

Council Agenda

Date: Thursday, 14th December, 2017
Time: 11.00 am
Venue: The Ballroom, Sandbach Town Hall, High Street, Sandbach,
CW11 1AX

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

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

1. **Prayers**

2. **Apologies for Absence**

3. **Declarations of Interest**

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

4. **Minutes of Previous meeting** (Pages 5 - 18)

To approve the minutes of the meeting held on 19 October 2017 as a correct record.

5. **Mayor's Announcements**

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

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

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

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

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

7. **Leader's Announcements**

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

8. **Recommendation from Cabinet - Council Tax Base 2018/19 - Domestic Rates**
(Pages 19 - 24)

To consider the recommendations from Cabinet.

9. **Recommendation from Cabinet - Non-Domestic Rates Taxbase 2018/19** (Pages 25 - 32)

To consider the recommendation from Cabinet.

Note – The following additional recommendation was circulated at the Cabinet meeting:-

That Cabinet, in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, recommend to Council the amount to be calculated by Cheshire East Council as its business rates tax base for the year 2018/19 as £134.7m.

10. **Recommendations from Cabinet - Mid-Year Review of Performance** (Pages 33 - 52)

To consider the recommendations from Cabinet.

11. **Recommendation from the Constitution Committee - Review of the Constitution**
(Pages 53 - 112)

To consider the recommendations from the Constitution Committee.

12. **Recommendation from the Constitution Committee - Calendar of Meetings 2018/19** (Pages 113 - 120)

To consider the recommendations from the Constitution Committee.

13. **High Speed Rail - (West Midlands Crewe) Bill (HS2 Phase 2a) Petitioning** (Pages 121 - 128)

To consider the recommendations as set out in the report.

14. **Notices of Motion** (Pages 129 - 132)

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

15. **Questions**

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

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

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CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Council**
held on Thursday, 19th October, 2017 at The Assembly Room - Town Hall,
Macclesfield SK10 1EA

PRESENT

Councillor A Moran (Mayor/Chairman)
Councillor L Smetham (Deputy Mayor/Vice-Chairman)

Councillors A Arnold, D Bailey, Rachel Bailey, Rhoda Bailey, Baggott, G Barton, P Bates, G Baxendale, M Beanland, Bratherton, S Brookfield, E Brooks, D Brown, C Browne, B Burkhill, P Butterill, S Carter, C Chapman, J Clowes, S Corcoran, H Davenport, T Dean, B Dooley, L Durham, S Edgar, P Findlow, R Fletcher, T Fox, D Flude, H Gaddum, S Gardiner, L Gilbert, M Grant, P Groves, J Hammond, M Hardy, A Harewood, G Hayes, S Hogben, O Hunter, J Jackson, L Jeuda, A Kolker, J Macrae, D Mahon, N Mannion, D Marren, A Martin, S McGrory, R Menlove, G Merry, B Moran, H Murray, J Nicholas, M Parsons, S Pochin, J Rhodes, B Roberts, J Saunders, M Sewart, M Simon, D Stockton, A Stott, B Walmsley, G M Walton, L Wardlaw, M Warren, M J Weatherill, H Wells-Bradshaw, G Williams and J Wray

Apologies

Councillors C Andrew, D Bebbington, W S Davies, M Deakin, I Faseyi, S Gardner, D Hough, M Jones and G Wait

28 PRAYERS

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

29 DECLARATIONS OF INTEREST

There were no declarations of interest.

30 MINUTES OF PREVIOUS MEETING**RESOLVED**

That the minutes of the meeting of the Council held on 27 July 2017 be approved as a correct record.

31 MAYOR'S ANNOUNCEMENTS**The Mayor:-**

1. Welcomed Cllr Joy Bratherton, who had been elected at the recent Crewe East by-election, to her first Cheshire East Council meeting.

2. Welcomed Councillor Beverley Dooley to the meeting, following her recent fall.
3. Congratulated Macclesfield Town and Crewe Alexandra Football Clubs for reaching the first round of the FA Cup and wished them well.
4. Reported that since the last Council meeting that he and the Deputy Mayor had attended almost 60 events; details of which had been circulated around the Chamber.
5. Thanked all Members who attended his Civic Service on Sunday 1 October. He also extended thanks to his Chaplain for the wonderful service that he led and to the Church Wardens at St Mary's, Nantwich, for their help in organising the service.
6. Announced that, on 31 July, it had been his privilege to lead the Council's remembrance at a major event organised by the Council in conjunction with the Royal British Legion, as part of the Cheshire East Reflects programme to mark the centenary of Passchendaele. He had been delighted to welcome both the Lord Lieutenant and the Bishop of Stockport to Wilmslow, to what had proved to be a very poignant and well attended event. He particularly praised ANSA, who had worked very hard in advance to get the memorial gardens looking their very best.
7. Announced that his 60's charity night, which had been held at Nantwich Civic Hall in the previous month, had raised over £2,000 for his two charities. He thanked everyone who had attended. He also reported that he would be organising other charity events over the coming months and encouraged as many Members as possible to come along, to help support two very good causes. He would write to all Members when further details were available.
8. Announced that, for practical reasons, he had decided to move the 2018 Annual Meeting of Council from 16th to 23rd May. This would be included in the annual consultation which led to the formal agreement of the Calendar of Meetings for the following year, so that people could make their views known, as part of that exercise if they wished.

32 PUBLIC SPEAKING TIME/OPEN SESSION

Mr Christopher Kerrison Evans used public speaking time to ask a question in respect of the number of new dwellings in Wilmslow that had been authorised to Wilmslow since the start of the Local Plan process in 2010 up until 27th July 2017. - Cllr Ainsley Arnold, Housing and Planning Portfolio Holder, gave a brief response and undertook to provide a written response to the question.

Ms Sinead Wheeler used public speaking time to ask a question regarding the proposed changes to supported bus services in the borough. – Cllr Paul Bates, Finance and Communities Portfolio Holder responded.

Mr Andrew Wood used public speaking time to address Council regarding a business plan for a project for a replacement market at Chelford.

Middlewich Town Cllr Jonathan Parry used public speaking time to address Council regarding the use of Section 106 monies and public trust issues. – The Leader of the Council responded.

Mrs Sue Helliwell used public speaking time to address Council regarding changes to the number 78 bus service from Alsager to Leighton Hospital. – Cllr Paul Bates, Finance and Communities Portfolio Holder, responded.

Mrs Carol Jones used public speaking time to address Council regarding the supported bus service review and presented a petition to the Leader of the Council. – Cllr Paul Bates, Finance and Communities Portfolio Holder responded.

Mr Unett used public speaking time to address Council regarding the supported bus service review and the cost of producing Cheshire East Council's "The Voice" magazine. - Cllr Paul Bates, Finance and Communities Portfolio Holder and Cllr Peter Groves, former Democratic and Public Engagement, Assurance and ICT Portfolio Holder responded.

Mr Rob Vernon used public speaking time to address Council regarding the reputation of the Council.

Ms Sharon Whalley used public speaking time to address Council regarding the licensing of taxis and drivers from outside the Cheshire East area and ensuring that they were safe for use by the public. - Cllr Ainsley Arnold, Housing and Planning Portfolio Holder, gave a brief response and undertook to provide a written response. Cllr George Hayes, former Children and Families Portfolio Holder, added that the Council had already made representations to central Government in respect of this matter, as part of scrutiny work that had taken place.

Mr Alan Proudlove used public speaking time to address Council regarding what he considered to be a reduction in service in respect of the sweeping of footpaths and grass cutting. – The Leader of the Council, Cllr Rachel Bailey, undertook to look into this matter and asked Mr Proudlove to provide details of the areas concerned.

Ms Joan Gibson used public speaking time to address Council regarding the supported bus service review and in particular requested that reconsideration be given to any proposal to cut the number 78 bus service. - Cllr Paul Bates, Finance and Communities Portfolio Holder responded.

Ms Hazel Faddis used public speaking time to address Council regarding the bus service review with regard to rural areas. – Cllr Janet Clowes, Adult Social Care and Integration Portfolio Holder responded.

Ms Jo Day used public speaking time to address Council regarding the bus service review and air pollution. - Cllr Paul Bates, Finance and Communities Portfolio Holder responded.

33 **LEADER'S ANNOUNCEMENTS**

The Leader of the Council, in summary:-

1. Welcomed Cllr Joy Bratherton to her first meeting of the Council, noting that she had taken over from the much respected and hard working Cllr David Newton.
2. Reported that she had been in London on the previous day and had contacted DCLG, whilst there, to offer to meet with them to answer any questions regarding concerns in respect of special measures. She reported that the Council had engaged with DCLG since the day that the Investigation and Disciplinary Committee had decided to suspend the Chief Executive and that this engagement with DCLG had shown that the Council's service delivery continued to be high. She referred to recent awards received by the Council. Since April 2017, Cheshire East Council staff and projects had won awards for social care practice, information governance, service delivery model, community benefit, best public building and housing adaptations. The Council's services had been shortlisted for fifteen regional and national awards in total, in a wide range of council services from right across the organisation. She considered that this showed that the Council's services continued to be recognised by its peers and by independent organisations, as being of the highest quality. She asked that thought be given to the impact on the morale of the staff delivering these high standards and that she considered that the Council was being responsible and dealing with these matters. She wished to put on record thanks to the staff within the structure. She referred to the acting up arrangements in respect of officers and stated that, beyond the Section 151 Officer, all the officers concerned were already Cheshire East Council officers and that all these officers were familiar to the staff and familiar with Cheshire East. She felt that this evidenced why there was continuity of service. In addition, all officers who were acting up had mentoring arrangements, working with colleagues in neighbouring and other authorities. She referred to the announcements regarding funding for the Middlewich Eastern by-pass and further funding for Crewe, under the North West Crewe package, from the Productivity Investment Fund, which had brought £5M of funding to Crewe. She also referred to an award of £3.5M for the Macclesfield Movement Strategy. She questioned whether this showed a failing Council that was in special measures and suggested that it did not. She asked that comments made that hurt the Council's staff be retracted.
3. Reported that work was continuing with the LGA and Cabinet and executive officers to draw together the framework for what a "Member-led" model meant in Cheshire East, including training and picking up issues of culture. She wished to put this on record and

looked forward to disseminating the proposals and sharing them with all Members.

4. With regard to culture, announced that work was continuing and that following on from the staff survey, the Council had commissioned an independent review by the LGA into the culture of the Council and particularly regarding allegations in respect of bullying and harassment. Terms of Reference had been developed and were currently with the LGA for comment and would be shared with leaders of the opposition groups and the Trade Unions. It was anticipated that the review would commence at the end of the month and would be completed in December 2017.

5. Announced some changes to her Cabinet as follows:-

Cllr George Hayes and Peter Groves would be standing down as Cabinet Members to concentrate on other issues. The Leader thanked both Members for their hard work.

Cllr Liz Wardlaw would be Deputy Leader of Council and Cllr Jos Saunders would now be a Member of Cabinet.

She had wanted to report these changes to Council as soon as possible, however, the finer details needed to be refined, not least the impact of these changes to overview and scrutiny functions. She undertook to forward a list of Cabinet Member responsibilities to all Members in the near future and further information, following engagement with overview and scrutiny.

6. Announced that Royal London had announced that they would be staying in Cheshire East and would be relocating to Alderley Park. Nevertheless, the focus on their master plan and vision for the Wilmslow site would continue.

34 **STRATEGIC PARTNERSHIP FOR THE CHESHIRE EAST COMMUNITY EQUIPMENT SERVICE**

A report was submitted, seeking Council's endorsement for the renewal of the Memorandum of Understanding for the delivery of the Community Equipment Service(CES), through to 31 March 2021, under Section 75 of the National Health Service Act 2006, between four partners; Cheshire East Borough Council, Eastern Cheshire Clinical Commissioning Group (CCG), South Cheshire CCG and Vale Royal CCG. This was the commissioning partnership for the CES, which was hosted by Cheshire East Borough Council.

Council had approved the Community Equipment Service (CES) Framework for adult equipment and the Council's budget for up to four years, on 3 March 2015, subject to annual confirmation of budget. Since

that approval advice had been received from the Council's Legal section that the current Constitution now required additional Council approvals.

RESOLVED

1. That the renewal of the Memorandum of Understanding (MOU) through to 31 March 2021 under Section 75 of the National Health Service Act 2006 between Cheshire East Council, Eastern Cheshire CCG, South Cheshire CCG and Vale Royal CCG, for the delivery of the Community Equipment Service be endorsed.
2. That delegated authority be granted to the Strategic Director of Adult Social Care and Health (in consultation with the Portfolio Holder for Adult Social Care and Integration and the Director of Legal Services), to approve the final form of the MOU (and any subsequent amendments thereto); and to the Director of Legal Services to execute on behalf of the Council the approved final form of the MOU.
3. That delegated authority be granted to the Strategic Director of Adult Social Care and Health (in consultation with the Portfolio Holder for Adult Social Care and Integration and the Director of Legal Services), to renew the MOU arrangements beyond 2021 in accordance with any provision made for that purpose by Council through setting the budget and policy framework.

35 CHESHIRE EAST COUNCIL - REVIEW OF CONSTITUTION

On 4 August 2017, the Constitution Committee had received a report regarding a proposed, comprehensive, review of the Council's Constitution; which was needed to ensure compliance with all relevant statutory requirements, to improve organisational efficiency, and to further improve the governance arrangements for the Council.

Consideration was given to a report providing an update to Council upon the review of the Constitution.

A motion "to note the progress made in respect of the review of the Constitution and the timescale for the completion of the review" was proposed and seconded.

AMENDMENT

An amendment to add the following wording after the word "review" was proposed and seconded:-

“and that the deadline for the completion of the review of the Constitution be extended to May 2018, so that it can be considered at the Annual Council meeting in May 2018”.

A vote was taken on the amendment and it was declared “Lost”.

Following further debate, a vote was then taken in respect of the substantive motion and it was declared “Carried”.

RESOLVED

That the progress made in respect of the review of the Constitution and the timescale for the completion of the review be noted.

36 OVERVIEW AND SCRUTINY ANNUAL REPORT 2016/17

The 2016/2017 Overview and Scrutiny Annual report, which summarised the activities of the Council’s four Overview and Scrutiny Committees during the period of the 2016/17 Municipal Year, was submitted.

Representatives from each of the political groups spoke in respect of this issue.

RESOLVED

That the annual report be received and posted on the Council’s website.

37 ANNUAL REPORT OF THE AUDIT AND GOVERNANCE COMMITTEE 2016/17

The Audit and Governance Committee, at its meeting on 19 October 2017 had considered the draft report of the Chairman of the Committee on its performance and effectiveness in 2016/17 with regard to its terms of reference and purpose. The report provided details of work undertaken by the Committee and the assurances received during the year. The draft Annual Report for 2016/17 had been approved, for consideration by Council, subject to a number of corrections, details of which were reported. These had been incorporated into the Annual Report as submitted to Council.

Representatives from each of the political groups spoke in respect of this issue.

RESOLVED

That the report be received and noted.

38 POLITICAL REPRESENTATION ON THE COUNCIL'S COMMITTEES

Consideration was given to a report in respect of the political representation on the Council's Committees.

