/unequally in a positive way, offering better speeds and greater choice, though it must be remembered that the cost of connection costs may inhibit this in some locations.

#### 8.4. Rural Community Implications

8.4.1. The Digital 2020 programme is expected to positively benefit rural communities, given it is seeking to address market failure in predominantly rural areas where communities are digitally disconnected with a lack of high-speed internet access. Better broadband connectivity will ensure rural communities have access to the same products and services as towns and cities, thus reducing the 'digital divide'. Better broadband with superfast speeds is expected to have significant social and business benefits to support the rural economy.



## **8.5. Human Resources Implications**

- 8.5.1 The Digital Support intervention will be targeted at high growth SMEs. A key Business Outcome is to enable 7 SMEs to deliver “new to firm products”. Though not a specific KPI, the programme has the potential of enabling SMEs to grow their workforce through the adoption of digital technology and skills.
- 8.5.2 The Not Spots intervention will also see a significant number of residential premises benefitting from being able to obtain a superfast broadband service in many rural locations.

## **8.6. Public Health Implications**

- 8.6.1. Superfast Broadband has the potential to significantly contribute to improved health and wellbeing. Social isolation can be reduced, access to health and care information, advice and to details of community assets more freely available and advantage taken of better deals to improve the stretch of household spending (for example energy deals). With so much now being done through digital interactions, from applying for jobs to booking hospital appointments, providing fast and reliable connectivity to households is a key contributor to our resident’s health and wellbeing.

## **8.7. Implications for Children and Young People**

- 8.7.1. There are no direct implications for Children and Young People.

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

- 8.8.1. Superfast Broadband is the enabling technology which connects the community and supports sustainable and equitable economic growth. It will unlock new ways of working, creating jobs and providing GVA growth. Public sector costs and the environmental impact will be lower. Educational opportunities will increase, and attainment improves, with a shift from traditional classroom based to rich content delivered online. Superfast Broadband has the potential to help address worklessness and to increase economic activity in deprived areas. The reach and connectivity will provide for universally improved levels of productivity and innovation, with an aspiration for business growth. This will increase employment opportunities, by safeguarding jobs and creating new job opportunities.
- 8.8.2. The programme will also stimulate the demand for, and take up of, training by those currently in work; to improve their qualifications linking with skills and employment support programmes, regeneration and neighbourhood development initiatives across the region. This will ensure that the opportunities, outcomes and benefits delivered by the programme are open to and accessed by individuals, particularly those facing complex and multiple barriers to employment and resident in deprived areas. The most vulnerable in our society will see significant improvements in their well-being by becoming less socially



isolated and the quality of their care improved through the ability to deliver services away from residential care and hospitals into their own homes.

## 9. Risk Management

| #    | Risk                                                                                                                                                                                           | Mitigation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 9.1. | There is a risk that the authorities may be required to underwrite and fund any clawback of ERDF monies as a consequence of non-compliance or failure to meet the agreed Business Outcomes.    | <p>This has been discussed at Connecting Cheshire Board and will be covered in a redrafted Collaboration Agreement and the Inter partner Finance Protocol.</p> <p>Programme and project management following industry standard practices (Managing Structured Programmes and Prince2) will be adopted.</p> <p>Monitoring will be put in place in line with guidelines from DCLG and BDUK to ensure State aid compliance. A third party will be commissioned to provide independent monitoring and evaluation.</p> |
| 9.2. | Maintaining ERDF and State aid compliance is key to the success of the programme.                                                                                                              | A dedicated Programme Management team will be put in place, to manage this, including all associated audit activity.                                                                                                                                                                                                                                                                                                                                                                                              |
| 9.3. | There is a large OJEU procurement to be delivered, Superfast Broadband Not Spots, requiring support from Cheshire East enabling teams, including Procurement and Legal.                        | Engagement with procurement and legal teams has been in place since September 2016 and estimates have been provided from both teams for the effort required to undertake the procurement and contracts for the programme. (Some budget has also been provisioned under Professional Services to bring in external legal resource if required.                                                                                                                                                                     |
| 9.4. | Financial Management and control will be crucial. The contract for Broadband Not Spots deployment will operate under a "Milestone to Cash" process. Specific finance support will be required. | Programme engagement with Finance has been in place since November 2016. 0.5 FTE has been factored into the PMO costs for the 3 year duration of the project to pay for CEC finance support.                                                                                                                                                                                                                                                                                                                      |
| 9.5. | Procurements may not yield sufficient interest or contracts, delaying project strand starts.                                                                                                   | Effective supplier engagement to test the market and effectively design tenders/contracts has been undertaken. The requirement for private sector match and the challenges of evidencing defrayal of monies has now been removed which should encourage more suppliers to bid for the Not Spots Contract. If there are no bids, or none of                                                                                                                                                                        |



|      |                                                                                                     |                                                                                                                                                                                     |
|------|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|      |                                                                                                     | the bids meet the required criteria then a re-procurement will be undertaken.                                                                                                       |
| 9.6. | There is a risk that available funding doesn't achieve anticipated outputs and results.             | Effective procurement process and contract design will be undertaken to mitigate likelihood and apportion risk. Pre-tender planning estimates have been used to inform assumptions. |
| 9.7. | There is a risk that match funding is not secure, due to a change of circumstances or availability. | The team will not enter into any contracts until funding availability is fully confirmed.                                                                                           |

## 10. Access to Information/Bibliography

10.1. Further details on the project are available for scrutiny on request.

## 11. Contact Information

**Name:** Julian Cobley

**Designation:** Managing Director, The Skills & Growth Company

**Tel. No:** 01270 686170

**Email:** [Julian.Cobley@skillsandgrowth.co.uk](mailto:Julian.Cobley@skillsandgrowth.co.uk)

**Name:** Frank Jordan

**Designation:** Executive Director - Place, Cheshire East Council

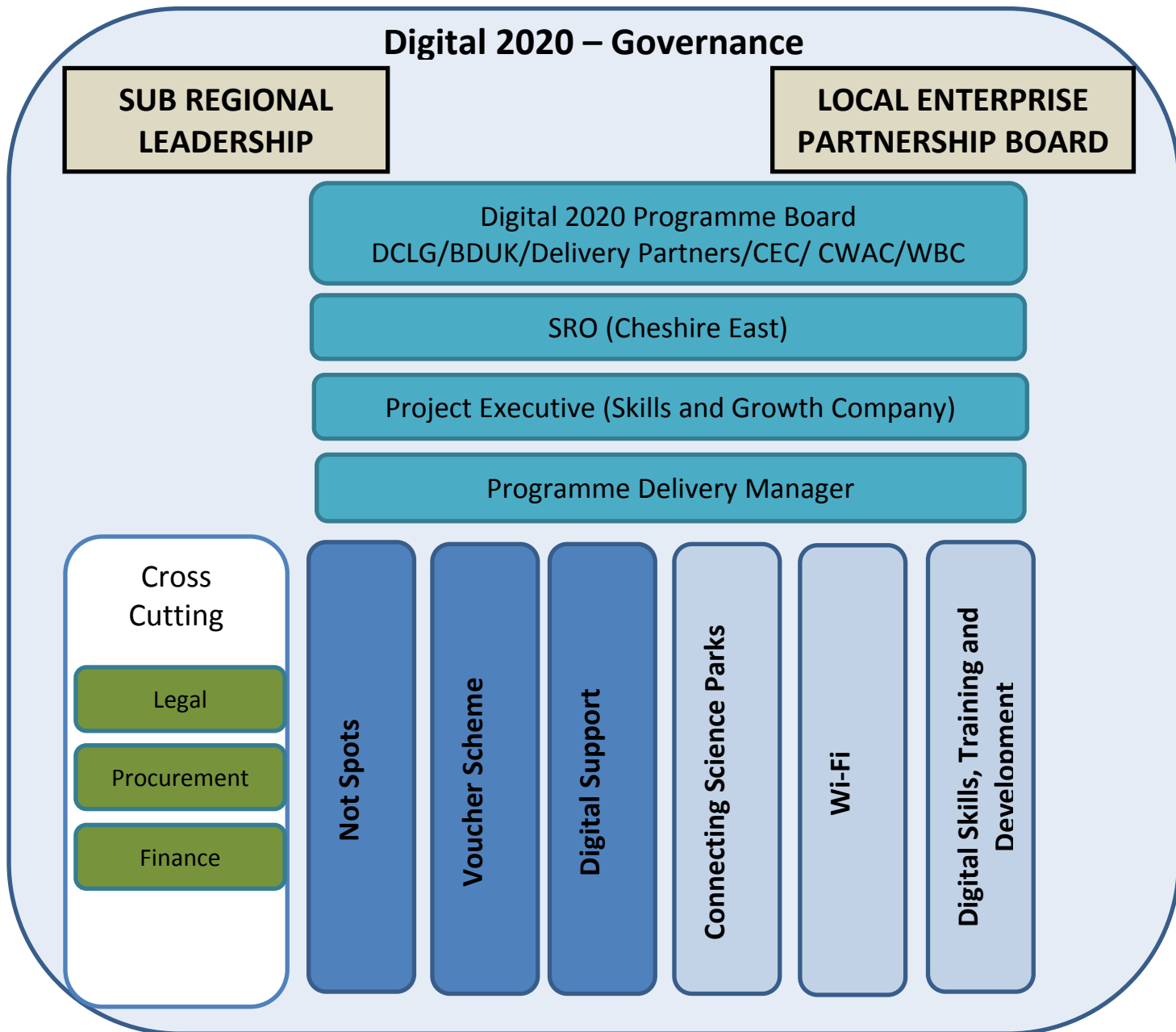
**Tel. No:** 01270 686640 **Email:** [Frank.Jordan@cheshireeast.gov.uk](mailto:Frank.Jordan@cheshireeast.gov.uk)