It was reported that notice has been given to the Proper Officer that Councillor Michael Jones has become a non-grouped independent member of the Council. Therefore, a report was required to ensure that political proportionality was achieved. It was noted that there had been no change in the Council's political proportionalities resulting from the Crewe East Borough Ward election on 5 October 2017.

The law required that each relevant Council decision making body must be politically balanced, as far as was reasonably practicable, and that the total of Committee seats allocated to the Council's political groups balanced perfectly.

The Appendix to the report set out the political representation on ordinary committees and sub committees, this being based on the political structure of the Council as a whole.

RESOLVED

1. That the political group representation, as set out in the Appendix to the report and the methods, calculations and conventions used in determining this, as outlined in the report be adopted, and the revised allocations of places to Committees be approved.

2. That the adjustments to Committee places indicated as being required in such Appendix, to achieve the correct political proportionality across all Committees, be agreed.

3. That the unchanged Committee Chairman and Vice Chairmen allocations be noted as set out in the Appendix; "(C)" denoting the allocation of the office of Chairman to political groups and "(VC)" denoting the allocation of the office of Vice Chairman to political groups.

39 NOTICES OF MOTION

The following Notice of Motion was withdrawn by the proposer:-

1. Deputy Leader

Proposed by Cllr Sam Corcoran

This Council notes that Cllr David Brown has stepped down from his Cabinet responsibilities.

This Council also notes that Cllr David Brown currently remains as Deputy Leader of the Council and will therefore be leading the Council and representing the Council at times when the Leader is unavailable.

This Council calls on Cllr David Brown, in order to protect the reputation of the Council, to step away completely from all of his current posts, as Deputy Leader of Cheshire East Council and on outside bodies, while the awarding of £70,000 to the Berkeley Academy for a new car park is investigated by Cheshire Constabulary.

Consideration was given to the following Notices of Motion, which had been submitted to Council in accordance with Procedure Rule 12:-

2. A Cabinet of Unity to rescue the reputation of Cheshire East Council

Proposed by Cllr Nick Mannion and seconded by Cllr Craig Browne

There are currently no less than FOUR police investigations into conduct and activities by officers and/or elected members at Cheshire East Council.

There are also several senior officers either suspended or away from their jobs on extended leave of absence.

Finally, there are persistent concerns over the culture at Cheshire East Council, and that the Council has been aware that it was in breach of the regulations governing the payment of the National Minimum Wage to staff for several years.

As a consequence, the reputation of the Council is under almost daily attack, and is a cause of great concern to many residents and businesses in the Borough.

Therefore, it is proposed that:

1. For a period not exceeding one year, a new cabinet, whose membership is drawn from across the political complexion of the Council be appointed. Membership being closed to anyone touched by any of the current police or internal investigations.
2. Appointment to the new Cabinet should be on the basis of relevant skills and a willingness to work across the political divide in the spirit of rebuilding the image, repute and performance of Cheshire East Council.
3. As soon as possible, and within three months, an interim report on the investigation of the culture at Cheshire East Council be published, with a final report along with any recommendations for changes to the Council's organisation, governance and culture be published for consideration at Annual Council in May 2018.

RESOLVED

That the motion be not accepted.

3. The Sun Newspaper

Proposed by Councillor J Bratherton and seconded by Cllr D Bailey

On 15th April 1989, a disaster at Hillsborough Stadium in Sheffield led, ultimately, to the death of 96 innocent fans who had left home that morning to watch a football match.

Due to crowd control mis-management those fans, whose ages ranged from 10 to 67 years of age, had the life crushed out of them. Contrary to the facts, The Sun published a front page story with the banner headline "The Truth" which contained less than the truth.

It is sobering to compare the behaviour of those who were in positions of responsibility and public trust, who have continued to falsify records and statements, with the dignity and courage displayed by the families of the 96, who have continued since 1989 to fight for justice whilst coping with the loss of their loved ones.

Motion

"This Council recognises and does not forget the hurt and distress caused to the people of Merseyside by what was printed in The Sun, and, in particular, the distress caused to the families of the 96. Neither will the Council forget The Sun's refusal to apologise properly for the hurt it caused".

For these reasons, I will be separately seeking reassurance that this newspaper will not be held or displayed by Cheshire East Council.

RESOLVED

That the motion be referred to Cabinet for consideration.

4. Independent Cultural Review

Proposed by Councillor D Bailey and Seconded by Councillor D Flude

Cheshire East Council has been beset by numerous allegations of bullying and harassment from its staff.

This Council claims to be an organisation that puts 'Residents First'. In order to carry out such an objective in an effective and efficient manner, we rely on our staff to deliver the services our residents rely on. Therefore, the welfare of the people we employ must be front and centre of everything we do as an organisation. Currently, there are concerns that we

may be failing them and it is incumbent on us as elected representatives to tackle the issue head on.

We reference the recent independent cultural review that took place in Essex Fire & Rescue Service as a good model for this Council to adopt. Through a robust process of investigative work into the practices of the Service, Irene Lucas CBE of DCLG was able to explore the historical causes that fostered such a toxic culture of harassment and intimidation that besieged the organisation for many years. Such a root and branch review of our organisation would be an agent of positive and transformative change for this Council, if we are brave enough to embark on such a path.

It is recommended that:

- Cheshire East acknowledges we have deep-rooted cultural issues in respect to the treatment of our employees in certain quarters.
- Cheshire East Council writes to the Department of Communities & Local Government acknowledging our problem with the bullying and harassment of our staff requesting that they appoint an individual or group of local Government experts, as in the example cited above, to conduct an independent cultural review.
- Cheshire East Council actively cooperate with the actors asked to undertake such a task providing resources where appropriate, working on a cross-party basis to support the review in a collaborative, meaningful and positive manner.
- Cheshire East Council begins to extensively work with its recognised trade unions, taking advice and recommendations from them where appropriate to enhance the welfare of our employees in and out of the work place.
- Cheshire East Council reaffirms and strengthens its commitment to those staff who decide to 'whistle-blow' on malpractices within the organisation.

RESOLVED

That the motion be referred to Staffing Committee for consideration.

40 **QUESTIONS**

The following questions were asked by Members:-

1. Cllr D Marren referred to a recent employment tribunal case. He said that, at the preliminary hearing, the judge had struck out the Council's costs application and the Council's application to dismiss the case. A ten day hearing had now been scheduled for June of the following year and he sought assurance that the claim would be robustly defended and that there would be no settlement agreement. – The Leader of the Council, Cllr Rachel Bailey responded.

2. Cllr L Jeuda asked the Leader to justify the money spent on the employment of a barrister to defend the Council against a whistle blower who was claiming unfair dismissal and whether the residents of Cheshire East would be paying the bill for this. - The Leader of the Council, Cllr Rachel Bailey responded.
3. Cllr B Burkhill referred to the supplementary capital estimate for the Crewe Green roundabout, approved at the previous meeting of Council, and asked when this would be brought back to Council, as Members had voted on what they thought to be a loan, which now appeared to be a gift. – Cllr Paul Bates, Finance and Communities Portfolio Holder responded.
4. Cllr D Flude referred to correspondence received from a resident asking what the justification was for “The Voice” magazine produced by the Council and asked how residents could opt out of the 19 pence that they were paying for this, as part of their Council tax. – Cllr Peter Groves, former Democratic and Public Engagement, Assurance and ICT Portfolio Holder, responded and undertook to inform Cllr Flude what the resident concerned needed to do, so that she could pass the information on to them.
5. Cllr Kolker asked whether the Council could do anything to help with the provision of good and appropriate careers advice in schools. – Cllr George Hayes, former Children and Families Portfolio Holder, responded.
6. Cllr S Pochin asked, in light of the threat to the Consultation Partnership, with some partners refusing to commit to taking their share of the housing, what reassurance the Leader could give that the 100,000 houses required if the HS2 Hub station went to Crewe, that all the housing would not be built in Crewe and Nantwich. - The Leader of the Council, Cllr Rachel Bailey responded.
7. Cllr S Corcoran asked, in view of the concerns expressed regarding “The Voice” magazine, what the cost to the Council would be for the contract advertised on the Chest, dated 16 October 17, including public relations and image to support the work of the Communications Team. - Cllr Peter Groves, former Democratic and Public Engagement, Assurance and ICT Portfolio Holder, stated that this was a procurement issue and undertook to arrange for a written response to be provided.
8. Cllr N Mannion asked, in view of the new housing development allocated in the Local Plan on former Green Belt land on either side of Chelford Road, Macclesfield and the associated additional traffic movements at Broken Cross roundabout, would the draft Air Quality Management Plan for Broken Cross take this into account, when would the Air Quality Management plan be published for consultation and would there be enough money, so that the

measures proposed in the action plan could be delivered. He asked for a written response to be provided and that this also be sent to the two ward members for Broken Cross and Upton, Cllrs Hardy and Durham.

9. Cllr D Bailey welcomed the Leaders announcement regarding an independent cultural review, agreed by the Staffing Committee and sought assurance that the review would be dealt with in a proper and open manner - The Leader of the Council, Cllr Rachel Bailey responded.
10. Cllr J Bratherton asked who was empowered to make the decision as to what was debated at Council meetings and which motions were debated at the meeting, when others were referred to Cabinet and Committees. – The Mayor responded.
11. Cllr E Brookfield referred to sleep-in rates for care workers and sought assurance and confirmation that any settlement to care works would ensure that pay was brought in line with the Cheshire East living wage and not just the national minimum wage. - The Leader of the Council, Cllr Rachel Bailey responded briefly and undertook to provide a written response. (Following the Leader's response, Cllr S Corcoran asked the Monitoring Officer to clarify whether a breach of the national minimum wage legislation was a criminal matter, or not. This would be factored into the written response).
12. Cllr B Roberts referred to security issues at the former Crewe baths and asked for reassurance that the Council would make greater efforts to secure the property as soon as possible - Cllr Paul Bates, Finance and Communities Portfolio Holder responded. –
13. Cllr J Nicholas questioned whether the Council was open and transparent with its residents, when it did not refer to areas where the Council was failing in "The Voice" magazine produced by the Council. - The Leader of the Council, Cllr Rachel Bailey responded.
14. Cllr T Fox noted that the Leader had alluded to the LGA providing professional advice and support, including mentors for Councillors and senior officers and a dedicated resource to improve communication with residents and also workshops with Cabinet and senior officers, to ensure that they worked together. She asked that all Members be kept fully informed, with regular updates in respect of any dealings with the Police and DCLG concerning senior officers and Cabinet Members, both past and present. - The Leader of the Council, Cllr Rachel Bailey responded.

The meeting commenced at 2.00 pm and concluded at 6.35 pm

Councillor A Moran (Chairman)
CHAIRMAN

Cheshire East Council

Cabinet

Date of Meeting:	5 th December 2017
Report of:	Director of Finance & Procurement
Subject/Title:	Council Tax Base 2018/19 – Domestic Rates
Portfolio Holder:	Councillor Paul Bates, Finance and Communication

1.0. Report Summary

- 1.1. This report sets out the Council Tax base calculation 2018/19 for recommendation from Cabinet to Council.
- 1.2. The calculation sets out the estimates of new homes less the expected level of discounts and the level of Council Tax Support (CTS). This results in a band D equivalent tax base position for each Town and Parish Council.
- 1.3. The tax base reflects growth of £3.9m (1.9%) on the 2017/18 position highlighting the positive changes locally. Additional new homes and more properties brought back into use over the last eight years, have increased the taxbase by 11%.

2.0 Recommendation

- 1.4. That Cabinet, in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, recommend to Council the amount to be calculated by Cheshire East Council as its Council Tax Base for the year 2018/19 as **147,003.80** for the whole area.
- 1.5. No changes are made to the Council Tax Support Scheme for 2018/19, other than the annual increase in the allowances used and clarification following changes in other state benefits.

3.0 Other Options Considered

- 1.6. None.

4.0 Reason for Recommendation

- 1.7. In accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992 Cheshire East Council is required to agree its tax base before 31st January 2018.

5.0 Background/Chronology

- 1.8. Cheshire East Council is required to approve its tax base before 31st January 2018 so that the information can be provided to the Cheshire Police and Crime Commissioner and Cheshire Fire Authority for their budget processes. It also enables each Town and Parish Council to set their respective budgets. Details for each parish area are set out in **Appendix A**.

- 1.9. The tax base for the area is the estimated number of chargeable dwellings expressed as a number of band D equivalents, adjusted for an estimated number of discounts, exemptions and appeals plus an allowance for non-collection. A reduction of 1% is included in the tax base calculation to allow for anticipated levels of non-collection.
- 1.10. Processes to collect Council Tax locally continue to be effective and collection rates of 99% continue to be achieved over two years. Changes to Council Tax discounts, specifically the introduction and subsequent amendments to the CTS scheme are being managed and the forecast level of non-collection at Cheshire East has been maintained at 1% for 2018/19.
- 1.11. The tax base has been calculated in accordance with the Council’s policy to offer no reduction for empty properties. However discretionary reductions will continue to be allowed, for landlords, under Section 13A of the Local Government Finance Act 1992 for periods of up to eight weeks between tenancies. This is no change from 2017/18.
- 1.12. Analysis of recent trends in new homes, and homes being brought back into use, suggest an increase of nearly 4,000 homes is likely between the setting of the 2017/18 taxbase in October 2017 and the 31st March 2019. The impact of this growth is affected by when properties may be available for occupation and the appropriate council tax banding and this is factored into the tax base calculation.
- 1.13. The tax base also reflects assumptions around CTS payments. The Cheshire East CTS scheme was introduced in 2013/14 and subsequently amended following consultation for 2016/17. The history of the scheme including budgets available compared to actual payments made is shown in **Table 1** below.

Table 1 – Council Tax Support Budget since the introduction of the Scheme

Taxbase Year	CTS Payments £m	Risk Allowance £m	Resulting CTS Budget £m
2013/14 (original scheme)	18.2	0.7	18.9
2014/15	17.7	1.4	19.1
2015/16	17.7	0.9	18.6
2016/17 (revised scheme)	15.7	1.9	16.7
2017/18 (estimated)	15.0	1.2	16.2
2018/19 (estimated)	15.0	1.2	16.2

- 1.14. This level of budget will allow a risk factor of £1.2m to remain within the scheme. The ongoing level of risk reflects a number of possible influences on the scheme such as:
- Challenges over the medium term economic position.
 - The risk of a major employer leaving the area.
 - The risk of delay in the significant development projects delaying employment opportunities.
 - The prospect of a greater number of residents becoming of pensionable age and potentially becoming eligible for CTS.

- The risk of increased non-collection due to the increasing demand on non-protected residents.

1.15. No changes are proposed to the Council Tax Support Scheme for 2018/19 other than to amend the allowances used within the calculation to mirror those used within the calculation of Housing Benefit and clarification following changes in other state benefits.

6.0 Wards Affected and Local Ward Members

1.16. All

7.0 Implications of Recommendations

1.17. Policy Implications

1.17.1. None.

1.18. Legal Implications

1.18.1. In accordance with the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 as amended and Chapter 4 of the Council's Constitution, the calculation of the Council Tax Base is a matter for full Council following a recommendation by Cabinet.

1.19. Financial Implications

1.19.1. The calculation of the tax base provides an estimate that contributes to the calculation of overall funding for Cheshire East Council in each financial year.