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Appendix 1 - Governance Model





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Thursday 5 January 2017

*Mr J Cobley  
Managing Director  
The Skills and Growth Company  
c/o Cheshire East Council  
Sandbach Enterprise Centre  
Sandbach*

Dear Julian

**Superfast programme additional funding request.**

BDUK originally allocated Connecting Cheshire £2.118m of match funding for Phase 2 of the Superfast Rollout Programme. You have submitted a request for additional funding of up to a further £2.54m, to match against funding that is envisaged to come from the 2014-2020 ERDF programme. I am pleased to confirm that BDUK are content to accept your application subject to confirmation of the final ERDF funding (capital element only to be matched by BDUK). The £2.54m from BDUK will include the £300k remaining from the original Phase 2 allocation for Connecting Cheshire.

This funding offer is subject to rapid completion of the procurement process. BDUK's understanding is that the Open Market Review has been undertaken, and it is important that the market consultation and Invitation to Tender stages now follow rapidly. Please could you confirm timelines for these with BDUK as a matter of urgency. BDUK would like network build at least to commence during 2017 and for the funding to be deployed as quickly as possible thereafter.

BDUK will continue to provide assistance as necessary on the procurement and State aid processes.

As you will be aware, the funding availability is subject to any decisions impacting the BDUK Superfast Programme from HM Treasury which carries risk prior to contracting.

If you have any queries, please do not hesitate to contact your Project Director, Carolyn Johnson, in the first instance.

Yours sincerely

*Andrew Field (by email)*

**Andrew Field**

**Superfast Broadband Programme Director, BDUK**





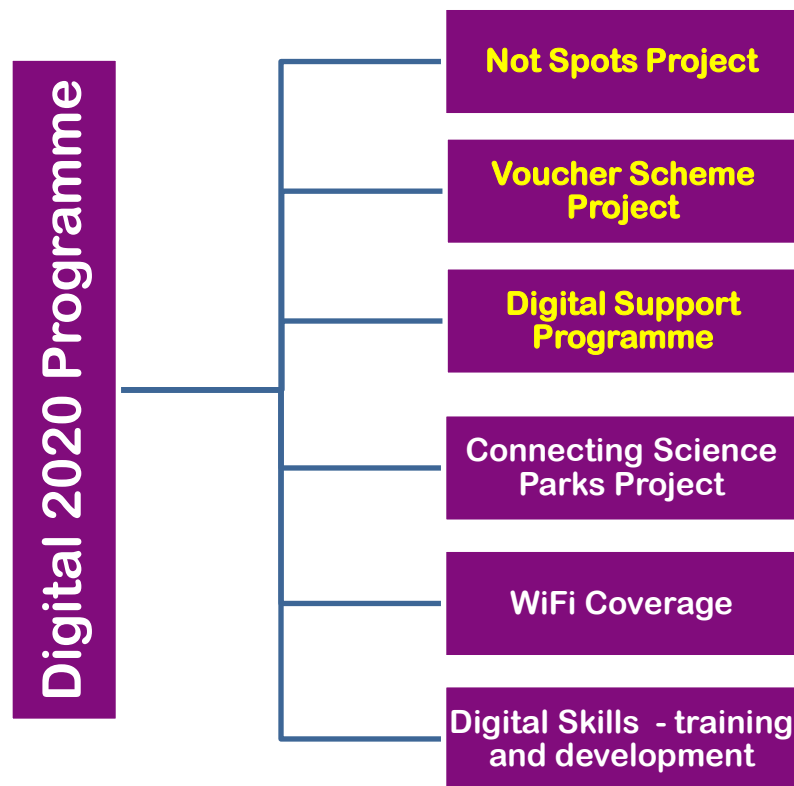
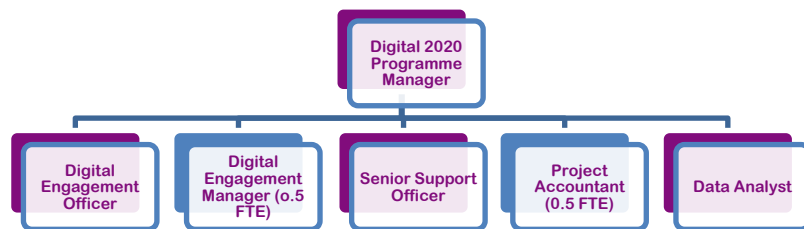
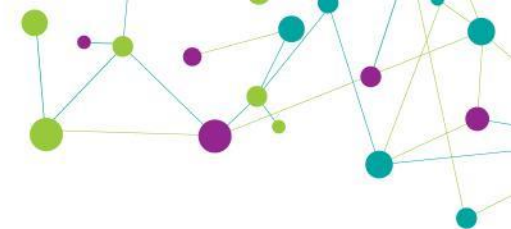
**SUPERFAST  
BRITAIN**

Broadband Delivery UK  
4th Floor  
100 Parliament Street  
London SW1A 2BQ  
[www.gov.uk/dcms](http://www.gov.uk/dcms)

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# Digital 2020 Programme



**European Union**  
European Regional  
Development Fund



# Digital 2020 Programme



## Three active strands

- Superfast Not Spots - £5.6m 'high growth' SMEs and residential
- Connection Vouchers – up to £4000 per assist
- Digital Business Support



# Digital 2020

## Progress Update

### Business Case

Business Case Redrafted for TEG in January

### State Aid

OMR Complete

Market Engagement underway

Public Consultation in Jan

### Funding

Hold letter received from CLG – meeting next week

BDUK – £2m funding secured subject to match

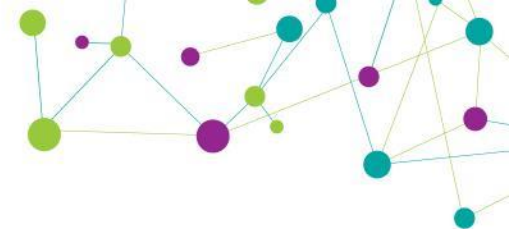


**European Union**

European Regional  
Development Fund



# Digital 2020



## Progress Update

### Recruitment

Roles defined and Job Descriptions written

### Governance

New Collaboration Agreement still under review

Inter Partner Finance Agreement being re-drafted

Cabinet Paper at CLT

Governance Model being re-developed







## Digital 2020 – Governance

**SUB REGIONAL  
LEADERSHIP BOARD**

**LOCAL ENTERPRISE  
PARTNERSHIP BOARD**

Digital 202 Programme Board  
DCLG/BDUK/Delivery Partners/CEC/ CWAC/WBC

SRO (Cheshire East)

Project Executive (Skills and Growth Company)

Programme Delivery Manager

### Cross Cutting

Legal

Procurement

Finance

Not Spots

Voucher Scheme

Digital Support

Connecting Science Parks

Wi-Fi

Digital Skills, Training and  
Development

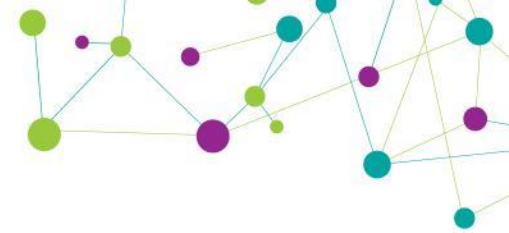


**European Union**

European Regional  
Development Fund



# Digital 2020



## Next Steps

Public Consultation

Apply for additional BDUK Funding

Full Application to DCLG by 31<sup>st</sup> Jan

Cabinet – 7<sup>th</sup> Feb

OJEU Open procurement for Superfast Not Spots Feb - Jun



**European Union**

European Regional  
Development Fund



## Cheshire East Council

### Cabinet

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|                          |                                                         |
|--------------------------|---------------------------------------------------------|
| <b>Date of Meeting:</b>  | 7 <sup>th</sup> February 2017                           |
| <b>Report of:</b>        | Executive Director of People and Deputy Chief Executive |
| <b>Subject/Title:</b>    | Review of 2017/18 Schools Funding Formula               |
| <b>Portfolio Holder:</b> | Cllr Liz Durham, Children and Families                  |

---

#### 1. Report Summary

- 1.1. This report sets out the proposed local schools funding formula for 2017/18 for approval following consideration of the options by the Cheshire East Schools Forum.
- 1.2. If approved the formula will be used to allocate schools funding to maintained schools and academies during 2017/18. The total funding is £201.7m.