1.20. Equality Implications

1.20.1. None.

1.21. Rural Community Implications

1.21.1. This report provides details of taxbase implications across the borough.

1.22. Human Resource Implications

1.22.1. None.

1.23. Public Health Implications

1.23.1. None.

1.24. Other Implications (please specify)

1.24.1. None.

8.0 Risk Management

- 1.25. Consideration and recommendation of the Tax Base for 2018/19 to Council ensures that the statutory requirement to set the taxbase is met.
- 1.26. Estimates contained within the Council Tax Base calculation, such as the loss on collection and caseload for Council Tax Support, will be monitored throughout the year. Any significant variation will be reflected in a surplus or deficit being declared in the Collection Fund which is then shared amongst the major precepting authorities.

9.0 Contact Information

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

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APPENDIX A

COUNCIL TAX - TAXBASE 2018/19

CHESHIRE EAST	BAND D EQUIVALENTS	TAX BASE 99.00%
Acton	163.82	162.18
Adlington	613.67	607.53
Agden	72.04	71.32
Alderley Edge	2,699.00	2,672.01
Alpraham	195.94	193.98
Alsager	4,498.81	4,453.82
Arclid	154.71	153.17
Ashley	164.05	162.41
Aston by Budworth	181.97	180.15
Aston-juxta-Mondrum	89.56	88.66
Audlem	937.36	927.98
Austerson	49.34	48.85
Baddiley	129.37	128.07
Baddington	61.63	61.02
Barthomley	98.14	97.16
Basford	92.23	91.31
Batherton	24.47	24.23
Betchton	277.16	274.39
Bickerton	125.31	124.05
Blakenhall	70.16	69.46
Bollington	3,159.33	3,127.74
Bosley	208.63	206.54
Bradwall	85.68	84.82
Brereton	650.89	644.38
Bridgemere	66.74	66.07
Brindley	73.30	72.56
Broomhall	87.47	86.59
Buerton	222.95	220.72
Bulkeley	141.33	139.92
Bunbury	638.73	632.34
Burland	298.50	295.51
Calveley	134.56	133.21
Checkley-cum-Wrinehill	47.11	46.64
Chelford	634.56	628.22
Cholmondeley	85.68	84.82
Cholmondeston	96.03	95.07
Chorley	270.65	267.95
Chorley (Crewe)	60.08	59.47
Chorlton	510.93	505.82
Church Lawton	860.12	851.52
Church Minshull	212.17	210.05
Congleton	10,043.55	9,943.11
Coole Pilate	32.66	32.34
Cranage	676.57	669.81
Crewe	13,888.18	13,749.29
Crewe Green	116.65	115.48
Disley	2,022.00	2,001.78
Dodcott-cum-Wilkesley	207.97	205.89
Doddington	21.10	20.89
Eaton	226.06	223.80
Edleston	225.24	222.99
Egerton	38.00	37.62
Faddiley	73.68	72.95
Gawsworth	830.04	821.74
Goostrey	1,076.61	1,065.85
Great Warford	457.81	453.23
Handforth	2,313.29	2,290.16
Hankelow	148.72	147.23
Haslington	2,565.17	2,539.52
Hassall	113.17	112.03
Hatherton	181.46	179.65
Haughton	101.68	100.67
Henbury	357.81	354.23
Henhull	25.94	25.68
High Legh	904.46	895.41
Higher Hurdfield	333.20	329.87
Holmes Chapel	2,654.40	2,627.85
Hough	340.00	336.60
Hulme Walfield & Somerford Booths	172.67	170.94
Hunsterson	79.76	78.96
Hurleston	35.69	35.34

COUNCIL TAX - TAXBASE 2018/19

CHESHIRE EAST	BAND D EQUIVALENTS	TAX BASE 99.00%
Kettlethulme	166.87	165.20
Knutsford	5,813.84	5,755.70
Lea	20.78	20.57
Leighton	1,770.68	1,752.97
Little Bollington	88.34	87.45
Little Warford	37.82	37.44
Lower Peover	75.81	75.05
Lower Withington	308.54	305.45
Lyme Handley	74.74	74.00
Macclesfield	18,407.42	18,223.35
Macclesfield Forest/Wildboardclough	112.25	111.13
Marbury-cum-Quoisley	128.25	126.97
Marton	113.19	112.06
Mere	445.42	440.96
Middlewich	4,887.05	4,838.18
Millington	101.43	100.42
Minshull Vernon	149.65	148.16
Mobberley	1,458.35	1,443.77
Moston	277.53	274.76
Mottram St Andrew	416.18	412.02
Nantwich	5,345.68	5,292.23
Nether Alderley	386.48	382.61
Newbold Astbury-cum-Moreton	374.85	371.10
Newhall	413.32	409.18
Norbury	104.94	103.89
North Rode	125.29	124.04
Odd Rode	1,995.13	1,975.18
Ollerton with Marthall	320.92	317.71
Over Alderley	215.95	213.79
Peckforton	71.36	70.65
Peover Superior	405.34	401.29
Pickmere	377.92	374.14
Plumley with Toft and Bexton	403.89	399.85
Poole	75.45	74.69
Pott Shrigley	145.27	143.82
Poynton with Worth	5,896.63	5,837.67
Prestbury	2,218.44	2,196.26
Rainow	606.84	600.77
Ridley	79.59	78.79
Rope	862.30	853.67
Rostherne	80.67	79.86
Sandbach	7,692.24	7,615.32
Shavington-cum-Gresty	1,922.42	1,903.20
Siddington	186.24	184.38
Smallwood	340.02	336.62
Snelson	100.94	99.93
Somerford	329.72	326.43
Sound	134.71	133.36
Spurstow	197.16	195.19
Stapeley	1,612.42	1,596.29
Stoke	114.58	113.43
Styal	369.91	366.22
Sutton	1,152.87	1,141.34
Swettenham	178.29	176.51
Tabley	226.27	224.01
Tatton	10.28	10.18
Twemlow	114.50	113.36
Walgherton	67.69	67.01
Wardle	52.57	52.04
Warmingham	121.66	120.44
Weston	951.19	941.68
Wettenhall	118.08	116.90
Willaston	1,361.82	1,348.21
Wilmslow	11,610.06	11,493.96
Windle	94.44	93.50
Wirswall	41.74	41.32
Wistaston	3,041.10	3,010.69
Woolstanwood	246.87	244.40
Worleston	124.46	123.22
Wrenbury	471.64	466.92
Wybunbury	634.67	628.32
	148,488.68	147,003.80

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Cheshire East Council

Cabinet

Date of Meeting: 5th December 2017
Report of: Director of Finance & Procurement
Subject/Title: Non-Domestic Rates Taxbase 2018/19
Portfolio Holder: Councillor Paul Bates, Finance and Communications

1.0. Report Summary

- 1.1. Cheshire East Council is responsible for delivering more than 500 local public services across an area of over 1,100km² for over 370,000 residents. The budget to deliver these services in the period April 2017 to March 2018 is around £720m, which is raised from a combination of local taxes (business rates and council tax), national taxes (in the form of Government Grants) and payments direct from service users.
- 1.2. Cheshire East Council collects c.£139m (before accounting adjustments) in Business Rates from over 14,000 business premises and this funding is distributed between central government (70%*), Cheshire East Council (29%*) and Cheshire Fire Authority (1%). The amount of business rates collected in Cheshire East per head is higher than the North West average and the number of VAT registered businesses is as high as the number in central Manchester at over 18,000.
- 1.3. The purpose of the report is to continue to raise awareness of the increasing importance of Business Rates in local government and improve overall understanding of how changes in business rates affect the Council's finances and improve medium term forecasting.
- 1.4. Cheshire East Council is reporting a Non Domestic Rates taxbase in rateable value (RV) terms of £351m for 2018/19. This is an increase of £2m (0.6%) on the RV level as at September 2016. The net yield is estimated to be c.£134.7m after the deductions of exemptions, discounts, losses in collection and provisions for appeal losses. Collection rates continue to hold at 99% over a two year period which is high against national comparisons.
- 1.5. The overall financial health at Cheshire East Council is strong, according to external assessments, despite freezing Council Tax for five out of six consecutive years up to and including 2015/16. The 2016/17 accounts were signed off by the Council's external auditors, without qualification, and savings are consistently achieved through efficiency, removing duplication of effort, making reductions in management costs, and planned programmes of asset disposals. The approach continues to protect funding provided to front line services.

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*includes the payment of the fixed rate tariff from CE to DCLG due as part of the Business Rates Retention Scheme

2.0 Recommendation

1.6. That Cabinet consider the information given in this report and note that:

1.6.1. The non domestic rates estimates and calculations for 2018/19 will be calculated in accordance with the regulations as follows:

	2018/19	£m
	Projected NDR net income after accounting adjustments	134.7
Less	Payable to DCLG (50% share)	-67.4
Less	Payable to Fire Authority (1% share)	-1.3
	Cheshire East Council proportionate share	66.0
Less	<i>Fixed Tariff payable to DCLG</i>	-24.2
Add	<i>Pooling arrangement levy reduction</i>	+0.8
Add	<i>Section 31 Compensation grant*</i>	+0.5
	Cheshire East Council Retained share	43.1

** to compensate for additional business rate discount measures introduced by DCLG since the inception of the BRRS scheme in April 2013*

1.6.2. The Director of Finance and Procurement in consultation with the Portfolio Holder for Finance and Communication will finalise these estimates based on the latest data for submission to the Department for Communities and Local Government (DCLG) in January 2018.

3.0 Other Options Considered

1.7. None.

4.0 Reason for Recommendation

1.8. In line with the setting of the Domestic Tax base, which is in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992 where Cheshire East Council is required to agree its tax base before 31st January 2018, this report sets out the calculation of the Non Domestic rates taxbase for noting purposes only.

5.0 Background/Chronology

Background

1.9. The Local Government Finance Act 2012 gave local authorities the power to retain a proportion of funds obtained from business rates in their area.

1.10. The introduction of the Business Rates Retention Scheme in April 2013 allowed local authorities to retain a share of the income they collect from business rates as funding to meet the cost of service provision. Before this date, all business rates collected in England were paid to central Government from the billing authorities, and a proportion was then paid back to each authority as Formula Grant.

1.11. The scheme provides for non-domestic rates collected by a billing authority to be shared between itself, its major precepting authorities and central government in the following shares:

- Central Government – 50%
- Cheshire East Council – 49%
- Cheshire Fire Authority – 1%

- 1.12. The statutory framework requires a billing authority, before the beginning of the financial year, to forecast the amount of business rates that it will collect during the course of the year and, from this, to make a number of allowable deductions in order to arrive at a figure for its non-domestic rating income.
- 1.13. There is no change to the way business rates are calculated; these continue to be set nationally.
- 1.14. Any difference between forecast amounts and final outturns will result in a surplus, or deficit on the billing authority's Collection Fund. Any such surplus or deficit is shared between the parties in the same proportionate shares as set out above.
- 1.15. The retained business rates for Cheshire East are then reduced by a Tariff and a Levy on business rates growth (if applicable). The tariff payment is made to central Government in order to fund other authorities where their business rates are disproportionately low compared to their need. For 2018/19, the tariff payment estimated to be payable by Cheshire East Council is £24.2m.
- 1.16. Cheshire East Council continues to be in a pooling arrangement with the Greater Manchester (GM) Authorities plus Cheshire West and Chester 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 GM 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 "levy charges" locally before paying the remainder over to the pool. This saving is estimated to be £0.8m.
- 1.17. The Cheshire and GM Pool are also continuing to take part in a pilot scheme where the pool is 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.

Setting the Business Rates Baseline

- 1.18. Officers from the Revenues, Finance, Regeneration and Planning teams work together to ascertain potential impacts of the business rates retention scheme as well as aiming to predict the likely economic and rateable value growth for the coming financial year. Current and historic data is being used to forecast changes in rateable value due to growth, decline and appeals.
- 1.19. The Council has information available from several sources to judge likely levels of economic growth including:
 - Information from the business engagement team
 - Data from the Council's planning system
 - Data from the team working to generate capital receipts.
 - Data from the Revenues collection service in terms of appeals and expected growth.
 - Data from the Valuation Office Agency

- Strategy Finance knowledge of the BRRS calculations

1.20. During 2017/18 work has continued to monitor the growth predictions that were noted in Annex 6 of the [Medium Term Financial Strategy 2017-20](#). This has continued to be a solid methodology for the calculation of new potential growth.

1.21. **Annex 1** sets out the profile of the current business rates taxbase made up by each type of business. This is shown alongside the profile as at September 2016 (used to set the taxbase for 2017/18). Growth and/or decline in each sector are as a result of actual business additions or changes. The increase in RV to July 2017 is £1.0m

1.22. Cheshire East Council's estimated business rate income for 2018/19 has been calculated as follows –

- The total gross business rate yield which is the rateable value of properties within Cheshire East, multiplied by the non-domestic rating multiplier (estimated for 2018/19).
- Deductions are then made for estimated mandatory and discretionary reliefs and exemptions, based on local intelligence and past trends.
- Deductions are also made for estimated losses in collection, based on historical trends and local intelligence and to meet the cost of collection as prescribed by Government.
- Deductions are made for the estimated impact of changes to rateable values through new notified appeals.
- An adjustment is also made to reflect local intelligence on the estimated impact of anticipated future changes to business activity in the year. This could be demolitions or change to current business in the taxbase or anticipated new growth into the area.

1.23. **Annex 2** sets out the summary calculation resulting in a final estimated net rates value of £134.7m for 2018/19. Cheshire East's share of this revenue stream after the fixed rate tariff payment (£24.2m) is **£43.1m**. This is an increase in net rates of £2.1m (5%) on the 2017/18 retained rates level.

6.0 Wards Affected and Local Ward Members

1.24. All

7.0 Implications of Recommendations

1.25. Policy Implications

1.25.1. None

1.26. Legal Implications

1.26.1. None

1.27. Financial Implications

1.27.1. The calculation of the tax base is a professional judgement which provides an estimate that contributes to the calculation of overall funding for Cheshire East Council in each financial year.

1.27.2. The Council works with the Valuation Office Agency to ensure non-domestic properties are correctly rated, so that ratepayers are billed correctly and that financial forecasts are reasonable. Changes in the number of businesses, (although not all VAT registered businesses will occupy separately rated premises), and the fact that all premises may be subject to business rate discounts, exemptions or appeals against rates payable are factors that could affect the estimated tax base.

1.28. Equality Implications

1.28.1. None

1.29. Rural Community Implications

1.29.1. This report provides details of taxbase implications across the Borough.

1.30. Human Resource Implications

1.30.1. None

1.31. Public Health Implications

1.31.1. None

1.32. Other Implications (please specify)

1.32.1. None

8.0 Risk Management

1.33. Consideration and recommendation of the Non Domestic Tax Base for 2018/19 to Council ensures that the statutory requirement to set the taxbase is met.

1.34. There are a number of significant risks associated with the business rate retention scheme, such as:

- Reduction in collectable business rate income due to an unpredictable increase in exemptions and reliefs due to different property usage and successful business rate appeals. The risk of a reduction in business rate income remains with the local authority, each authority can lose up to 7.5% of their baseline Funding level (c.£10m for Cheshire East), before a safety net compensation payment applies.
- Future business rate baseline resets which will assume the growth achieved to date within a revised funding baseline.
- An increase in the cost of successful appeals above the estimated levels.

- A decrease in the level of collected business rates due to uncollectable debt as a result of potential worsening economic conditions.

9.0 Contact Information

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

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Business Type		Business Numbers	Rateable Value	Business Numbers	Rateable Value	Change
		(Sept 2016)	(Sept 2016)	(July 2017)	(July 2017)	
		Number	£m	Number	£m	£m
Commercial	Advertising Rights and Stations	60	0.08	65	0.11	0.03
	Camping Sites, Holiday Centres etc	22	0.14	24	0.16	0.01
	Petrol Filling Stations, Garages etc	301	10.51	297	10.49	-0.02
	Hotels, Boarding Houses etc	131	7.16	138	7.08	-0.08
	Licensed Properties	498	14.91	487	14.70	-0.21
	Markets	11	0.40	11	0.39	-0.01
	Offices	3285	55.95	3432	56.13	0.18
	Car Parks and Parking Spaces	408	3.31	509	3.52	0.21
	Restaurants, Cafes etc	208	5.20	212	5.15	-0.06
	Shops, Banks, Post Offices etc	3469	86.22	3458	87.99	1.77
	Warehouses, Stores etc	1365	44.83	1382	44.79	-0.04
	Other Commercial	400	9.04	451	9.65	0.61
TOTAL Commercial		10,158	237.76	10,466	240.16	2.40
Educational , Training and Cultural	Local Authority Schools and Colleges	156	13.44	157	13.67	0.22
	Museums, Libraries etc	30	1.14	30	1.13	-0.01
	Day Nurseries	124	2.61	130	2.58	-0.03
	Private Schools and Colleges	24	1.90	24	1.92	0.02
	Universities	2	0.99	2	0.86	-0.13
	Other Educational and Cultural	10	1.57	12	1.60	0.03
TOTAL Educational, Training and Cultural		346	21.66	355	21.76	0.10
Formula Assessed Public Utilities	Docks and Harbours	0	0.00	0	0.00	0.00
	Electricity	8	0.34	11	0.38	0.04
TOTAL Formula Assessed Public Utilities		8	0.34	11	0.38	0.04
Industrial	Factories, Workshops etc	1743	50.77	1753	50.30	-0.47
	Mineral	21	1.59	21	1.61	0.02
	Other Industrial Mineral	19	0.69	20	0.58	-0.11
	Other Industrial	28	1.45	30	1.44	-0.01
	TOTAL Industrial	1811	54.49	1824	53.93	-0.57
Leisure	Clubs, Community Centres etc	179	4.78	178	4.77	-0.01
	Beach Huts	0	0.00	0	0.00	0.00
	Indoor Sports Facilities	6	0.72	5	0.64	-0.09
	Sports Grounds etc	99	2.16	98	2.15	-0.01
	Theatres, Cinemas etc	13	0.41	13	0.41	0.00
	Other Leisure	318	2.66	367	2.77	0.11
	TOTAL Leisure	615	10.74	661	10.74	0.00
Miscellaneous	Cemetery and premises	15	0.22	15	0.22	0.00
	Private Hospitals, Clinics etc	174	7.65	174	7.50	-0.15
	Local Government Offices	8	0.71	8	0.71	0.00
	Police Stations, Courts, Prisons	15	1.34	15	1.40	0.06
	Residential Homes, Hostels etc	11	0.20	14	0.21	0.01
	Fire and Ambulance Stations	21	0.54	21	0.53	-0.01
	Communications Stations, Public Telephones	363	2.90	361	2.91	0.01
	Other Misc (Communications)	1	1.20	1	0.81	-0.39
	Other Misc	95	6.12	106	5.63	-0.49
	TOTAL Miscellaneous	703	20.88	715	19.92	-0.96
Non Formula Assessed Public Utilities	Transport	12	0.22	12	0.21	-0.01
	Water	45	2.77	45	2.78	0.01
	Other Non Formula	36	0.02	47	0.02	0.00
TOTAL Non Formula Assessed		93	3.01	104	3.01	0.00
Treasury (Crown)	Forces Careers Offices Auxiliary Defence (TA)	1	0.01	1	0.01	0.00
	Royal Palaces, Other Crown	13	0.14	13	0.14	0.00
	TOTAL Treasury (Crown)	14	0.16	14	0.16	0.00
TOTAL RATING LIST		13,748	349.04	14,150	350.05	1.01

Projected Business Rates Income 2018/19		
	%	£m
Gross Rateable Value July 2017)		350.0
Estimated Growth in RV to March 2018		1.0
Estimated Rateable Value for 2018/19		351.0
Assumed Small Business Rates Multiplier 2018/19	0.478	
Estimated Gross Yield		167.8
Projected Reliefs/Discounts:		
Small Business Rate Relief		-13.5
Empty Property		-3.8
Mandatory Relief		-8.2
Discretionary Relief		-0.5
Total Deductions		-26.0
Less Cost of Collection		-0.6
Estimated Net Rates before Accounting Adjustments		141.1
Losses in collection (non exceptional items)		-2.0
Additional Provision for Appeals		-3.9
Disregarded Amounts (Enterprise Zone/Renewable Energy Growth)		-0.5
Net Rates Payable		134.7
Proportionate Shares:		
Central Government	0.50	67.4
Cheshire East Council	0.49	66.0
Cheshire Fire Authority	0.01	1.3
Cheshire East Retained Rates -		
Fixed Rate Tariff to DCLG		-24.2
Pooling arrangement - 50% of levy charge retained		0.8
Section 31 compensation grants*		0.5
Total Retained for 2018/19 to take to General Fund		43.1

* to compensate for additional business rate discount measures introduced by DCLG since the inception of the BRRS scheme in April 2013

COUNCIL MEETING – 14TH DECEMBER 2017**Extract from the Minutes of the Cabinet meeting on 7th November 2017****80 MID-YEAR REVIEW OF PERFORMANCE 2017/18**

Cabinet considered a report on the Mid-Year Review of Performance for 2017/18.

The report outlined the budgetary pressures facing the Council and the mitigation measures used to address forecast overspends. The report also highlighted examples of good performance in Quarter 2.

Annex 1 to the report set out details of how the Council was performing in 2017/18 and was structured into three sections:

- Section 1 Summary of Council Performance
- Section 2 Financial Stability.
- Section 3 Workforce Development

RESOLVED

That Cabinet

1. notes the mid-year review of 2017/18 performance in relation to the following issues:

- The summary of performance against the Council's six Strategic Outcomes (Section 1 of the report);
- The projected service revenue and capital outturn positions, overall financial stability of the Council, and the impact on the Council's reserves position (Section 2);
- The delivery of the overall capital programme (Section 2, paragraphs 179 to 187, Appendix 4 and Appendix 5);
- Fully funded supplementary capital estimates and virements up to £250,000 approved in accordance with Finance Procedure Rules (Appendix 6);
- Changes to Capital Budgets made in accordance with the Finance Procedure Rules (Appendix 9);
- Treasury management investments and performance (Appendix 10);
- Management of invoiced debt (Appendix 12);
- Use of earmarked reserves (Appendix 13);

- Update on workforce development and staffing (Section 3);
 - The intention of the S.151 Officer to identify further financial mitigation, in relation to the Council's 2017/18 revenue budget, through a review of the calculation of the Minimum Revenue Provision, (Appendix 15) and the funding of other revenue costs through capitalisation or the appropriate use of available reserves;
 - The intention to implement a flexible use of capital receipt strategy to be approved by full council (Appendix 14).
2. approves supplementary revenue estimates to be funded by additional specific grant (Appendix 11);
3. **recommends that Council approve:**
- (a) Fully funded supplementary capital estimates and virements above £1,000,000 in accordance with Financial Procedure Rules as detailed in Appendix 8.**
 - (b) The Supplementary Capital Estimate of £12.6m for Poynton Relief Road as detailed in Appendix 8 and paragraphs 183-185.**
 - **To approve the forward funding of developer contributions to the scheme and to approve the underwriting, in principle, of any necessary gap funding required to deliver the proposed relief road.**
 - **That the scheme budget profile be adjusted accordingly in the capital programme.**
 - (c) The use of the flexibility to apply capital receipts to fund transformation projects as detailed in Appendix 14.**
4. recommends that Council note the financial implications of the change in the Minimum Revenue Provision (MRP) policy to the use of the annuity method as detailed in Appendix 15.

COUNCIL IS RECOMMENDED TO APPROVE THE RECOMMENDATIONS HIGHLIGHTED IN BOLD ABOVE ONLY.

Cheshire East Council

Cabinet

Date of Meeting:	7 th November 2017
Report of:	Director of Finance and Procurement (Section 151 Officer)
Subject/Title:	Mid-Year Review of Performance 2017/18
Portfolio Holder:	Cllr Paul Bates, Finance and Communications

1. Report Summary

- 1.1. This report outlines how the Council is managing resources to provide value for money services during the 2017/18 financial year. The report highlights financial and non-financial pressures and performance and provides an overview of progress towards achievement of the priority outcomes set out in the Corporate Plan 2017 to 2020.
- 1.2. 2017/18 is presenting a challenging year for local authorities across the UK as revenue budgets come under severe pressure due to the combined effects of rising inflation, increased demand for services and continuing reductions in government funding. Demand led financial pressures in the People Directorate are currently exceeding forecasts in both Children and Adults Services. This pressure is more significant as previous one-off mitigation, such as financial contributions from health services, are unlikely to continue, which exposes an additional underlying shortfall in certain budgets.
- 1.3. The Council's mid-year forecast overspend is estimated at £5.8m compared to the 2017/18 Budget. This is an improvement of £4.2m compared to quarter one due to robust mitigation and remedial action. However, the forecast identifies a £0.7m increase in the potential overspend within services, which is now forecast at £9.9m. This increase in service costs reflects further growth within Children's Social Care Services (of £1m), set against an improved forecast within the Corporate Directorate (of £0.3m).
- 1.4. Central Budgets and actions identified by the Section 151 Officer at quarter one, mitigate the latest forecast overspend within services by £4.1m, to reach the current net forecast of £5.8m. At quarter one the forecast included £17.7m of potential financial pressures, which were being partially mitigated by services, to leave a potential overspend of £10m. The report included options to fund the potential £10m through changes to Capital

Financing, early-payment of pensions deficits, capitalisation of transformation costs and the use of reserves.

- 1.5. At mid-year the changes to Capital Financing and early redemption of the pension deficit are resolved and are therefore included within the forecast outturn. The changes to capital financing reflect the flexible use of capital receipts, within the existing Strategy and have been verified by the Council’s treasury management advisors and external auditors. The Capital Financing budget requirement is reduced by £6m for 2017/18, although £1.9m of this relates to backdated adjustments, which are being allocated to earmarked reserves creating a net £4.1m improvement in the forecast. The early redemption of past service pension deficits improves the forecast by £0.8m, and is based on the impact of improved cashflow to the pension fund.
- 1.6. Robust action continues and may reduce the forecast deficit and return the budget to a balanced position, specifically in relation to reviewing the funding of costs of transformation activities and an appropriate use of available reserves which will also include recent decisions to fund the payment of sleep-in allowances.
- 1.7. Further mitigating actions potentially totalling £5m (not included in Annex 1) are identified below. These actions would reduce the forecast deficit to £0.8m, meaning further options will continue to be explored.

Options to further reduce the forecast revenue budget deficit:

Revenue reductions relating to capital - £2m	Capitalising some costs associated with major projects and funding transformation activity from capital receipts.
Potential Use of reserves - £3m	Income from Council Tax & Business Rates has been accumulated to mitigate costs of non-collection and appeals as well as from growth that has exceeded forecasts. Accounting for the liabilities in this area has proved accurate so it is reasonable to consider release of some of these reserves now.
	Financing the Capital Programme is a long term strategy and to date reserves have been built up to avoid an increase in the annual Capital Financing Requirement (CFR). To date the CFR has not been exceeded, and if MRP reductions are practical then reserves previously built up can be released.

- 1.8. Against this extremely challenging financial backdrop it is pleasing to note that the Council has continued to perform strongly, delivering positive outcomes in each of the six priority areas identified by the Corporate Plan.
- 1.9. In quarter two, a few examples of good performance were:

- Four 'Connected Communities' Centres have opened this quarter
- A new initiative to safeguard vulnerable residents was launched
- The Council will receive a share of £7.25m of funding to extend roll-out of faster broadband
- New pay and display parking machines were installed
- 89.7% of all schools were rated 'good' or 'outstanding' at the end of quarter two, including 92% of primary schools
- Provisional figures show excellent GCSE and A-Level results once again for Cheshire East students
- The Council sealed formal adoption of its Local Plan following three years of submissions and a total of more than 60,000 comments during 11 separate rounds of public consultation
- The Housing Standards & Adaptations team won the national Foundations 'Adaptations Service of the Year' award
- In quarter two we had our first cohorts of social workers endorsed as Advanced Practitioners
- The Council has appointed Public Concern at Work (PCaW) to deliver additional whistleblowing support to complement and review our current arrangements
- The Council's Customer Contact Centre at Macclesfield was one of four finalists for the Contact Centre of the Year award, by Call Northwest.

1.10. Areas requiring further improvement also identified as:

- The need to increase the number of Adult Social Care assessed within 28 days to above 50%
- The need to increase the number of adults seen within 10 days following referrals for drug and alcohol treatment
- The need to increase screening for young people with potential STI's
- To increase the number of children that have a health assessment by a paediatrician within 20 working days of entering care
- To reduce the percentage of referrals to Children Social Care which result in a child assessed as not in need
- To increase capital receipt disposals to be in line with original forecast
- To reduce the enquiry and legal costs related to planning appeals
- The need to increase the number of project highlight reports completed on time.

1.11. The attached report, **Annex 1**, sets out details of how the Council is performing in 2017/18. 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 six Council Outcomes during the year.

Section 2 Financial Stability - provides an update on the Council's overall financial position. It demonstrates how spending in 2017/18 has been funded, including the service budgets, grants, council tax & business rates, treasury management, centrally held budgets and reserves.

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

2. Recommendation

2.1. Cabinet is asked to consider and comment on the mid-year review of 2017/18 performance, in relation to the following issues:

- The summary of performance against the Council's six Strategic 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 179 to 187, Appendix 4 and Appendix 5**);
- Fully funded supplementary capital estimates and virements up to £250,000 approved in accordance with Finance Procedure Rules (**Appendix 6**);
- Changes to Capital Budgets made in accordance with the Finance Procedure Rules (**Appendix 9**);
- Treasury management investments and performance (**Appendix 10**);
- Management of invoiced debt (**Appendix 12**);
- Use of earmarked reserves (**Appendix 13**);
- Update on workforce development and staffing (**Section 3**);
- The intention of the S.151 Officer to identify further financial mitigation, in relation to the Council's 2017/18 revenue budget, through a review of the calculation of the Minimum Revenue Provision, (**Appendix 15**) and the funding of other revenue costs through capitalisation or the appropriate use of available reserves;
- The intention to implement a flexible use of capital receipt strategy to be approved by full council (**Appendix 14**).

2.2. Cabinet is asked to approve:

2.2.1. Supplementary revenue estimates to be funded by additional specific grant (**Appendix 11**).

2.3. Cabinet is asked to recommend that Council approve:

2.3.1. Fully funded supplementary capital estimates and virements above £1,000,000 in accordance with Financial Procedure Rules as detailed in **Appendix 8**.