#### 2. Recommendation

- 2.1. This report asks Cabinet to consider and approve the proposed options for the schools funding formula for 2017/18.
- 2.2. The key changes relate to:
  - 2.2.1. Increasing the Growth Fund by £225,000 to £500,000.
  - 2.2.2. Reducing Low Cost, High Incidence funding in order to re-direct funds to targeted SEN support.
  - 2.2.3. Changing the deprivation rates following a national change in the banding of pupils.
  - 2.2.4. Removing the Looked After Children element – given it is small amount of funding and not material when allocated to schools.

#### 3. Other Options Considered

- 3.1. A sub group of the Schools Forum entitled the Schools Block Formula Working Group (FWG) met to consider two main options:
- 3.2. **Option 1** was no change ~ this was not affordable given changes to the rates for deprivation.



- 3.3. **Option 2** considered the mix of options set out in para 2.2 and a further amendment to the method of funding for pupils with English as an Additional Language. This further change was not accepted by the FWG.
- 3.4. There was scope to consider other options however, with the pending introduction of a national funding formula from 2018/19, significant changes to the 2017/18 formula and schools budgets were not warranted.

#### **4. Reasons for Recommendation**

- 4.1. The annual review of schools funding formula by representatives from schools is an important part of the on-going need to address issues and pressures they are experiencing. There is a need for such changes to be formally considered and approved each year.
- 4.2. This timescale fits in with submission of the formula to the DfE and calculation and issue of individual budget figures to each school in preparation for the new financial year.

#### **5. Background / Chronology**

- 5.1. The Council receives Dedicated Schools Grant funding as a ring-fenced grant to pay for education. This is received in blocks and local decisions are made over use of the blocks, transfers between them and the basis for allocation to schools.
- 5.2. The school allocation formula is based on a relatively simplified set of formula options introduced a few years ago. There is a need for any changes to be considered by the local Schools Forum.
- 5.3. The issue was first raised at the Schools Forum in October 2016 and a Formula Working Group meeting was held on 7<sup>th</sup> November. The results were considered by the Forum on 6<sup>th</sup> December 2016 and it was agreed the recommendation should proceed to Cabinet.
- 5.4. Further information on the options considered is provided at **Appendix 1**.
- 5.5. Other issues with the formula are set out below.

#### **Minimum Funding Guarantee**

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



## **Education Services Grant**

- 5.7. There has been a significant change in relation to Education Services Grant for 2017/18. This grant has been reduced and an element (retained services) has been moved into DSG. Schools Forum are required to agree for this to be retained by the Council to fund certain essential services. This was considered and agreed by Schools Forum in January 2017.

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

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

## **7. Implications of Recommendation**

### **7.1. Policy Implications**

- 7.1.1. None.

### **7.2. Legal Implications**

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

### **7.3. Financial Implications**

- 7.3.1. The schools funding formula is the mechanism through which the Dedicated Schools Grant is delegated to schools. Cheshire East Council currently delegates 92% of funding to schools through the funding formula, retaining 8% centrally to fund non-schools expenditure, which is mainly SEN placements in independent provision and out of borough.

### **7.4. Equality Implications**

- 7.4.1. None.

### **7.5. Rural Community Implications**

- 7.5.1. During 2014/15 and 2015/16 the Council provided a small amount of additional funding to small rural schools. This was to help the schools restructure and achieve efficiencies to make them sustainable. That fund has come to an end.

### **7.6. Human Resources Implications**

- 7.6.1. None.



**7.7. Public Health Implications**

7.7.1. None

**7.8. Implications for Children and Young People**

7.8.1. The formula will determine the amount of funding provided to each school and therefore determine the level of provision at each setting.

**7.9. Other Implications (Please Specify)**

7.9.1. None

**8. Risk Management**

8.1. Prompt agreement of the local allocation allows schools to receive their budget allocations in advance of the financial year. They can ensure their expenditure plans are in line with their available budget.

**9. Access to Information / Bibliography**

9.1. Schools Forum papers for 2016 are held at:

[http://www.cheshireeast.gov.uk/schools/schools\\_forum/schools\\_forum.aspx](http://www.cheshireeast.gov.uk/schools/schools_forum/schools_forum.aspx)

**10. Contact Information**

Contact details for this report are as follows:

|                     |                                                                                          |
|---------------------|------------------------------------------------------------------------------------------|
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| <b>Tel. No.:</b>    | 01606 271504                                                                             |
| <b>Email:</b>       | <a href="mailto:jacky.forster@cheshireeast.gov.uk">jacky.forster@cheshireeast.gov.uk</a> |



## **Appendix 1 ~ Schools Funding Formula – options considered**

### **Increasing the Growth Fund by £225,000 to £500,000.**

1. The Growth Fund is an annual amount held back from schools funding and allocated out to schools experiencing in-year pupil growth following set criteria.
2. The criteria for the Growth Fund had been revised for 2015/16 and retained for 2016/17. It was expected that pupil growth would continue to place pressure on the fund resulting in low per pupil allocations for those not meeting the Published Admission Number (PAN) increase criteria.
3. This was discussed in terms of the impact on all schools (£3 - £5 per pupil) versus the considerable (albeit temporary pressure) faced by those with additional pupils.
4. On the basis that there was substantial housing growth in a number of areas the increase was accepted by the Schools Forum.
5. The proposal was accepted by the Schools Forum.

### **Reducing Low Cost, High Incidence (LCHI) funding in order to re-direct funds to targeted SEN support. Method to be agreed.**

6. An element of the local formula targets funding based on low prior attainment.
7. LCHI was not thought to be effectively targeting areas of SEN need. It had been significantly increased in recent years to ensure all schools could provide the notional amount of SEN hours. However, the general feedback was that it was not sufficient although it was for schools to decide how their budget was allocated.
8. The links between low attainment and SEN were considered. It would not be possible to take any more funding out the Schools Block without an impact on the minimum funding guarantee. £320,000 was the maximum available.
9. This represented a relatively small transfer from the Schools Block to the High Needs Block to assist with certain pressures.
10. A project is being taken forward to review the base data on needs and how to improve the allocation of funding. The funding would be used to i) increase the in-year top-up funding for statemented pupils in schools and academies and ii) provide a new fund to better target SEN funding. Progress in terms of modelling was considered and agreed at the January 2017 Schools Forum.
11. The proposal was accepted by the Schools Forum.



### **Changing the IDACI rates**

12. An element of the local formula targets funding based on deprivation.
13. The bandings for Income Deprivation Affecting Children Index (IDACI) had been changed for 2017/18 by the DfE. This had substantially changed some of the outcomes with £1m extra cost if the current rates were maintained. For example the cost of Band 6 would increase from £2,400 to £0.5m.
14. A revised set of rates were considered that aimed to:
  - Avoid cliff edges.
  - Continue to recognise higher costs for higher bandings.
15. This was accepted by the Schools Forum.

### **Removing the Looked After Children (LAC) element**

16. An element of the local formula targets funding to LAC.
17. The LAC element of the formula resulted in £60,000 being allocated through the formula. This was not material when allocated out to schools.
18. On that basis it was agreed to recommend removal of the LAC element of the main formula.
19. This was accepted by the Schools Forum.

### **English as an Additional Language (EAL)**

20. An element of the local formula targets funding to pupils where English is an additional language.
21. The EAL element of the formula resulted in less than £0.3m being allocated through the formula. It was proposed to introduce a lower value per child but for the schools to retain the funding for three years. (Acknowledging this may change with the national funding formula – which was not available at the time).
22. This was discussed and it was agreed that having greater funding initially and for a short time better matched the costs. Therefore, it was recommended the formula would not be changed.
23. This was accepted by the Schools Forum.



## Cheshire East Council

### Cabinet

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|                          |                                              |
|--------------------------|----------------------------------------------|
| <b>Date of Meeting:</b>  | 7 <sup>th</sup> February 2017                |
| <b>Report of:</b>        | Kath O'Dwyer, Executive Director People      |
| <b>Subject/Title:</b>    | Early Years National Funding Formula         |
| <b>Portfolio Holder:</b> | Councillor Liz Durham, Children and Families |

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#### 1. Report Summary

- 1.1. To seek approval to amend the funding to schools, private, voluntary and independent sector providers of the free early education entitlement for 2, 3 and 4 year olds in line with revised government guidance – Early Years National Funding Formula (EYNFF), December 2016.
- 1.2. This will be implemented on 1<sup>st</sup> April 2017.

#### 2. Recommendation

- 2.1. Cabinet is requested to approve:
  - 2.1.1. The formula set out in Appendix 1a (93% pass through) for implementation from 1<sup>st</sup> April 2017 and Appendix 1b (95% pass through) for implementation from 1<sup>st</sup> April 2018.