2.3.2. The Supplementary Capital Estimate of £12.6m for Poynton Relief Road as detailed in **Appendix 8** and **paragraphs 183-185**.

- To approve the forward funding of developer contributions to the scheme and to approve the underwriting, in principle, of any necessary gap funding required to deliver the proposed relief road.
- That the scheme budget profile be adjusted accordingly in the capital programme.

2.3.4 The use of the flexibility to apply capital receipts to fund transformation projects as detailed in **Appendix 14**.

2.4. Cabinet is asked to recommend that Council note:

2.4.1. The financial implications of the change in the Minimum Revenue Provision (MRP) policy to the use of the annuity method as detailed in **Appendix 15**.

3. Other Options Considered

3.1. The 2017/18 Budget sets out a financial framework for Council services, which is approved and then adjusted in-year in accordance with the Constitution. Approval limits within the Constitution may require approval by members of the authority and non-financial changes, such as options to vary ways of working, staffing changes and reviews to levels of services delivery are applied within an approved policy framework.

3.2. Options such as a freeze on spending, or stopping fulfilment of vacancies are considered as part of the management review of expenditure throughout the year.

4. Reasons for Recommendation

4.1. The Council monitors in-year expenditure through a quarterly reporting cycle, which includes outturn reporting at year-end. Quarterly reports reflect financial and operational performance and provide the opportunity for members 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 resources focuses on value for money and good governance and stewardship. Financial changes that become necessary during the year must be properly authorised and this report sets out those areas where any further approvals are now required.

5. Background/Chronology

- 5.1. Monitoring performance is essential to the achievement of outcomes for local residents. This is especially important in an organisation the size of Cheshire East Council. The Council is the third largest in the Northwest of England, responsible for over 500 services, supporting over 370,000 local people. Gross annual spending is over £720m, with a balanced net budget for 2017/18 of £264.6m.
- 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 during the year.
- 5.3. At the mid year stage, action is required to ensure that the Council's reserves strategy remains effective following identification of a potential overspend of £5.8m (2.2%) against a net revenue budget of £264.6m. Forecast capital expenditure in the year is £112.3m.

6. Wards Affected and Local Ward Members

- 6.1. All

7. Implications of Recommendation

7.1. Policy Implications

- 7.1.1. Performance management supports delivery of all Council policies. The projected outturn position, ongoing considerations for future years, and the impact on general reserves will be fed into the assumptions underpinning the 2018/21 medium term financial strategy.

7.2. Legal Implications

- 7.2.1. The legal implications surrounding the process of setting the 2017 to 2020 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 mid year stage in 2017/18. 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. In relation to the approach the Council's minimum revenue provision the Council's 151 Officer needs to be content that Regulations 27 and 28 in the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 which requiring local authorities to make a prudent amount of minimum revenue provision are complied with. In addition The Secretary of State has issued statutory guidance on determining the "prudent" level of MRP which the Council is required to have regard to.

7.2.3. The only other 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.

7.2.4. 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.

7.3.2. Any proposals to amend the calculation of the Minimum Revenue Provision will be reported to Council as part of the process to review the Treasury Management Strategy. Any proposal to use reserves to support in-year expenditure will be consistent with the Reserves Strategy or otherwise reported to Council.

7.4. Equality Implications

7.4.1. This report is a backward look at Council activities in the second quarter 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 to which they 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 two (July to September 2017) and states the forecast 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 to which they relate.

7.7. Public Health Implications

7.7.1. This report is a backward look at Council activities in quarter two and provides the forecast 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 to which they relate.

7.8. Implications for Children and Young People

7.8.1. The report provides information on financial and non-financial performance of Council services within the Borough, which includes services to Children & Young People. The recommendations of this report do not include specific proposals that will directly impact on Children & Young People, but the narrative within the report does provide relevant information and updates on Council Services to these groups.

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 2017/18 budget and the level of general reserves were factored into the 2017/18 financial scenario, budget and reserves strategy.

9. Access to Information/Bibliography

9.1. The following are links to key background documents:

[Budget Book 2017/18](#)

[Medium Term Financial Strategy 2017/20](#)

[First Quarter Review of Performance 2017/18](#)

Contact Information

9.2. Contact details for this report are as follows:

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Designation: Director of Finance and Procurement
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Email: jan.willis@cheshireeast.gov.uk

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Appendix 8 Request for Supplementary Capital Estimates and Virements above £1,000,000

Capital Scheme	Amount Requested £	Reason and Funding Source
Cabinet are asked to request Council to approve the Capital Virements and SCEs over £1,000,000		
Supplementary Capital Estimates		
Prevention and Support		
Childcare Sufficiency (Early Years)	1,125,307	New Scheme funded from grant provided by the DfE to enable nurseries to adapt there buildings to enable to provide 30 hours free childcare
Infrastructure and Highways (inc Car Parking)		
Safer Roads Fund	1,030,000	We have been successful in a bid for Department for Transport Safer Roads Funding for the A532 West Street, Crewe
Poynton Relief Road	12,638,423	To reflect the revised estimate of the scheme cost.
Total Supplementary Capital Estimates Requested	14,793,730	
Capital Budget Virements		
Education and 14-19 Skills		
Alsager Planning Area (Secondary Schools - 150 Places)	1,074,000	The intially budget for this scheme was based of an average cost formula, following a detailed feasibility study, additional funding is required to meet the scope of this project. The additional funds are been vired from grant set aside for Future Years Basic Need projects.
Total Capital Budget Virements Requested	1,074,000	
Total Supplementary Capital Estimates and Virements	15,867,730	

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Appendix 14 Flexible Use of Capital Receipts Strategy 2017/18

1. The guidance on the flexible use of capital receipts issued under section 15(1) of the **Local Government Act 2003**, states that authorities may treat expenditure which is incurred in the design of projects that will generate on-going revenue savings in public services or that will transform service delivery to reduce costs or manage demand in future years for public service partners as capital expenditure.
2. It recommends that each authority should prepare a strategy that includes separate disclosure of the individual projects that will be funded or part funded through capital receipts flexibility and that the strategy is approved by full Council or the equivalent.
3. In the Medium Term Financial Strategy reported to Council on 23rd February 2017 it was reported that 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.
4. The Mid Year Finance and Performance report now provides this update and requests a recommendation to Council to approve the revised approach to expenditure that meets the criteria and can be funded from available in year capital receipts.
5. The guidance by the Secretary of State states that:

The Direction makes it clear that local authorities cannot borrow to finance the revenue costs of service reform and can only use capital receipts from the disposals received in the years in which the flexibility is offered (for qualifying projects). The Direction also confirms that local authorities are not permitted to use their existing stock of capital receipts to finance the revenue costs of reform.
6. The Council has reviewed the Flexible Use of Capital Receipts guidance and identified potential expenditure that meets the eligibility criteria laid out in the guidance document, in that they are forecast to generate on-going revenue savings through reducing costs of service delivery.
7. Further details will be provided in future quarterly reports to Cabinet.

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Appendix 15 Review of the Minimum Revenue Policy (MRP)

1. Introduction

- 1.1 The repayment and management of debt is frequently reviewed, to assess value for money and appropriateness, based on the current financial circumstances of the Council. The Council has posted underspends in the last 4 years to build up a capital financing reserve.
- 1.2 As the Council becomes more self sufficient, it also has to manage significant growth in demand led services, it is now more prudent to use annual income sources to support the direct cost of services.
- 1.3 The review of the Minimum Revenue Provision has identified that significant revenue funding can be used to support front line services without a significant impact on the lifetime costs of managing debt. The change in approach reflects a change in circumstances, and the opportunity to change the approach to financing debt has been made possible through prudent use of balances to date.

2. Background

- 2.1 Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, requires local authorities to charge to their revenue account for each financial year a Minimum amount to finance the cost of capital expenditure. Commonly referred to as MRP (Minimum Revenue Provision).

2.2 *Duty to make revenue provision*

27.—(1) During the financial year beginning on 1st April 2004 and every subsequent financial year, a local authority—

(a) shall charge to a revenue account a minimum amount (“minimum revenue provision”) for that financial year; and

(b) may charge to a revenue account any amount in addition to the minimum revenue provision,

in respect of the financing of capital expenditure incurred by the local authority in that year or in any financial year prior to that year.

- 2.3 The current policy, which has been applied since 2009, is as follows:

(a) **Supported Capital Expenditure** (applied to capital expenditure, pre 2008, which is supported by the Government through the Revenue Support Grant system). Revenue provision is charged at 4% of the previous year’s Supported Capital Financing Requirement (CFR). i.e., the balance of capital expenditure still to be financed.

(b) **Unsupported Capital Expenditure** (applies to capital expenditure, post 2008, under the Prudential system for which no government support is being given and is therefore self-financed). Revenue provision is made over the estimated life of the asset on a straight line basis.

- 2.4 The Council has the option under its current policy to apply the annuity method instead. This results in a consistent charge to Revenue for assets that provide a steady flow of benefits over their

useful lives. It is appropriate to set the annuity rate at estimated inflation. The percentage chosen corresponds with the Monetary Policy Committee’s inflation target rate of 2%. MRP will increase by this percentage each year. This reflects the time value of money and can therefore be considered to be fairer on Council Tax payers as it produces a consistent charge as measured in real terms.

2.5 Once set at 2% the rate would not be adjusted annually on the basis of actual CPI as this could result in significant fluctuations in the amount of MRP charged in any one year. However, should a significant and sustained divergence develop between the actual rate of CPI and the target rate or the MPC’s target for CPI be amended at any stage then it would be appropriate for the Council to reflect this in an adjusted annuity rate for new unfinanced capital expenditure.

2.6 CIPFA’s Practitioners’ Guide to Capital Finance in Local Government supports the use of the Annuity method on the basis that the MRP charge to Revenue takes account of the time value of money.

3. Supported Capital Expenditure

3.1 Consideration has been given to adopting an Annuity based calculation for MRP on the supported capital expenditure element of the CFR.

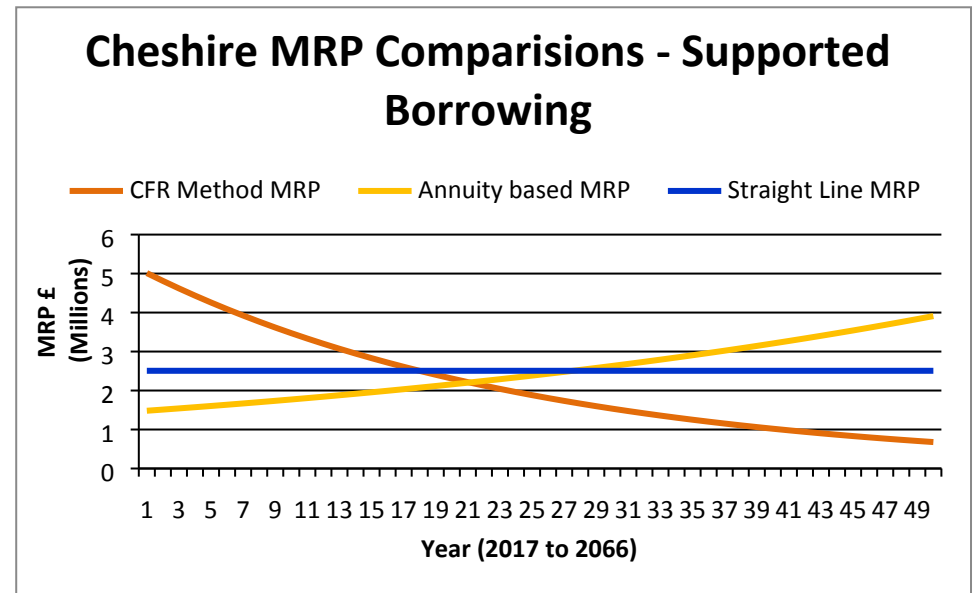
3.2 Under the 2% Inflation based Annuity method this element of the CFR would be fully financed in 50 years’ time. This method can also be considered to be more prudent than the current methodology as it fully finances the capital expenditure over the given period of years.

3.3 Under the currently used CFR Method, MRP falls by 4% each year, giving the Council an inbuilt budgetary easing. In the 2% Annuity

method outlined above, MRP rises by 2% each year, giving the Council an inbuilt budgetary pressure each year which would need to be reflected in the MTFS .

3.4 Another option would be to use a straight line method and would result in the same amount of MRP being charged to revenue each year.

3.5 The impact on these three alternative methods on the revenue budget over the 50 year period is shown in the following chart.



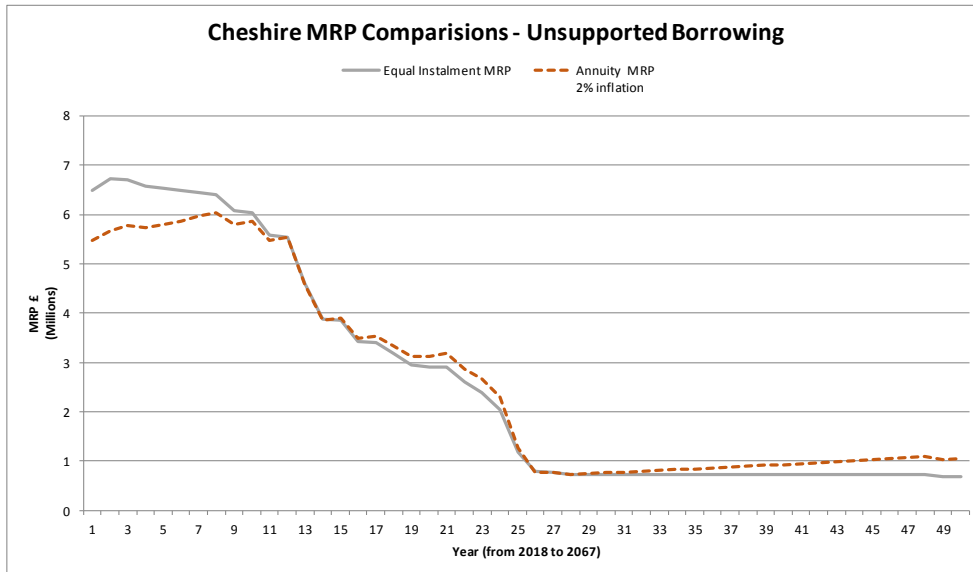
Current CFR Method – £5m charge in 2017/18, which reduces year on year until it, is fully repaid in Year 50 (2066).

Annuity based MRP – MRP of £1.5m charged in 2017/18 rising to £4m in Year 50.

Straight Line MRP – Consistent charge of £2.5m charged each year.

4. Unsupported Capital Expenditure

- 4.1 Consideration has been given to assessing the impact of adopting the Annuity method for the element of unsupported capital expenditure. The unsupported borrowing element of the CFR under the current methodology as at 31st March 2017 was £133m.
- 4.2 The Council's existing 2017/18 budget for MRP on unsupported capital expenditure up to 31st March 2017 using its current methodology would need to be £6.3m. Using the equivalent Inflation based calculations the MRP requirement would be £5.5m, resulting in a £0.7m saving on the revenue budget in 2017/18.
- 4.3 The same amount of MRP will be due to be paid over the 50 year period; the following chart demonstrates the spread of payments.