#### 3. Other Options Considered

- 3.1. A range of factors for the funding formula were considered within the limitations of the operation guidance from the DfE:
  - 3.1.1. Local Authorities continue to have the ability to use funding supplements. These are given in addition to the base rate to reflect local needs or policy objectives.
  - 3.1.2. The total value of supplements must not be anymore than 10%.
  - 3.1.3. Deprivation is a mandatory supplement.
  - 3.1.4. Discretionary supplements include: Rurality/sparsity; flexibility; quality; English as an additional language (EAL)
- 3.2. The DfE allocation to local authorities fluctuates based on the number of hours delivered. Therefore, the funding formula should be linked to the characteristics of the population rather than characteristics of the provider. The discretionary supplements outlined in 3.1.4 are linked to characteristics of the provision rather than the child. This can create instability in the funding model as take up shifts across providers.



3.3. A formula that gives the provider the opportunity to alter their hourly rate each year could result in a significant overspend due to the high pass through requirement. Similarly, the authority could fail to pass through the minimum requirement if providers reduce their hourly rate. This could only be controlled by revising the funding formula on an annual basis. This would not be practical and would prove an administrative burden on the Local Authority.

3.4. Further considerations:

3.4.1. SEN Inclusion Fund for 2, 3 and 4 year olds

3.4.2. Funding for the 2 year old Free Early Education Entitlement

#### **4. Reasons for Recommendation**

4.1. The Department for Education (DfE) will fund local authorities under the EYNFF from April 2017. The recommended formula both ensures sustainability of the childcare market moving from the current funding formula whilst targeting funds in to 'narrowing the gap' between children from disadvantaged areas and their peers.

#### **5. Background/Chronology**

5.1. From April 2017 all local authorities will be funded via the EYNFF. The reforms aim to:

5.1.1. Deliver fairer funding for local authorities via a national formula.

5.1.2. Maximise funding to providers by requiring local authorities to pass through the majority of funding to providers.

5.1.3. Deliver a new Disability Access Fund (DAF) that will award an annual payment of £615 to settings who support children aged 3 and 4 who are in receipt of disability living allowance and the free early education entitlement.

5.1.4. Additional funding for maintained nursery schools for the duration of this Parliament.

5.2. All providers of the Free Early Education Entitlement in Cheshire East were consulted, via an online survey, on the parameters of the EYNFF.

5.3. Detailed consultation and modelling of the formula took place on the 9 January 2017 with the Early Years Reference Group (EYRG), a sub-group of the Schools Forum.

5.4. The EYRG were seeking to create a flatter funding model, with the majority of funding via a universal base rate. The formulae recommended by the EYRG reduced the proportion of the funding awarded to children from disadvantaged areas when compared to the current formula.



- 5.5. The Local Authority recommended to the EYRG a formulae that increased the current proportion of additional funding for disadvantaged children.
- 5.6. After full consideration the status quo is recommended as outlined in appendix 1a and 1b that maintains the current proportion of additional funding for disadvantaged children.
- 5.7. The recommended funding model was presented to the Schools Forum on 26 January 2017 and noted.
- 5.8. The recommended formula meets the following objectives:
  - 5.8.1. High pass through rate of 93% in 2017/18 and 95% in 2018/19
  - 5.8.2. High proportion of the funding via the base rate
  - 5.8.3. Additional funding for children from disadvantaged areas
  - 5.8.4. Additional funding to support provision in rural areas
  - 5.8.5. All providers receive more funding than the previous formula
  - 5.8.6. An average hourly rate of at least £4

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

- 6.1. All wards affected.

## **7. Implications of Recommendation**

### **7.1. Policy Implications**

- 7.1.1. One of the aims of the EYNFF is to create greater parity between the sectors in the payment systems via a higher and universal base rate. Policy implications relate to the proportion of the base rate in relation to any supplements and how the supplements are targeted.
- 7.1.2. The suggested supplements focus on 'narrowing the gap' between children from disadvantaged areas and their peers and sustaining provision in rural areas.

### **7.2. Legal Implications**

- 7.2.1. The EYNFF will fund the free entitlement to early years provision for 3 and 4 year olds across all sectors which is the authority's statutory duty under Section 7 of the Childcare Act 2006. It will also assist with the authority's delivery of its duty to secure sufficient childcare under Section 6 of the Childcare Act 2006.

### **7.3. Financial Implications**

- 7.3.1. The EYNFF funding allocation for 2017/18 is £17,231,003.



7.3.2. All providers of the free entitlement will receive an increase in funding based on the proposed formula. The proportion of funding targeted at disadvantaged area would be retained at the current level.

7.3.3. Centrally retained levels will be made in line with the new guidance, 7% 2017-18 and 5% 2018-19.

#### **7.4. Equality Implications**

7.4.1. None.

#### **7.5. Rural Community Implications**

7.5.1. Funding under the current formula provides additional funding for provision in rural areas in recognition of their limited ability to attract the numbers of children required to cover operating costs.

7.5.2. Additional funding should continue to be awarded to rural areas. Removal of this additional funding may undermine the sustainability of provision and lead to the authority failing to meet its sufficiency duty.

#### **7.6. Human Resources Implications**

7.6.1 If a number of supplements are introduced this would result on an administrative burden on the LA and could enable the funding to fluctuate (see 3.2).

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

7.7.1. None.

#### **7.8. Implications for Children and Young People**

7.8.1. Adequate and equitable funding contributes towards sustaining sufficient levels of provision for children to access their free early education entitlement. This is an LA duty.

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

7.9.1. Failure to distribute the funding allocation in an equitable way across all sectors could impact on delivery of the extended free entitlement for working families from September 2017 when an additional 15 hours will be available for children from households in full employment. Childcare providers nationally have voiced concern that introducing 30 hours free childcare limits their ability to charge for additional hours. Providers may choose not to deliver the additional 15 hours if the prescribed rate is significantly less than the market rate, and the rate required to sustain their provision.



## 8. Risk Management

- 8.1. Application of the EYNFF could result in spend being more than the allocated budget should participation increase beyond that forecast. However, the DfE adjusts funding in the following year to take account of fluctuating take up. Therefore, the risk is cash flow rather than overspend. This risk is higher for delivery of the additional 15 hours than the universal 15 hours due to the DfE allocation for the additional 15 hours being based on 80% of the eligible population taking up 12 hours.
- 8.2. Take up and spend is monitored closely on a twice termly basis by Early Years and Childcare Team and the Accountancy Services.
- 8.3. Any emerging issues are reported immediately to Directors/Senior Managers.

## 9. Access to Information/Bibliography

- 9.1. Early Years Funding Government Consultation Response.  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/574040/Early\\_years\\_funding\\_government\\_consultation\\_response.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/574040/Early_years_funding_government_consultation_response.pdf)
- 9.2. Early Years National Funding Formula. Operational guide. Education Funding Agency. December 2016.  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/580716/EYNFF\\_Operational\\_Guidance.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/580716/EYNFF_Operational_Guidance.pdf)
- 9.3. EYNFF Local Authority Allocations Table, Education Funding Agency. December 2016.  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/574003/EYNFF\\_local\\_authority\\_allocations\\_table.xlsx](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/574003/EYNFF_local_authority_allocations_table.xlsx)

## 10. Contact Information

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## Appendix 1a

For implementation from 1<sup>st</sup> April 2017

|                                     |                                                                  |
|-------------------------------------|------------------------------------------------------------------|
| Base rate                           | £3.88 per hour                                                   |
| Deprivation – group based provision | £0.0055 per hour per % of children from the lowest 30% IDACHI    |
| Deprivation – childminders          | £0.065 per hour where children attend from the lowest 30% IDACHI |
| Rurality                            | £0.07 per hour                                                   |

All rates are applicable to all the children in the setting.

|                                  | %      | Hourly rate |
|----------------------------------|--------|-------------|
| Pass through                     | 93.00% |             |
| Base rate                        | 97.10% | 3.88        |
| <b>Mandatory supplement</b>      |        |             |
| Deprivation                      | 2.80%  | 0.0055      |
| Deprivation - group per %/per hr |        | 0.0055      |
| Deprivation - childminder per hr |        | 0.065       |
| <b>Discretionary supplements</b> |        |             |
| Rurality (census definition)     | 0.10%  | 0.07        |
| Flexibility (> 6 hours)          | 0.00%  | 0.00        |
| Quality                          | 0.00%  | 0.00        |
| EAL (6% of population)           | 0.00%  | 0.00        |

|                     | Previously | Projected |
|---------------------|------------|-----------|
| Average Hourly rate | 3.71       | 4.00      |
| Max                 | 4.04       | 4.42      |
| Min                 | 3.25       | 3.88      |



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**Appendix 1b**

For implementation from 1<sup>st</sup> April 2018

|                                     |                                                                  |
|-------------------------------------|------------------------------------------------------------------|
| Base rate                           | £3.97 per hour                                                   |
| Deprivation – group based provision | £0.0056 per hour per % of children from the lowest 30% IDACHI    |
| Deprivation – childminders          | £0.067 per hour where children attend from the lowest 30% IDACHI |
| Rurality                            | £0.07 per hour                                                   |

All rates are applicable to all the children in the setting.