5. Unsupported Capital Expenditure – Retrospective application of annuity method

- 5.1 By applying the retrospective recalculation of its MRP on unsupported borrowing, this would provide an opportunity to charge a lesser amount to the revenue budget in the current financial year, and realise a budget saving of £1.9m (for the retrospective application) plus an in year saving of £0.7m, £2.6m in total.

5.2 Summary of financial implications

Supported borrowing	Annuity
2017/18 saving	£3.5m
2018/19 saving	£3.3m
2019/20 saving	£3.1m
2020/21 saving	£2.9m

Unsupported Borrowing	Annuity applied retrospectively
2017/18 saving	£0.7m + retrospective £1.9m Total saving = £2.6m
2018/19 saving	£0.7m
2019/20 saving	£0.7m
2020/21 saving	£0.6m

N.B. The figures quoted in this report are based on the 2017-20 Approved Capital Programme, subsequent additions to the capital programme to be funded by borrowing, will increase the charge for the unsupported borrowing element of MRP.

6. Recommendation

- 6.1 Following liaison with the Council's treasury management advisors, Arlingclose and discussion with Grant Thornton, the Council's external auditors, the Section 151 Officer is now recommending that the Council revise the approach to calculating the Minimum Revenue Provision (MRP) and implement the annuity method retrospectively for both the supported and unsupported elements of borrowing.
- 6.2 This revised approach delivers revenue savings in the short term but does not alter the overall liability for the financing of the capital programme. As the charts demonstrate, this proposal increases future years MRP charges in cash terms. However, the Council will seek to mitigate these future pressures through its longer term

financial strategies and the capital financing budget will be adjusted to reflect both the MRP changes and available capital resources, including the use of anticipated capital receipts.

- 6.3 This proposal is in accordance with the Capital Financing Regulations and an allowable option within our MRP policy. Grant Thornton have confirmed that they are comfortable with these decisions as lawful and that they do not cause an issue from a VfM perspective.
- 6.4 This recommendation has been formulated after careful consideration of the options available to the Council and after taking advice from the Council's treasury management advisors, and its external auditor. It has been reached with full regard to and is compliant with the Local Authorities (Capital Finance and Accounting)(England) Regulations 2003 (as amended). Accordingly it is considered to be a lawful and reasonable approach in all the circumstances.

COUNCIL MEETING – 14TH DECEMBER 2017**Extract from the Minutes of the Constitution Committee meeting on 30th November 2017****14 REVIEW OF THE CONSTITUTION**

The Committee considered two reports recommending the approval and adoption of a revised constitution for Cheshire East Council.

The Council had undertaken a comprehensive review of the current constitution to ensure that it complied with all relevant statutory requirements, and had considered how its current processes and procedures should be altered to improve organisational efficiency and achieve good governance. The review had been guided by the seven key principles approved by the Committee at its meeting on 4th August 2017.

The Council had commissioned Bevan Brittan Solicitors to carry out a desktop review of the constitution and to assist in the drafting of a new constitution.

Details of the review and the way in which it had been conducted, including the extensive member consultation and engagement that had taken place, were set out in the report.

The report appended four documents:

Appendix A – A composite Explanatory Note of substantive issues which had been considered by the Constitution Sub-Committee, together with the Sub-Committee's recommendation against each issue, which were reflected in the draft constitution.

Appendix B – The draft Constitution

Appendix C – Those documents which formed part of the current constitution, but which the Constitution Sub-Committee had recommended should no longer be in the constitution, together with a summary front-sheet setting out information on the "ownership" of each document.

Appendix D – A document on arrangements for dealing with standards complaints against members which, whilst not part of the current constitution or part of the proposed new draft Constitution, was required by law and would be referenced and hyperlinked from the revised Member Code of Conduct.

On consideration of the table of financial limits set out in Appendix B, the officers advised that a number of the references would need to be corrected.

The Committee also considered a number of matters which if agreed would require the inclusion of additional documents in the constitution or amendments to it as follows:

Appendix E – The Overview and Scrutiny Procedure Rules. These had been the subject of discussion at the relevant working group but had been excluded from the papers presented to the Constitution Sub-Committee on 17 November 2017.

A colour-coded chart mapping out decision-making responsibilities. This would be completed on final approval of the revised constitution and incorporated into the document.

A hyperlink to guidance on the use of the Officer Decision Record (ODR) process. This would be completed in the final drafting of the document.

Certain issues relating to the current draft provisions relating to the Staffing Committee terms of reference, the Investigation and Disciplinary Committee and the Employee Procedure Rules. These issues were not contained in the Explanatory Note of substantive issues when considered by the Constitution Sub-Committee and were not included in the Explanatory Note before the Committee (Appendix A). The Committee considered a separate explanatory note on these issues which included a response from Bevan Brittan and a recommended position in each case. It was suggested in particular that the composition of the Staffing Appeals Sub-Committee should be changed from 3/5 members to 3 members, and that the terms of reference of the Investigation and Disciplinary Committee should be amended to provide that the procedure for filtering out and dealing with allegations which were clearly unfounded, trivial or could best be dealt with under some other procedure be delegated to the Monitoring Officer in consultation with the Chairman of the Investigation and Disciplinary Committee and the Chairman of the Staffing Committee. The Committee agreed with both proposed amendments.

[Note: the following Committee resolutions take into account those amendments agreed following Members' Speaking.]

RESOLVED

That subject to the resolutions below, Council be recommended to adopt the revised constitution of Cheshire East Council, as appended to the report at Appendix B, with an operative date of 1st January 2018:

1. the Overview and Scrutiny Committee Procedures as set out in Appendix E be approved for inclusion in the revised Constitution subject to the correction of any formatting and cross-referencing issues;
2. the provision within the draft constitution relating to attendance by members at the meeting of a body of which they are not appointed members be amended to make it clear that members can attend any meeting during the consideration of Part 1 business;

3. the Local Ward Member Protocol be amended to include a hyperlink to the definition of the term 'exempt information';
4. the provision relating to a one month Forward Plan be amended to provide that the Forward Plan shall cover a *minimum* period of one month (which would allow items to be included over a longer period);
5. the insertion into the Employment Rules of a section relating to the executive objection process for the appointment and dismissal of those chief officers and deputy chief officers not covered by paragraphs 4 and 5 be approved (page 252 of Appendix B);
6. the financial limits relating to virements (both revenue and capital) be clarified and the Acting Director of Legal Services in consultation with the Section 151 Officer be authorised to make any necessary amendments;
7. with regard to variations in capital programme scheme provision, consideration be given at a future date to the introduction of percentages alongside cash sums.
8. the reference, within the Planning and Development Control terms of reference, to the Portfolio Holders responsible for Development Control and the Local Development Framework being members of the Strategic Planning Board be deleted (Appendix B page 43 para 20);
9. the reference to approval routes within Section E of the Finance Procedure Rules be suitably clarified (Appendix B page 213 paras 20-22), which shall be delegated to the Acting Director of Legal Services;
10. paragraph 53 of the terms of reference of the Investigation and Disciplinary Committee be amended to provide that the procedure for filtering out and dealing with allegations which are clearly unfounded, trivial or can best be dealt with under some other procedure be delegated to the Monitoring Officer in consultation with the Chairman of the Investigation and Disciplinary Committee and the Chairman of the Staffing Committee;
11. paragraph 49 of the terms of reference of the Staffing Committee be amended to provide that a Staffing Appeals Sub-Committee of 3 members be established on an ad hoc basis;
12. all references to Cabinet Portfolios be brought up to date;
13. the commitment to provide further supporting information with regard to the colour-coded chart mapping out decision-making responsibilities and the provision of a hyperlink to guidance on the use of the Officer Decision Record (ODR) process be noted and endorsed; and

14. the arrangements for dealing with standards complaints against members (Appendix D) be referenced and hyperlinked from the revised Member Code of Conduct.

Note: with regard to resolution 6 above, the appendix to this minute extract sets out an amended (clarified) table of approval limits for virements. The original table is included for comparison. Council is asked to approve the table as amended.

APPENDIX

Original table

38 Approval limits for virements are as follows:

Approval Level	Virement Amount/Percentage
Head of Service	Up to £100,000 (Revenue)
Corporate Leadership Team (Relevant Executive Director)	From £100,000 to £500,000 between net Service budgets (Revenue) within their area of responsibility. From £100,000 to £1,000,000 funded from underspends within the approved Service budget (Capital)
Corporate Leadership Team (Relevant Executive Director) in consultation with Finance and Communications Portfolio Holder and relevant Porfolio Holder	100,000 and up to £250,000 (Revenue/Capital) £500,000 - £1m (Revenue) £1m - £5m (Capital)
Cabinet (where virement is within budget and policy framework)	£1m+ (Revenue) £5m+ (Capital)
Council (where virement is outside the budget and policy framework)	£1m+ (Revenue) £5m+ (Capital)

Clarified table(s)

38 Approval limits for virements are as follows:

Revenue Virements

Virement Amount	Approval Level
Up to and including £100,000	Head of Service
In excess of £100,000 up to and including £500,000	Corporate Leadership Team (Relevant Executive Director)
In excess of £500,000 up to and including £1,000,000	Corporate Leadership Team (Relevant Executive Director) in consultation with Finance and Communications Portfolio Holder and relevant Portfolio Holder
Over £1,000,000 (where virement is within budget and policy framework)	Cabinet
Over £1,000,000 (where virement is outside budget and policy framework)	Council

Capital Virements

Virement Amount	Approval Level
Up to and including £100,000	Head of Service
In excess of £100,000 up to and including £500,000	Corporate Leadership Team (Relevant Executive Director)
In excess of £500,000 up to and including £1,000,000	Corporate Leadership Team (Relevant Executive Director) in consultation with Finance and Communications Portfolio Holder and relevant Portfolio Holder
In excess of £1,000,000 up to and including £5,000,000	Cabinet
Over £5,000,000	Council with recommendation from Cabinet

CHESHIRE EAST COUNCIL

Constitution Committee

Date of Meeting:	30 th November 2017
Report of:	Acting Director of Legal Services (Acting Monitoring Officer)
Subject/Title:	Review of the Constitution

1.0 Report Summary

- 1.1 The Council has undertaken a comprehensive review of the current Constitution to ensure that it complies with all relevant statutory requirements, and examined how its current processes and procedures should be altered to improve organisational efficiency and achieve good governance.
- 1.2 This report brings the product of that review to the Constitution Committee.

2.0 Recommendations

- 2.1 That Council be recommended to adopt the revised Constitution of Cheshire East Council, as appended to this report.
- 2.2 That the Committee endorses the approach to any further necessary amendments as set out in the accompanying General Issues report and approved by the Constitution Sub-Committee on 3rd November 2017.

3.0 Reasons for Recommendations

- 3.1 The Council has undertaken a comprehensive review of the Constitution to ensure that it complies with all relevant statutory requirements, and examined how its current processes and procedures may be altered to improve organisational efficiency and achieve good governance.
- 3.2 The Council commissioned Bevan Brittan Solicitors to carry out a desktop review of the current Constitution. The proposals arising from that review were brought before the Constitution Committee for approval and endorsement on 4th August 2017.
- 3.3 The Committee appointed a Sub-Committee in order to take forward a full review of the Constitution, taking into account the views of stakeholders, and to present a new draft Constitution to the Constitution Committee for approval and recommendation to full Council.

- 3.4 The agreed timescale for the adoption of a new Constitution was noted at the meeting of Full Council in December 2017. Council resolved as follows: *“That the progress made in respect of the review of the Constitution and the timescale for the completion of the review be noted”*.
- 3.5 The adoption of seven key principles (set out below in paragraph 4.2 of this report) by the Constitution Committee provided a clear touchstone for the efficient development of the new document and associated guidance.
- 3.6 A work programme, driven by the Sub-Committee, identified the key areas of the Constitution, involved all relevant stakeholders in consideration of the key issues and oversaw development of a new document within a clear and accountable timescale.

4.0 Background and Options

- 4.1 A paper setting out the proposed approach was approved at the Constitution Committee on 4th August 2017.
- 4.2 The Council adopted seven key principles to this review, those being that the new document should:
1. recognise the Council's democratic leadership role;
 2. support, not hinder, the efficient exercise of democratic decision making, good governance and the delivery of services;
 3. be modern in its language, format and presentation;
 4. be concise – covering only those essential issues which need to be in the formal Constitution and sign posting to other documents/sources;
 5. recognise the new ways in which the Council operates (for example through ASDVs and shared services);
 6. delegate decision making to the most appropriate level with the right checks, balances and scrutiny and
 7. be future proof, not requiring constant revisiting and updating.
- 4.3 This initial paper also recommended the appointment of a Constitution Sub-Committee.
- 4.4 The Sub-Committee met on 23rd August 2017 to take forward the approach and approved the creation of five “work packages” with working groups – and nominated Lead Members and Lead Officers – for each work package, as set out below:
- 4.2.1 **The overall style and presentation of the Constitution** (Work Package 1)

4.2.2 **Decision-making: Terms of Reference of Member Bodies** (Work Package 2)

- Lead Member: Cllr. Gordon Baxendale
- Lead Officer: Daniel Dickinson

4.2.3 **Decision-making: Officer Scheme of Delegation** (Work Package 3)

- Lead Member: Cllr. Nick Mannion
- Lead Officer: Daniel Dickinson

4.2.4 **Procedure Rules** (Work Package 4)

- Lead Member: Cllr. Andrew Martin
- Lead Officer: Brian Reed

4.2.5 **Codes & Protocols** (Work Package 5)

- Lead Member: Cllr. Barry Burkhill
- Lead Officer: Brian Reed

4.5 As part of that approach, an initial joint Member / officer workshop– facilitated by Bevan Brittan – was held on 31st August 2017 at Sandbach Town Hall. The notes from this workshop were fed into the Working Groups.

4.6 The Sub-Committee met on 15th September 2017 and received updates from the Lead Officers on progress, including the Terms of Reference for the Working Groups and revised content for Work Package 1, which was approved. The Sub-Committee also approved the principle of proposed changes to the Constitution being brought to the attention of the Sub-Committee, in order for recommendations to be made to the Constitution Committee and then to Council at the conclusion of the review. These are now set out for consideration by the Committee in the Explanatory Note (List of Substantive Issues) at Appendix A.

4.7 In addition, a range of Member engagement opportunities were put in place, as set out below:

- Group Leader Briefing, 9th October 2017
- Drop-In Session, 12th October 2017
- Drop-In Session, 13th October 2017
- Drop-In Session, 18th October 2017

- Drop-In Session, 19th October 2017
 - Presentations to the Council's political groups
 - Presentations to the political group representatives on the Constitution Sub-Committee and the Constitution Committee
 - Discussions with Group Leaders and individual Members, where requested.
- 4.8 In total, it is believed that over 60 of the Council's 82 Members have been directly engaged in this process.
- 4.9 Further Sub-Committee meetings were held, approving the revised content and reports of substantive changes as follows:
- 4.9.1 Work Packages 2 and 3 – approved on 3rd November 2017, subject to amendments identified in the minutes of that meeting
- 4.9.2 Work Packages 4 and 5 – approved on 17th November 2017, subject to amendments identified in the minutes of that meeting.
- 4.10 The seven key principles set out at paragraph 4.2 of this report have been fulfilled:
- 4.10.1 The draft Constitution clarifies and strengthens the Council's democratic leadership role in a number of ways. Greater clarity has been brought to the core documentation which comprises the Constitution, and which defines the Council's democratic role, as well as strengthening the arrangements around keeping ward members informed of issues within their local areas.
- 4.10.2 The changes made to the draft constitution support, and do not hinder the efficient exercise of democratic decision making, good governance and the delivery of services. All decision-making processes have been reviewed to ensure that they are fit for purpose and inefficiencies in current decision-making arrangements have been removed. The involvement of Bevan Brittan solicitors, who have wide experience of decision-making arrangements nationally have been able to add-value to this exercise, as have the involvement of others, such as the Council's Interim Section 151 Officer, who has brought a wealth of experience to the process, drawn from other local authorities.
- 4.10.3 The new draft Constitution is modern in its language, format and presentation. The whole document has been reviewed and plain English has been used in the new document. Hyperlinks to documents which no longer need to be contained within the Constitution, have been used to reduce the bulk of the document, whilst preserving appropriate oversight of those documents by members.