|                                  | %      | Hourly rate |
|----------------------------------|--------|-------------|
| Pass through                     | 95.00% |             |
| Base rate                        | 97.10% | 3.97        |
| <b>Mandatory supplement</b>      |        |             |
| Deprivation                      | 2.80%  | 0.0056      |
| Deprivation - group per %/per hr |        | 0.0056      |
| Deprivation - childminder per hr |        | 0.067       |
| <b>Discretionary supplements</b> |        |             |
| Rurality (census definition)     | 0.10%  | 0.07        |
| Flexibility (> 6 hours)          | 0.00%  | 0.00        |
| Quality                          | 0.00%  | 0.00        |
| EAL (6% of population)           | 0.00%  | 0.00        |

|                     | Previously | Projected |
|---------------------|------------|-----------|
| Average Hourly rate | 3.71       | 4.09      |
| Max                 | 4.04       | 4.52      |
| Min                 | 3.25       | 3.97      |



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## Cheshire East Council

### Cabinet

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|                          |                                                                |
|--------------------------|----------------------------------------------------------------|
| <b>Date of Meeting:</b>  | 7 <sup>th</sup> February 2017                                  |
| <b>Report of:</b>        | Peter Bates                                                    |
| <b>Subject/Title:</b>    | Equality and Diversity Strategy 2017-2020                      |
| <b>Portfolio Holder:</b> | Cllr Paul Findlow (Corporate), Cllr Paul Bates (service users) |

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#### 1. Report Summary

- 1.1. The Council recognises that promoting equality and inclusion will improve public services for everyone. We want Cheshire East to be an area of equal opportunity, where everyone has a fair chance and people from all backgrounds take part in community life.
- 1.2. Our aim is to make equality an integral part of the way the Council works by putting it at the centre of everything we do. We are committed to celebrating diversity and promoting equality – as an employer, in the services we provide, in partnerships, and in the decisions we make.
- 1.3. In accordance with Regulation 3 of the Equality Act 2010 (Specific Duties) Regulations 2011 (“the Regulations”), the Council must prepare and publish at least one equality objective once every four years.
- 1.4. In April 2012 the Council identified and published four equality objectives that served to address our main priorities for improving our understanding of and response to inequalities across all our services.
- 1.5. Over the last four years progress has been made in some areas; however it is recognised that the Council still has further work to do to ensure that equality and diversity is embedded within the organisation and that it is seen as the responsibility of all.
- 1.6. In October 2016 an Equality and Diversity Strategy Group was established, this is chaired by the Chief Operating Officer and has responsibility for overseeing the development of an Equality and Diversity Strategy which is to include the Council’s agreed equality objectives.
- 1.7. Five equality objectives have been developed, and formal public and staff consultation on these took place between the 6th December 2016 and the 16<sup>th</sup> January 2017.



- 1.8. This report presents The Equality and Diversity Strategy and for the period 2017-2020. This strategy replaces the Council's Equality Inclusion Policy (2012) and provides a framework to help us achieve our equality vision, by improving our equality performance and by responding to the needs of all the people of Cheshire East.

## **2. Recommendation**

- 2.1. Cabinet are asked to approve and adopt the Equality and Diversity Strategy 2017-2020 for Cheshire East as the Council's framework for achieving our equality and diversity vision, (Appendix 1).
- 2.2. Cabinet are asked to support the five equality objectives presented within the Equality and Diversity Strategy 2017-2020:

- *Strengthen our knowledge and understanding of our communities*
- *Listen, involve and respond to our communities effectively*
- *Improve the diversity and skills of our workforce to ensure equality of representation at all levels across the organisation*
- *Demonstrate a positive culture with strong leadership and organisational commitment to excellence in improving equality outcomes, both within the council and amongst partners.*
- *Ensure that the Council's services are responsive to different needs and treat service users with dignity and respect.*

- 2.2.1. That the Chief Operating Officer of the Council reports annually to Corporate Overview and Scrutiny on progress made against delivering these objectives, and that this report is published annually on the council's website.

## **3. Other Options Considered**

- 3.1. To ensure compliance with The Equality Act 2010 a refresh and review of the Equality objectives is required, therefore no other options have been considered.

## **4. Reasons for Recommendation**

- 4.1. Public bodies subject to the general equality duty must, in the exercise of their functions, have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Act.
  - Advance equality of opportunity between people who share a relevant protected characteristic and people who do not share it.



- Foster good relations between people who share a relevant protected characteristic and those who do not share it.
- 4.2. Under the Equality Act 2010, the Council is required to produce and review, every 4 years, a set of equality objectives.
- 4.3. Each of the five equality objectives presented in the Equality and Diversity Strategy 2017-2020 make a direct contribution to supporting the delivery of our 'Ambition for All' vision and corporate plan.

## **5. Background/Chronology**

- 5.1. The Equality Act 2010 places a requirement on public bodies to demonstrate compliance with each part of the PSED. This requires public authorities to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and any other conduct which is unlawful under the Equality Act 2010
- Advance equality of opportunity between people who share a protected characteristic and those who do not; and
- Foster good relations between people who share a protected characteristic and those who do not.

These are often referred to as the three aims of the general equality duty.

- 5.2. Guidance from the Equality and Human Rights Commission suggests that equality objectives should be viewed as part of an organisation's business planning processes, to ensure they are aligned to business priorities, and are an integral part of business performance.

- 5.3. A workshop was held on the 1<sup>st</sup> December 2016, to consider the progress made on the current equality objectives. Based on this exercise, five new objectives were proposed.

- 5.4. On the 6<sup>th</sup> December the Council launched a public and staff consultation on the five equality objectives.

- 2.1. The consultation was promoted and publicised in a number of ways, and a log held to evidence our approach. Promotion activities included:

- Feature articles in the internal "Team Voice"
- Council website and Centranet
- A Twitter and social media "campaign"
- Email to raise awareness of the consultation and requests to share wider with:
  - Town and Parish clerks
  - Leisure Centres



- Communities and Partnerships newsletter and general email distribution list (over 300 individuals from strategic partnerships and the VCF sector)
- South Cheshire Multi Cultural Forum
- Services and teams within Cheshire East

5.5. There were 270 responses received to consultation including surveys completed online and paper based. 80.3% of respondents agreed or strongly agreed that the objectives represent what the Council needs to focus upon.

5.6. A detailed consultation report is available upon request and will be published on the Council's website. A brief overview of the respondents to the survey is as follows:

- 65.61% of respondents are residents of Cheshire East, 28% are staff of the Council;
- 69.2% of respondents are female, 27% male;
- 92.45% of respondents identified themselves as White British;
- 9% of respondents reported that their day to day activities are limited because of a health problem or disability;
- The largest age group for respondents is 45-54years (38.87%);
- 55.34% respondents are Christian, with 40% stating no religious belief or prefer not to say;
- 90.42% of respondents described their sexual orientation as heterosexual, 4.6% bisexual or gay/lesbian;

5.7. Based on the feedback received the final five equality objectives for approval are:

- Strengthen our knowledge and understanding of our communities
- Listen, involve and respond to our communities effectively
- Improve the diversity and skills of our workforce to ensure equality of representation at all levels across the organisation
- Demonstrate a positive culture with strong leadership and organisational commitment to excellence in improving equality outcomes, both within the council and amongst partners.
- Ensure that the Council's services are responsive to different needs and treat service users with dignity and respect.



- 5.8. An overarching Equality and Diversity Strategy has been developed and is shown in Appendix 1.
- 5.9. The Equality and Diversity Strategy group will be responsible for ensuring that the strategy is implemented, monitored, reviewed and updated, and will provide an annual report on progress.

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

- 6.1. All wards and all members

## **7. Implications of Recommendation**

### **7.1. Policy Implications**

- 7.1.1. The implementation of the Equality and Diversity Strategy and the five equality objectives will ensure that the Council embeds the equality agenda throughout all of its policies.

### **7.2. Legal Implications**

- 7.2.1. Completing equality impact assessments and working towards the achievement of the Equality and Diversity objectives will ensure that the Council is meeting the requirements of the Equality Act 2010 and the public sector equality duty 2011.

### **7.3. Financial Implications**

- 7.3.1. A non recurrent budget of £20,000 has been allocated to support the delivery of the Equality and Diversity delivery plan for the period of 2017/18. Costs will be identified and prioritised as part of the delivery plan development.
- 7.3.2. Service areas will be responsible for identifying and addressing inequalities and promoting diversity. The resource implications of equality action plans should be considered by service areas as part of their budget setting process.
- 7.3.3. Resources will be allocated from the corporate training budget to provide equalities training for staff and members.

### **7.4. Equality Implications**

- 7.4.1. The Equality and Diversity delivery plan will be implemented:
- All reports to members will include an equality impact assessment, where appropriate.
  - Staff and members will receive appropriate equality and diversity training.



## **7.5. Rural Community Implications**

7.5.1. The Council is strongly committed to ensuring that our rural communities are not disadvantaged by any of our policies or changes in service delivery. The Equality and Diversity Strategy builds on the work to date to “Rural Proof” our decision making and embed “Rural Proofing” within our equality impact assessments.

## **7.6. Human Resources Implications**

7.6.1. The Council has taken the approach that equality and diversity should be mainstreamed and embedded within all service areas and should not be the sole responsibility of one officer.

7.6.2. The Equality and Diversity Strategy and its supporting delivery plan will be delivered within existing resources, and a number of “Equality Champions” have been identified.

7.6.3. There will a requirement for staff and members to undergo training to support the delivery plan. This will include training on the legislative requirements, consultation and equality impact assessment.

## **7.7. Public Health Implications**

7.7.1. Reducing inequalities is at the heart of what the refreshed equality objectives and Equality and Diversity Strategy aims to achieve. As reported in the Marmot review (2010), health inequalities are as a result of social and economic inequalities across the population. By ensuring that the Council proactively delivers on its Public Sector Equality Duty, the Council continues to support and address any health inequalities in Chehsire East.

## **7.8. Implications for Children and Young People**

7.8.1. The refreshed equality objectives and overarching strategy will drive further improvements in how we engage and consult with our children and young people, ensuring that they are not disadvantaged on the basis of any protected characteristic they may have.

## **8. Risk Management**

8.1. Non compliance with the Equality Act 2010 and an inability to demonstrate significant evidenced progress to the recommendations yields a high risk to the Council re:

- Judicial review leading to key council decisions/policies/budget settings to be overturned.
- Significant financial penalties and legal costs.



- Reputational risk.
- Ineffectively targeted services (not knowing the protected characteristic needs of employees, customers and communities of Cheshire East). As a result, best value and cost-effectiveness is not achieved.
- The potential for the Council to be seen to endorse a discriminatory culture.
- A less diverse workforce could lead to a less creative workforce.

## 9. Access to Information/Bibliography

- 9.1. [Equality and Inclusion Policy \(PDF, 388KB\)](#)
- 9.2. <https://www.equalityhumanrights.com/en/publication-download/technical-guidance-public-sector-equality-duty-england>

## 10. Contact Information

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# Cheshire East Council

## Equality and Diversity Strategy 2017-2020





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## Equality and Diversity Strategy 2017-2020

### 1. Introduction

The Council recognises that promoting equality and diversity will improve public services for everyone. We want Cheshire East to be an area of equal opportunity, where everyone has a fair chance and people from all backgrounds take part in community life. Our aim, therefore, is to make equality an integral part of the way the Council works by putting it at the centre of everything we do.

***We are committed to equality of opportunity regardless of where you live in our borough or what protected characteristics you have.***

***We are committed to celebrating diversity and promoting equality – as an employer, in the services we provide, in partnerships, and in the decisions we make.***

### 2. Purpose

This strategy replaces the Equality Inclusion Policy (2012) in providing a framework to help us achieve our equality vision, both by improving our equality performance and by responding to the needs of all the people of Cheshire East.

We have ensured that the strategy responds to the legislative framework for equality and diversity under the Equality Act 2010. Our overall approach to the development of this strategy however, goes beyond law and regulation thus allowing the Council to articulate what equality and diversity truly means for all our staff and local communities. Taking this approach provides the Council with a solid foundation for current and future work and helps reinstate our commitment to tackling inequality.

The strategy is structured around five strategic objectives with accompanying actions for delivery. Together, these objectives provide a continuum of activity from compliance to best practice that can help the Council deliver tangible actions to address inequality. Individually, each objective contains challenging but realistic actions to help us progress against this continuum.

### 3. Where are we now?

The Council is subject to equalities legislation, and a number of other influencing factors:

#### 3.1 Legislative Context

The Equality Act 2010 sets out the Public Sector Equality Duty which all public bodies must comply with. Under the general duty, Cheshire East Council must therefore have due regard to the need to:-





- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

There are also specific duties, which require us to publish equality objectives and equality information.

There are nine protected characteristics that are covered by the Equality Act 2010



### 3.2 National Context

In October 2015 the Equality and Human Rights Commission published its statutory five year report on equality and human rights progress in England, Scotland and Wales. The report concludes that there has been progress in many areas, but highlights 8 key challenges that public bodies need to address:

1. Improve the evidence and the ability to assess how fair society is
2. Raise standards and close attainment gaps in education
3. Encourage fair recruitment, development and reward in employment
4. Support improved living conditions in cohesive communities
5. Encourage democratic participation and ensure access to justice





6. Improve access to mental health services and support for those experiencing (or at risk of experiencing) poor mental health
7. Prevent abuse, neglect and ill-treatment in care and detention
8. Tackle targeted harassment and abuse of people who share particular protected characteristics

### 3.3 Local Context

The Equality and Diversity Strategy is not a stand-alone strategy, it represents a framework and a set of guiding principles, that then facilitates and supports the work of the Council. There are many other strategies and policies that can equally demonstrate our commitment to this important agenda as outlined below.

#### 3.3.1 Cheshire East Corporate Plan 2016 – 2020

The Council's Corporate Plan 2016-2020 consists of six outcomes that demonstrate how Cheshire East Council will put its residents first in the way that services are provided. These are:

- Outcome 1** Our local communities are strong and supportive
- Outcome 2** Cheshire East has a strong and resilient economy
- Outcome 3** People have the life skills and education they need in order to thrive
- Outcome 4** Cheshire East is a green and sustainable place
- Outcome 5** People live well and for longer
- Outcome 6** A Responsible, Effective and Efficient Organisation

#### 3.3.2 Connected Communities Strategy – 2016

The vision and aims of this strategy are at the heart of what we aspire to achieve in terms of our approach to equality and diversity. The strategy sets out our shared journey, to ensure we have Connected Communities across Cheshire East, where people and community organisations are embedded within local networks, providing mutual help and support. Five key themes have been identified for action:

- ***Connected to People***  
helping people in communities to become more connected to others.
- ***Connected to Services***  
delivering services differently, with more community outreach services.
- ***Connected to Neighbourhoods***  
strengthening networks and partnerships across neighbourhoods, towns and villages.
- ***Connected to Voluntary, Community and Faith Sector organisations***  
developing the VCF sector infrastructure and our links to thematic communities.
- ***Connected to decision making***  
local people influencing decision making, policy and the way we commission services.





### 3.3.3 Cheshire East People Plan - 2016-2017

This is the Council's internal human resources and workforce development plan. There are 8 strategic workforce priorities, with equality and diversity being a golden thread running throughout them all.

- HR Business Development
- Organisation Design
- Recruitment, Resourcing and Retention
- Leadership
- Employee Development
- Engagement and Wellbeing
- Employee Rewards
- Service Delivery

Equality objectives 3 and 4 will be delivered and monitored via this plan.

## 4. Our Profile

We recognise that accurate and up to date information is important to help us understand the profile of our population and our workforce.

To support this strategy we have used data available on all nine protected characteristics from the 2011 ONS Census, and the information held within our workforce database (Oracle) as of November 2016. Where information was from a different source this will be stated.

We do recognise that there are gaps in our information; this will be addressed as a priority within this strategy.



In 2011, 49% of the population in Cheshire East were male and 51% female.

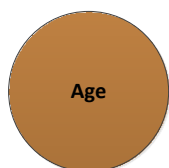
23.7% of our workforce (excluding Schools, casuals, ASDVs, Academies etc.) workforce are male, and 76.3% are female.





This table shows the profile of our population by age. (Rounded to the nearest hundred).

| Table 1: Usual residents by 5 year age bands 2011 |                |                |                |
|---------------------------------------------------|----------------|----------------|----------------|
| Age Band                                          | Males          | Females        | Total (2011)   |
| 0-4                                               | 10,400         | 9,800          | 20,200         |
| 5-9                                               | 10,200         | 9,600          | 19,700         |
| 10-14                                             | 10,900         | 10,500         | 21,400         |
| 15-19                                             | 11,600         | 10,500         | 22,100         |
| 20-24                                             | 9,500          | 9,100          | 18,600         |
| 25-29                                             | 9,500          | 9,500          | 19,000         |
| 30-34                                             | 9,600          | 10,000         | 19,500         |
| 35-39                                             | 11,800         | 12,400         | 24,100         |
| 40-44                                             | 13,800         | 14,600         | 28,400         |
| 45-49                                             | 14,700         | 15,100         | 29,800         |
| 50-54                                             | 13,000         | 13,200         | 26,100         |
| 55-59                                             | 11,600         | 11,700         | 23,300         |
| 60-64                                             | 13,000         | 13,400         | 26,400         |
| 65-69                                             | 10,400         | 10,700         | 21,100         |
| 70-74                                             | 8,100          | 8,800          | 16,900         |
| 75-79                                             | 6,200          | 7,300          | 13,500         |
| 80-84                                             | 4,200          | 6,000          | 10,200         |
| 85+                                               | 3,100          | 6,500          | 9,700          |
| <b>Total</b>                                      | <b>181,400</b> | <b>188,700</b> | <b>370,100</b> |



This table below shows the age profile (age 16+) of the Cheshire East workforce in comparison to our residents (based on the 2011 Census).

|              | Employees    |       | Residents      |       |
|--------------|--------------|-------|----------------|-------|
| 16 to 17     | 3            | 0.1%  | 9,249          | 3.6%  |
| 18 to 19     | 21           | 0.6%  | 8,398          | 3.3%  |
| 20 to 24     | 108          | 2.9%  | 18,615         | 7.3%  |
| 25 to 29     | 217          | 5.9%  | 19,020         | 7.5%  |
| 30 to 34     | 300          | 8.1%  | 19,532         | 7.7%  |
| 35 to 39     | 389          | 10.6% | 24,129         | 9.5%  |
| 40 to 44     | 453          | 12.3% | 28,386         | 11.2% |
| 45 to 49     | 603          | 16.4% | 29,831         | 11.7% |
| 50 to 54     | 689          | 18.7% | 26,124         | 10.3% |
| 55 to 59     | 554          | 15.0% | 23,275         | 9.2%  |
| 60 to 64     | 280          | 7.6%  | 26,443         | 10.4% |
| 65 to 69     | 65           | 1.8%  | 21,074         | 8.3%  |
| <b>Total</b> | <b>3,682</b> |       | <b>254,076</b> |       |







93.6% of our residents who class themselves as White British, this compares to 87.2% of the Council's employees. 8.8% of employees have not disclosed their ethnicity.