The new Constitution will be much easier to navigate by members of the public, Councillors and officers, and references to outdated/replaced guidance and legislation have been removed/corrected.

- 4.10.4 The new Constitution will be concise – covering only those essential issues which need to be in the formal Constitution and sign posting to other documents/sources. The use of plain English and hyperlinks has achieved this. The new Constitution will be much shorter than the existing document, to the benefit of the user. However, the importance of hyperlinked documents, and the ownership of them have been secured.
 - 4.10.5 The new ways in which the Council operates have been, for the first time, properly recognised in the draft Constitution. The Council's approach to ASDVs¹ and shared services are now set out in the document: an important improvement in terms of keeping members of the public, Councillors and officers properly informed of the Council's working arrangements.
 - 4.10.6 The new Constitution will delegate decision-making to the most appropriate level, with the right checks, balances and scrutiny. The terms of reference of decision-making bodies have been reviewed, as have the delegations to officers, which have been streamlined and simplified. Finance and Contract Procedure Rules have been reviewed and made fit for purpose.
- 4.11 This report now appends four documents:
- 4.11.1 The composite Explanatory Note of substantive issues, which have been considered by the Sub-Committee, together with the Sub-Committee's recommendation against each issue, which are reflected in the draft Constitution. This is contained at Appendix A to this report.
 - 4.11.2 The draft Constitution itself, which is now recommended for approval by the Committee, and adoption by Full Council. This forms Appendix B to this report and is a separate document.
 - 4.11.3 Those documents which form part of the current Constitution, but which the Sub-Committee recommends should no longer be in the Constitution, together with a summary front-sheet which provides information as to "ownership" of each. This forms Appendix C to this report and is a separate document.

¹ A separate review of ASDV governance is currently underway at the Council. On conclusion of that review, any necessary changes or clarifications in the Constitution in relation to the ASDVs will be brought back to Constitution Committee and Council for consideration. This is also referred to in the Explanatory Note

- 4.11.4 One document which, whilst not part of the current Constitution or part of the proposed new draft Constitution, is required by law and will be referenced and hyperlinked from the revised Member Code of Conduct. This has been amended, and the proposed amendments approved by Sub-Committee. This forms Appendix D to this report and is a separate document.

5.0 Wards Affected and Local Ward Members

- 5.1 All wards are affected.

6.0 Implications of Recommendation(s)

6.1 Policy Implications

- 6.1.1 These are identified in the Explanatory Note (Appendix A).

6.2 Legal Implications

- 6.2.1 Section 37 of the Local Government Act 2000 and the guidance issued under it requires the Council to keep its Constitution up to date and regularly review it.

6.3 Financial Implications

- 6.3.1 The Constitution incorporates the Finance and Contract Procedure Rules which identify important parameters for managing the Council's resources. The work to review the Constitution has no direct budgetary implications.

- 6.3.2 The Financial Implications of a revised Constitution have been considered as part of the review process, with input from the Council's s.151 Officer and the Constitution Sub-Committee. This ensures that the Constitution supports the statutory responsibilities of the s.151 role.

6.4 Human Resources Implications

- 6.4.1 There are no human resources implications.

6.5 Equality Implications

- 6.5.1 There are no specific equality implications.

6.6 Health and Wellbeing Implications

- 6.6.1 There are no specific implications for health and wellbeing.

6.7 Implications for Children and Young People

6.7.1 There are no specific implications for children and young people.

6.8 Rural Community Implications

6.8.1 There are no specific implications for rural communities.

6.9 Overview and Scrutiny Committee Implications

6.9.1 The proposals have been made available for close scrutiny by all Members of the Council.

6.10 Risk Management Implications

6.10.1 These were identified and factored in at each stage of the review, as part of weekly Project Board meetings chaired by the Acting Director of Legal Services (in his role as Senior Responsible Owner).

7.0 Background Papers

7.1 The approved papers of the Constitution Committee and Sub-Committee provide the necessary background to this review.

8.0 Access to Information

8.1 Those papers are available on the Council's website.

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Cheshire East Council – New Constitution

Explanatory note of Substantive Changes

We have described the changes that we have made in three categories:

- I. Substantive changes required by law for approval
- II. Substantive changes based on best practice recommended for approval
- III. Substantive changes which were recommended for consideration by the Sub-Committee

I. Substantive changes required by law for approval

Page	Section	Comment and/or area for consideration	Recommendation of Sub-Committee ¹
61	Audit and Governance Committee TOR's	This section has been amended to make it clear that the independent member of the committee (who is not a councillor) is not entitled to vote. This is a legal requirement.	The proposal was supported.
N/A	Throughout the Procedure Rules	All references have been updated dates to ensure compliance with the latest legislation including the Accounts and Audit Regulations and Procurement Regulations.	The proposal was supported.
252	Other Chief Officers and Deputy Chief Officers	We have inserted a section relating to the executive objection process relating to the appointment and dismissal of those Chief Officers and Deputy Chief Officers who are not covered by paragraphs 4 and 5. This rectifies an omission in the current constitution.	<i>This issue was not specifically discussed at the Sub-Committee and it is now recommended to the Constitution Committee.</i>

¹ The Constitution Sub-Committee met on 3 November 2017 and 17 November 2017, and its recommendations are noted in this column. Where the recommendations have resulted in changes being required to the version of the Draft Constitution which the sub-committee was considering, this has been indicated in ***Bold Italics***.

II. Substantive changes based on best practice recommended for approval

Page	Section	Comment and/or area for consideration	Recommendation of Sub-Committee
15	Policy Framework	The following have been removed from the Policy Framework as they are no longer required by law to be included: <ul style="list-style-type: none"> • Sustainable Community Strategy; • Business Plan; and • Adult Learning Plan. 	The proposal was supported.
16	Local Choice Functions	A comment has been received that these need to be explained more clearly – the wording has been amended to try to do this but this is a specific statutory requirement for the Council to set out in its Constitution.	The proposal was supported.
18	Appointment to Outside Organisations	It has been suggested that the list of organisations could be taken out of the Constitution and linked to elsewhere. We have inserted a link which will navigate to a page on the Council's website.	It was agreed that reference to outside organisations being made by Cabinet or Portfolio Holders should more fully explain appointments to the full range of outside organisations This will be included in the hyperlink.
19	Role of the Mayor	Following feedback from Members we have re-inserted (as the first responsibility) the phrase "the Mayor is the conscience of the Council" which was missing from earlier drafts. A query was raised as to whether this should be included in the job description of all councillors. Although the sentiment of every	The proposed emphasis on the Role of the Mayor was supported.

Page	Section	Comment and/or area for consideration	Recommendation of Sub-Committee
		Councillor needing to be the conscience of the Chair is understood, this does not seem to reflect what members collectively felt at the last working groups/sub-committee which was that it is a prime responsibility of the Chair.	
25	Responsibilities of all Cabinet Members	We have updated and strengthened this list following very helpful wording suggest by respondents.	The proposal was supported.
26	Portfolio Holder responsibilities for Leader	We note that the term "devolution" can have different meanings in different contexts. Following officer feedback we have made it clear that devolution in this context means the devolution of powers from Central Government to combined authorities and the Council, and from the Council to Town and Parish Councils.	The proposal was supported. <i>The recommendation of the Sub-Committee was noted and the amendment has been made.</i>
43	Strategic Planning Board	Members have commented that the Strategic Planning Board no longer nominates Councillors to sit on the Northern and Southern Planning Committee. Reference to this has been removed from the draft Constitution.	The proposal was supported.
50	Staffing Committee - Recruitment and Selection	Purpose and functions have been merged to avoid repetition.	The proposal was supported.
58	Constitution Committee	Following officer comments we have removed the requirement for the Constitution Committee to approve appointments to the Independent Persons Panel as this is not a requirement.	The proposal was supported.
67	Health and Wellbeing Board	We suggest changing the terminology from core/non-core members to voting/non-voting members to better reflect their respective roles. We have also added a link to the Code of Conduct for the HWB.	The proposal was supported.

Page	Section	Comment and/or area for consideration	Recommendation of Sub-Committee
78	Introduction, paragraph 7	<p>The current constitution defines the Chief Officers as being:</p> <ul style="list-style-type: none"> • Chief Executive • Executive Director People and Deputy Chief Executive • Chief Operating Officer (Section 151 Officer) • Executive Director Place • Strategic Director of Adult Social Care and Health • Director of Legal Services (Monitoring Officer) <p>Following feedback from Members we have redefined the Chief Officers as:</p> <ul style="list-style-type: none"> • Chief Executive • Executive Director (People) • Executive Director (Place) • Chief Operating Officer • Section 151 Officer • Monitoring Officer <p>Note that we have listed the COO and the Section 151 Officer separately to accommodate the reality that although they may be performed by the same person, this is not always the case.</p>	<p>This proposal was supported, subject to Chief Executive and Head of Paid services being inserted as appropriate.</p> <p><i>The Sub-Committee's recommendation was noted and amendment has been made.</i></p>
79	General Principles relating to Officer Delegation	<p>This section has been completely re drafted, taking best practice from the previous Constitution and making the remit of officers exercising delegated powers much clearer to ensure transparency and accountability.</p> <p>A number of provisions make it more future proof –</p> <ul style="list-style-type: none"> • the delegation will apply to the post-holder with the relevant 	<p>This proposal was supported.</p>

Page	Section	Comment and/or area for consideration	Recommendation of Sub-Committee
		<p>functions so the Constitution will not need updating if changes are made to job titles/roles</p> <ul style="list-style-type: none"> the delegation is not linked to named statutes/legal provisions but to areas of service responsibility. <p>There are changes to the obligations for consultation by officers exercising their delegated powers. In the new Office Scheme of Delegation the relevant wording now states as follows:-</p> <p>"An officer in exercising delegated powers may consult the relevant portfolio holder or chair of committee if he/she considers it appropriate to do so and shall consult other officers for professional advice including legal, financial and technical officers and shall have regard to any views and advice received".</p> <p>This approach is in accordance with the principle agreed by the Constitution Committee i.e. to</p> <ul style="list-style-type: none"> delegate decision-making to the most appropriate level with the right checks, balances and scrutiny 	
92	Proper Officer functions	<p>In the current Constitution this is somewhat dispersed.</p> <p>The revised Constitution consolidates this at the highest level within the organisation i.e. Chief Executive/Head of Paid Service, with the facility for explicit delegation down the organisation as required.</p>	This proposal was supported.
Committee and Sub Committee Procedure Rules			
102	Attendance of Members at	The Current Constitution allows members to attend committees of which they are not members where private and confidential or exempt	The proposal was not

Page	Section	Comment and/or area for consideration	Recommendation of Sub-Committee
	Committees and Sub-Committees of which they are not Appointed Members	<p>business is to be conducted.</p> <p>Following feedback from the Working Group, we have suggested introducing a "need to know" basis, whereby the Member's attendance at such a meeting would have to be agreed in advance by the Monitoring Officer and the Chair of the Meeting.</p>	<p>supported. It was agreed that the existing constitutional provisions would remain in place, but that the operation of these would be reviewed in 6 months' time.</p> <p>17.11.17 – there was further discussion and agreement that the relevant paragraph be split into two paragraphs for clarity between:</p> <ul style="list-style-type: none"> • right to attend meeting and separate issue of • agreement of MO and Chair when exempt or private and confidential information on basis of "need to know". <p><i>The Sub-Committee's recommendation was noted and the amendment has been made.</i></p>
106	Attending and speaking at Cabinet Meetings	<p>The current Constitution states that questions will not be allowed which repeat or are substantially the same as questions asked at a meeting of Council or Cabinet within the preceding 3 months.</p> <p>We have changed this to 6 months (and have standardised this time scale for all other similar references throughout the Constitution).</p>	The proposal was supported.

Page	Section	Comment and/or area for consideration	Recommendation of Sub-Committee
110	Members Access to exempt or confidential documents	We have added the words "of that body" to the end of paragraph 47 for clarity.	The proposal was supported.
116	Petitions	Proposed new procedure rule for petitions in place of the petitions scheme	The proposal was supported.
128	Councillor Call for Action	Reflected in procedure rules at Appendix 6	The proposal was supported.
Access to Information Procedure Rules			
139	Period of Forward Plan	<p>The period of the Forward Plan has been reduced from 4 months to read: "<i>Forward plans will be prepared by the Leader to cover a period of 28 clear days (longer where this is possible) beginning with the first day of any month. They will contain outstanding matters from the previous forward plan</i>"</p> <p>This is to ensure that the Forward Plan is kept up to date on a shorter timeline to reflect the 2012 Regulations.</p>	<p>The proposal was supported subject to amendment of "28 clear days" to "one month"</p> <p><i>The Sub-Committee's recommendation was noted and the amendment has been made.</i></p>
139	Publication in newspapers	Recommended for removal as no longer a legal requirement	<p>The proposal was supported</p> <p><i>The Sub-Committee's recommendation was noted and the amendment has been made.</i></p>
141	Reports to Council	This section has been significantly shortened, with the procedure for the OSC requiring a report and the Cabinet's report to Council being	It was agreed that the existing constitutional provisions (16.1,

Page	Section	Comment and/or area for consideration	Recommendation of Sub-Committee
		taken out.	16.2 and 16.3) would remain in place <i>The Sub-Committee's recommendation is noted and the previous provisions have been reinstated.</i>
142	Members access to Exempt or Confidential Documents	<p>The words in italics below have been added. This is part of a wider review of access to information, and Bevan Brittan have produced an advice note which addresses concerns about the possible risks to the Council of not taking sufficient steps to control the circulation of exempt and confidential documents.</p> <p>We recommend removal of "<i>In addition, the following categories of Member shall automatically receive copies of confidential or exempt executive reports:</i></p> <ul style="list-style-type: none"> ▪ <i>Group Leaders</i> ▪ <i>Local Ward Members for the Ward affected, in accordance with the Ward Member Protocol</i> ▪ <i>Relevant overview and scrutiny committee Chairmen and Vice-Chairmen</i> ▪ <i>Members visiting the meeting in question (with the agreement of the Monitoring Officer and Chairman of the meeting) who would receive the papers upon arrival"</i> 	<p>As per comment above - it was agreed that the existing constitutional provisions would continue to remain in place, but that the operation of these would be reviewed in 6 months' time.</p> <p><i>The Sub-Committee's recommendation was noted and the original provisions remain in place.</i></p>
143	Scheme of Delegation to Senior Officers	<p>Whilst strictly part of WP2, this is part of a wider consideration of access to information.</p> <p>The current constitution has at paragraph 1.28 of the delegation to Senior Officers the following wording:</p>	The proposal was supported.