5.1% of our residents were born outside the British Isles, with 2.7% born outside the EU. The most common non-British Isles countries for residents to have been born in are Poland and India.

3.0% of our households have members for whom English is not the main language, and, in half of these households, no members have English as their main language.



Based on national assumptions that 20 per 100,000 of our population are likely to be transgender, this equates to approximately 70 of our residents.

Only 1 employee has disclosed that they are undergoing and/or have undergone gender reassignment, however 70.8% of the Council's employees have not disclosed this information.



17.5% of our residents stated that their day-to-day activities were limited a lot/little in the 2011 Census – this was below the UK average of 20.2%.

Currently, based upon November 2016 data, only 1.4% of the Council's employees have disclosed that they feel that they have a disability; however 60% of all Cheshire East employees (excluding casuals) have not disclosed whether or not they have a disability, with the remaining 38.7% of staff having declared that they do not feel that they have a disability.



51.6% of our residents are married; we do not have accurate information on the number of residents that are in a registered same-sex civil partnership.





As reported in the 2011 Census, the proportion of Cheshire East residents classing themselves as Christian has fallen from 80.3% in 2001 to 68.9%. In 2011, the proportion saying they had no religion doubled from around 11%-22%.

Religion or  
Belief

|            |        |
|------------|--------|
| Christian  | 68.9%  |
| Sikh       | 0.07%  |
| Buddhist   | 0.24%  |
| Hindu      | 0.36%  |
| Jewish     | 0.16%  |
| Muslim     | 0.66%  |
| Other      | 0.29%  |
| None       | 22.69% |
| Not stated | 6.66%  |

30.4% of Cheshire East Council's employees have disclosed that they are Christian and 10.7% that they have no religion; however 58% of employees have not disclosed their religion.

Sexual  
Orientation

In November 2013, The Lesbian & Gay Foundation (LGF), estimated that the local Lesbian, Gay, Bisexual population for Cheshire East was 18,700. This figure was calculated based on the assumptions that between 5 and 7 per cent of the population are likely to be lesbian, gay or bisexual.

40.4% of the Council's employees have disclosed that they are heterosexual and 3.6% stated that they would prefer not to say; 55% of our employees have not disclosed their sexual orientation.

Pregnancy  
and  
Maternity

In 2014 there were 4,535 conceptions to women in Cheshire East. This equates to a conception rate of 71.9 per 1,000 women (within age-group).

In 2015 there were 3,848 live births to women living in Cheshire East.

Source: ONS publications.





## 5. Our Equality and Diversity Policy

Cheshire East Council values all diverse communities within the borough, and understands that people can face very real discrimination and prejudice in their lives. We particularly recognise the following equality characteristics:-

- Sex
- Age
- Race
- Gender Reassignment
- Disability
- Marriage and Civil Partnership
- Religion or Belief
- Sexual Orientation
- Pregnancy and Maternity

We are also aware that some people demonstrate more than one of these characteristics and, as such, can suffer discrimination relating to more than one of them.

We are committed to fulfilling our duties and responsibilities under the Equality Act 2010 and related equality and human rights legislation and codes of practice. In particular, we are committed to achieving equality in employment and service delivery by always striving to:-

- Eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the Equality Act
- Advance equality of opportunity between people who share a characteristic and those who do not
- Foster good relations between people who share a characteristic and those who do not

Further to this, Cheshire East Council aims to always protect and preserve the rights and freedoms that belong to all individuals regardless of their nationality and citizenship. We believe that human rights are fundamentally important in maintaining a fair and civilized society. This is in line with the Human Rights Act 1998, and the 16 rights and freedoms it upholds.

## 6. Equality in Employment Policy

Cheshire East Council believes firmly in equality of opportunity in all aspects of employment including recruitment, pay, terms and conditions of service, development and training. The Council is committed to developing employment policies, procedures and practices that do not discriminate unfairly or unlawfully against anyone and that promote equality of opportunity for all.





No employee or job applicant will receive less favourable treatment on the grounds of their gender, marital status or civil partnership, racial group, religion or belief, sexual orientation, age, disability, pregnancy or maternity.

## **7. Equality Objectives**

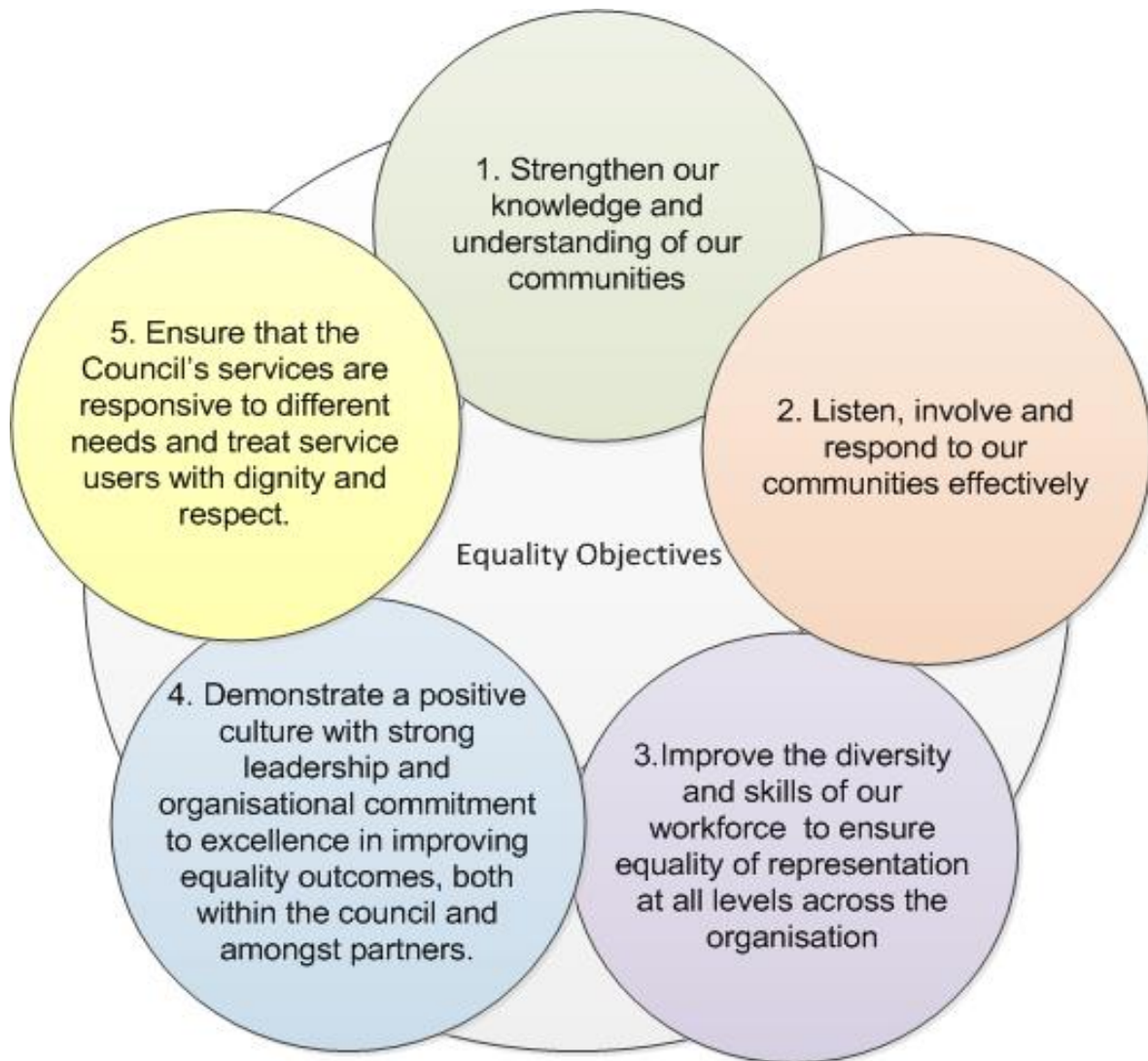
In 2012 we identified four equality objectives that served to address the main priorities for improving our understanding of and response to inequalities across our organisation and all of our services. A lot of good work has been achieved over the last four years, but we recognise that there is still a lot more to do.

We have now set five objectives which will be the basis of what we want to achieve over the forthcoming years. Our equality objectives have been developed and guided by our progress in recent years and as a result of public and staff consultation.

For each objective we have set out some examples of the kind of things we will focus on doing. A detailed delivery plan will be developed by the Equality and Diversity Strategy Group on an annual basis based on current and emerging priorities.







### ***1. Strengthen our knowledge and understanding of our communities***

#### **Rationale**

Across the Council we have many services and teams that hold information and data about our communities. The challenge for us is how we ensure that our information remains up to date and is accessible. Further work is required to refresh and improve our data to ensure that we capture all information relating to protected characteristics within a council wide data set that is published and widely accessible.

#### **Actions**

- Work with teams and directorates to identify gaps in data collation and monitoring.





- Develop a dedicated portal for shared learning and collated data within the councils staff Centranet.
- Ensure that all commissioned services provide robust data sets in relation to their service users and protected characteristics.
- Continue to monitor compliments, complaints and correspondence received by the Council where Equality and Diversity and or protected characteristics is referenced.

## ***2. Listen, involve and respond to our communities effectively***

### **Rationale**

We have in place a number of mechanisms for engaging and consulting with the public. However through a lack of consistent collection of equality data we are unable to evidence that all protected and vulnerable groups are afforded a voice.

### **Actions**

- Ensure that all consultation and engagement activity includes the opportunity for collating information on protected characteristics.
- For all consultation and engagement activity, ensure a robust Equality Impact Assessment has been carried out to provide assurance that all protected characteristics and vulnerable groups have been considered and have the means to be involved.
- Ensure that all information that is to be shared with the public is available and accessible to our communities in various formats and access points.

## ***3. Improve the diversity and skills of our workforce to ensure equality of representation at all levels across the organisation***

### **Rationale**

Our aim is to ensure that we have the right staff in the right place at the right time supporting the organisation to commission and deliver high quality services to our residents. Through having a representative workforce, we will be better placed to achieve this aim. Effective recruitment, selection and employment practices are important; this includes staff induction.





The Council is a large employer of around 3,600 staff; analysis of our staff profile reveals that we employ very few younger people and people with a disability. As our workforce grows older we need to plan for the future.

A representative workforce brings a diversity of needs - gaps or issues in terms of support were identified around flexible working, access to support networks and disability related absence.

We need to improve the understanding of staff needs and outcomes in terms of the effect policies and processes have on them. To do this, we need to ensure that anonymous and non-identifiable information around protected characteristics is used within internal reports. This is linked to Employee Relations, Training, Staff Survey's, sickness absence, harassment and bullying and flexible working.

### **Actions**

- Undertake a staff census to ensure that information held on our staff is accurate and includes all protected characteristics.
- Ensure that, for all new staff members information on protected characteristics is collected and updated as appropriate.
- Initiate a staff audit to understand the skills set and training needs of staff in relation to equality.
- Improve workforce planning data that is routinely shared with Heads of Service.
- Develop directorate action plans that seek to improve on the findings of the 2016 staff survey, in particular the responses related to diversity, discrimination and bullying.

#### ***4. Demonstrate a positive culture with strong leadership and organisational commitment to excellence in improving equality outcomes, both within the council and amongst partners.***

### **Rationale**

The Council recognises that equality and diversity is everyone's business. There are many good examples of the Council's commitment to equalities both within and outside of the organisation. Further work is required to embed and further promote equalities leadership and support a culturally competent workforce.

### **Actions**





- Develop a network of “Champions” that promote and drive forward continual improvement in equality and diversity.
- Develop a Communications and Media plan to ensure there is proactive promotion of Equality and Diversity across the council’s activities.
- Offer training and support to staff, councillors and members on the Public Sector Equality Duty.
- Undertake a baseline assessment of the Council’s position in relation to Equality and Diversity using the LGA Equality Framework.

**5. *Ensure that the Council’s services are responsive to different needs and treat service users with dignity and respect.***

### **Rationale**

Commitment to equality and diversity is integrated into our business planning and delivery, including service level procurement and resource allocation. Further work is required to ensure that the impacts of all policies and services on all communities are assessed and understood in order to deliver positive outcomes for residents and service users.

### **Actions**

- Review and refresh the Council’s approach to Equality Impact Assessment to ensure that this is embedded across the organisation.
- Improve staff understanding and skills in relation to Equality Impact Assessment.
- Ensure that Equality Impacts are considered and evidenced in all aspects of the Council’s strategy and policy development and that there is robust challenge by the Council’s officers and members.

### **8. Reporting and decision making structures**

The main responsibility for scrutiny of equalities work internally lies with the Council’s Equality and Diversity Strategy Group, Corporate Leadership Team and Cabinet. We will produce an annual report on our progress in meeting the three general equality duties and the report will be submitted to these meetings.

Responsibility for equality has been assigned to two named Cabinet Lead Members. The Council’s Corporate Leadership Team (CLT) is ultimately responsible for our





equality and diversity, and human rights policies and practices, including this strategy. CLT will monitor the Councils progress and performance on all of these important issues. The Equality and Diversity Strategy Group provides the strategic direction for all equality, diversity and human rights policies and practices and is accountable for any equality related activities and initiatives that the Council undertakes. It is chaired by the Chief Operating Officer and consists of representatives across the Councils services and teams who have taken on the role of “Equality Champions”.

It is expected that a number of working groups will be established to progress the work of the annual delivery plan. They will report into the Equality and Diversity Strategy Group and will have clear terms of reference to outline the key roles and functions of the group.

## **9. Equality analysis of our policies and procedures**

As a Council, it is important that we consider all individuals when carrying out our day-to-day work. To ensure we do this, we must provide equality analysis for everything we do as a way of considering the effect on different groups protected from discrimination by the Equality Act 2010.

### **9.1 The Equality Impact Assessment (EIA) process**

Undertaking equality analysis will enable us to have ‘due regard’ to promoting equality of opportunity, eliminating discrimination and fostering good relations. We need to be sure that what we do meets the needs of individuals in our communities.

We need to be confident that the policies we develop do not disadvantage a particular group of people on the grounds of their protected characteristics or where they live in our borough. We need to ensure that all of our services, in terms of their design and delivery, are fair and accessible to everyone and that there is equality of outcome for all. We have developed a process that enables us to check everything that we do for its impact on equality and diversity and consider if what we are doing will be fully effective for all individuals and communities across Cheshire East.

We have called this process an Equality Impact Assessment or EIA. The EIA process will help us to consider if there are any unintended consequences for each of the ‘protected characteristics’ of age, disability, gender reassignment, marriage and civil partnership, maternity and pregnancy, race, religion or belief, sex and sexual orientation.

An EIA will be carried out on:

- new functions, policies, procedures and services as they are developed
- significantly altered functions, policies, procedures and services
- Overtime, on existing functions and policies.





We monitor the equality outcomes of our EIAs as part of our performance process and we embed these outcomes as part of our business and service planning process. Improvements in equality outcomes are delivered as a result of effective equality analysis across the Council.

## **10. Procurement and Commissioning**

Ensuring that equality and diversity considerations are embedded into the procurement process, taking the opportunity to secure relevant wider community benefits, and making sure that our suppliers comply with employment law (as well as ensuring that their employees receive the right training and have the right skills to do their job) are all key priorities for the Council.

We will ensure that equality considerations are built into all stages of the procurement process, and commit to the following:

- we do business with suppliers who meet their obligations under equality legislation.
- we will conduct Equality Impact Assessments for all our commissioning and procurement activities.
- we will require suppliers to provide appropriate equality monitoring information.
- where appropriate, we will include social clauses as special conditions in terms of the performance of a contract.
- we will consider ethical sourcing issues as part of our normal procurement practice.
- we will continue to maintain the highest standards of safeguarding when commissioning services for children, young people and vulnerable adults.

## **11. Engaging and consulting with our communities**

It is important that we engage and consult with our communities so that we understand our customers and can ensure that the services we design and deliver are appropriate and meet the needs of all.

We aim to encourage and empower underrepresented groups and individuals to participate in society, their community and work; and to encourage underrepresented groups to play an active role in the Council's decision making processes.

## **12. Conclusion**

We recognise that the diversity of Cheshire East's communities is a huge asset that should be valued and that we face both opportunities and challenges as we try to build and support our communities.

This strategy reinforces our responsibility under the Equality Act 2010 to ensure equality of opportunity for all sections of the community and our workforce. We are





also committed to incorporating in our decision-making processes the values inherent in the Human Rights Act and the community cohesion agenda.

Our new strategy recognises the need to continually build upon our previous achievements and review and improve our existing structures and practices. We are committed to providing equality of opportunity, tackling discrimination, harassment and disadvantage and to fostering good relations. We are also committed to achieving the highest standards in service delivery, decision-making and employment practice.

We are confident in our ability to achieve our Equality Objectives, which are the main focus of this strategy, over the course of the next three years.