Page	Section	Comment and/or area for consideration	Recommendation of Sub-Committee
		<p><i>"Chief Officers shall implement and ensure compliance with the Authority's procedures relating to data protection, Environmental Information Regulations, freedom of information, human rights and surveillance activities and shall only withhold the publication of requested information with the permission of the relevant Portfolio Holder, whose refusal shall not override the Scheme of Publication"</i></p> <p>None of this provision appears in the draft constitution in this form. Bevan Brittan believes that it is covered by a general requirement to follow "any appropriate legislative, regulatory, consultation, equalities, or procedural requirements that may be required" which does appear in the Scheme of Delegation at paragraph 20.5, but if members require it to be made more explicit then this can be achieved.</p> <p>If members require the need for Portfolio Holders to permit the withholding of information then this can also be reinserted. Bevan Brittan advises that any judgement on these matters is a professional and technical one, and there are risks if members seek to take such decisions. We advise that this requirement is not re-inserted.</p>	
Contract Rules			
General	All	Following Officer feedback, references to "the Authority" are now references to "The Council" – this is consistent throughout the document.	The proposal was supported
225	Definition of Chief Officer	Following Officer feedback references to The Chief Officer are now references to the "Executive Director". This is to ensure consistency with the Finance Procedure Rules and the rest of the constitution.	The proposal was supported
226	Introduction	We understand that the Procurement Board has changed to the	The proposal was supported

Page	Section	Comment and/or area for consideration	Recommendation of Sub-Committee
		Commissioning and Procurement Board. We have defined the board and included a hyperlink to the detailed terms of reference.	<i>A hyperlink will be included.</i>
231	Contracts Register	Following Officer feedback we have made it clear that all contracts with a value above £5,000 must be recorded in the Contracts Register. This is required by the Government's Transparency Agenda.	The proposal was supported
234	Best and Final Offer	Following Officer Feedback we have made it clearer that Legal Services must be involved in the decision to include a Best and Final Offer (BAFO) stage in procurement process.	The proposal was supported
238	Method of Opening Bids	Following Officer feedback we have amended this section to include provisions that in addition to the Procurement Manager, a Category Manager can verify bids from the EU threshold up to £1,000,000 provided that they have not been involved in the tender in question.	The proposal was supported
243	Monitoring Contracts	We have included a requirement for monitoring of insurance.	The proposal was supported
245	Waiver Process/Breach	We understand that the Procurement Board will be changing to the Commissioning and Procurement Board. We have left in reference to the Procurement Board for now.	The proposal was supported <i>All references have been amended to refer to the Commissioning and Procurement Board following the Sub-Committees consideration of the same issue in respect of p226.</i>

Page	Section	Comment and/or area for consideration	Recommendation of Sub-Committee
Employment Rules			
N/A	Throughout	All unnecessary references which simply repeated the legal and statutory basis for the procedures and the relevant regulations have been stripped out	The proposal was supported
Codes and Protocols			
292	Whistleblowing Policy	This does not have to be in the Constitution and is up-to-date and already accessible on the Council's internet and intranet sites. It was recommended by Sub-Committee on 03.11.17 that it be referenced in the document and hyperlinked as a "Tier Two" hyperlink with ownership and responsibility for reviewing/updating passing to the Audit & Governance Committee.	The proposal was supported.
N/A	Planning Protocol of Conduct in relation to the determination of planning matters	This does not have to be in the Constitution. It was recommended by Sub-Committee on 03.11.17 that it be referenced in the document and hyperlinked as a "Tier Two" hyperlink within Section 2 of the Constitution with ownership and responsibility for reviewing/updating passing to the Strategic Planning Board.	The proposal was supported.
N/A	Protocol on Public Speaking Rights at Strategic Planning Board and Planning Committee	This does not have to be in the Constitution. It was recommended by Sub-Committee on 03.11.17 that it be referenced in the document and hyperlinked as a "Tier Two" hyperlink within Section 2 of the Constitution with ownership and responsibility for reviewing/updating passing to the Strategic Planning Board.	The proposal was supported.

Page	Section	Comment and/or area for consideration	Recommendation of Sub-Committee
N/A	Councillor Call for Action Protocol	<p>Our current Constitution contains a Protocol which seeks to “provide Members with a means of escalating matters of ward concern to a scrutiny committee...”. The Protocol is 5 pages long.</p> <p>Our legal advisers, Bevan Brittan, query the necessity of the Protocol. They point out that “the basic right is for members to put something on the agenda of an overview and scrutiny committee, and have it discussed” (unless it is an excluded matter under legislation). They further advise that “The Protocol is very repetitive and seeks to curtail the statutory right of a member to put something on the agenda for scrutiny”.</p> <p>Bevan Brittan advise that the right of members to put items on scrutiny committee agendas could be mentioned in an appropriate procedure rule, and also that a link should be provided to the relevant Centre for Public Scrutiny guidance.</p> <p>It is therefore recommended that Bevan Brittan’s advice be followed; that the basic right of members to place something on scrutiny agendas be relied upon instead of a Protocol; that this is supported by appropriate information in procedure rules; and that an appropriate link should also be provided to the Centre for Public Scrutiny guidance.</p>	<p>The proposal was supported subject to the addition of a hyperlink and appropriate explanation about how Members go about placing a matter on a scrutiny agenda.</p>
N/A	Petitions Scheme	<p>The existing Constitution includes a lengthy document, which contains complex provisions relating to petitions. Information is included as to how individuals can submit petitions, as well as identifying five different types of petitions and how they should be dealt with. Depending upon the number of signatories to a petition, a debate at Full Council can be forced. This has only happened once in the history of the Council.</p> <p>However, a good number of petitions are submitted from time to time and are appropriately administered by officers who ensure that the relevant elected member or decision-making body is informed.</p>	<p>The proposal was supported subject to a hyperlink being inserted in an appropriate place within the new Constitution linking to the Petitions Scheme.</p> <p><i>The Sub-Committee's comments have been noted and the document has been linked from page 116.</i></p>

Page	Section	Comment and/or area for consideration	Recommendation of Sub-Committee
		<p>Bevan Brittan state that the guidance upon which local authority petitions schemes have been prepared has now been revoked.</p> <p>The Working Group concluded that the most important issues are that individuals submitting petitions should have clear information as to how they can do this, and what will happen to the petition they submit; and that officers have a clear understanding of how petitions should be dealt with, once submitted.</p> <p>The Sub-Committee is therefore recommended to agree that the existing Petitions Scheme, based on revoked guidance, is now dispensed with and is replaced by a link in an appropriate place in the Constitution which guides members of the public and officers as to how petitions will be dealt with once submitted.</p>	

III. Substantive changes which were presented for consideration by the Sub-Committee

Page	Section	Comment and/or area for consideration	Recommendation of Sub-Committee
11	Introduction - Key Decision	It has been proposed that operational treasury management decisions (for example investment decisions relating to the Council's reserves) should be excluded from the definition of a Key Decision (which otherwise remains the same as now) whatever the financial implications.	The proposal was supported.
N/A	Chairman or Chair?	This page refers to the allocation of "chairmen" and "vice chairmen" to committees and sub-committees. These are the current terms used in the new document and the Sub-Committee is asked to consider if they support the continuation of these terms or would prefer to move to the use of the gender neutral terms "Chair" and Vice Chair" throughout the new	It was agreed that that the presumption would be in favour of the use of the term "chairman" or "vice chairman", but that the wishes of

Page	Section	Comment and/or area for consideration	Recommendation of Sub-Committee
		Constitution?	individuals would be respected. <i>The Constitution now reflects the use of the word Chairman throughout</i>
21	The Cabinet	A query has been raised on whether in practice the Leader does present a written record of delegations and information about executive functions as currently required (7.2). This is not a statutory requirement.	It was agreed that this does not need to happen in future. <i>The paragraph which refers to this practice has been removed.</i>
26	Responsibilities of Portfolio Holders	Responsibilities for the overall interface with ASDVs needs to be identified and allocated appropriately to Cabinet/Portfolio Holders	The proposal was supported. <i>There is currently a review of ASDVs Governance Arrangements underway. Any changes to decision making arising from this will need to be incorporated in the Constitution at that time.</i>
34	Procedure for Taking Portfolio Holder Decisions	The requirement for an individual Portfolio Holder to hold a meeting to make a decision has been removed. This approach was supported at the Sub-Committee meeting of 29 September. It should be noted of course that, as a matter of law, Key Decisions need to be publicised in advance of being taken (under Regulation 9 of the Local Authorities (Executive Arrangements) (Meetings and Access to	It was agreed that the requirement for formal Portfolio Holder decision making meetings would no longer continue, and that officers would be given responsibility for designing an appropriate

Page	Section	Comment and/or area for consideration	Recommendation of Sub-Committee
		<p>Information) (England) Regulations 2012). We understand that Key Decisions will continue to be made with 28 clear days' notice and be identified in the Forward Plan.</p> <p>So if an individual Portfolio Holder is to make a decision which is a Key Decision they will have to publish the time of when they are to make it etc. (although this does not then need to be made at a "meeting").</p> <p>Members have raised concerns that removing the requirement for Portfolio Holder meetings for decisions could make it more difficult for Members to scrutinise in advance the decisions that are being made. It was suggested that an internal procedure be agreed to determine how information is circulated in advance of Portfolio Holders' decisions being taken.</p> <p>Members have suggested that they would like to have advance notice of all decisions, whether Key Decisions or not. This is an administrative procedure for the Council to determine and does not necessarily need to be recorded in the Constitution (but it may be helpful to include it). There is no legal requirement to circulate details in advance of non-key decisions being made, but the Council should decide whether it wishes to adopt such a procedure, which could include publishing details of non-key decisions in the Forward Plan.</p>	<p>administrative process which will address the issues identified in the comments section.</p>
35	Role of Deputy Cabinet Members	We have amended this to reflect concerns at the previous drafting which went beyond what is a legitimate role.	The proposal was supported.
37	Functions of Committees	The Council may wish to consider including the Public Rights of Way Committee functions elsewhere e.g. a sub-committee of the Planning Board or the Planning Committees.	The proposal was not supported.
38	Overview and	A query has been raised on whether it is best practice for Scrutiny	This should remain as it is in

Page	Section	Comment and/or area for consideration	Recommendation of Sub-Committee
	Scrutiny Committees	<p>Committees to be chaired by opposition members.</p> <p>There is no legal requirement that a Chair is from an opposition party. Practice varies on this. It is correct that a number of academic studies have advocated that scrutiny chairs should be drawn from elsewhere than the majority party but practice varies across councils.</p> <p>DCLG Guidance on scrutiny says</p> <p>"Where there is a majority group, local authorities might consider it appropriate to have all or some of these committees chaired by members outside the majority group or by church or parent governor representatives. Overview and scrutiny should be constructive and not merely be there either always to oppose the executive or to rubberstamp the executive's decisions."</p> <p>But LGA guidance makes clear that the chair of the scrutiny committee can represent any political party.</p> <p>It is a matter for the Council – in our experience the effectiveness of scrutiny can be less about the party the Chair represents and more about the overall approach and culture of a council and the skills of the members on the committee (including the Chair).</p>	<p>the current constitution.</p> <p><i>The Sub-Committee's recommendation is noted and no changes have been made.</i></p>
41	Specific Responsibilities of Overview and Scrutiny Committees	<p>New wording has been include to recognise that the Scrutiny remits mirror the remits of the Portfolio Holder so if the Leader changes the portfolios of the Cabinet, the Monitoring Officer will automatically be able to change the Scrutiny remits to mirror this.</p>	<p>The proposal was supported.</p>
43	Strategic Planning Board	<p>Following feedback from the Director of Planning and Sustainable Development we have made a number of changes:</p>	<p>The proposal was not supported.</p>

Page	Section	Comment and/or area for consideration	Recommendation of Sub-Committee
		<p>Membership of SPB reduced from 12 to 10 Membership of North and South planning committees has been reduced from 12 to 7.</p> <p>Reference to cross party pool of Planning Substitutes has been removed, and no substitutes will be allowed. This approach was supported by the Chairs and Vice Chairs of the Planning Committees.</p> <p>Although this position has Council support, the risk of removing the ability to use substitutes needs to be recognised in relation to situations where it is not possible to find a quorum and/or where members might wish to recuse themselves from a meeting in order to represent a constituent etc.</p>	<p><i>The Sub-Committee's recommendation is noted and the original wording has been retained.</i></p>
44	Strategic Planning Board	<p>Officers have suggested that SPB will determine applications involving a significant departure from council policy only where the matter has been referred to SPB by the Planning Committees.</p> <p>The prohibition on applications to vary or remove conditions which were imposed by committee being delegated has been removed.</p>	<p>The proposal was not supported.</p> <p><i>The Sub-Committee's recommendation is noted and the original wording has been reverted to.</i></p>
44	Strategic Planning Board	<p>Suggestions have been made to the definition of Large Scale Major Development. These are noted. We propose that to ensure flexibility the definition of Large Scale Major Development be moved to a hyper linked document. The proposed substantive changes are:</p> <p>Threshold for developments being retained by the SPB to be increased from 200 dwellings to 250 dwellings and from 4 ha and above to 5ha and above.</p>	<p>The proposal was not supported.</p> <p><i>The Sub-Committee's recommendation is noted and the original wording has been reverted to.</i></p>
45	Northern and	Following Officer Feedback the threshold for developments being retained	The proposal was not

Page	Section	Comment and/or area for consideration	Recommendation of Sub-Committee
	Southern Planning Committees	<p>by the Planning Committees to be increased: From 20-199 dwellings to 100-249 Dwellings. From 1-4ha to 3-5ha.</p> <p>The prohibition on applications to vary or remove conditions which were imposed by committee being delegated has been removed.</p>	<p>supported.</p> <p><i>The Sub-Committee's recommendation is noted and the original wording has been reverted to.</i></p>
45	Planning Committees Terms of Reference	<p>It has been noted that the use of the term "call-in" to refer to the challenge of a delegated officer planning decision is confusing. The term call-in is a specific term relating to the functions of the Overview and Scrutiny Committee.</p> <p>It was suggested that an alternative phrase be adopted. "Member Challenge", or "Referral" were proposed by members, and Bevan Brittan could suggest further alternatives. The Council should confirm the term it wishes to adopt.</p>	<p>It was agreed that the alternative term "referral" should be used.</p> <p><i>The Sub-Committee's recommendation was noted and this change has been made.</i></p>
47	Licensing	<p>We have re-written this section significantly taking into account officer comments and what we understand to be the aim. For discussion is whether the political proportionality waiver at paragraph (4) that applies to the sub-committees at paragraph (3) should also apply to the sub-committees at paragraph (2).</p> <p>All references to officer delegations have been taken out as these will be picked up in the local schemes of delegation.</p>	<p>The proposal was supported.</p>
50	Staffing Committee – HR Policies	<p>We have added to paragraph 47, which concerns new posts where the remuneration exceeds £100,000, the proviso that the Staffing Committee is not required to make recommendations to Council affecting the remuneration of a new post where remuneration for that post is already included within the Council's annually approved Pay Policy Statement.</p>	<p>The proposal was supported.</p>

Page	Section	Comment and/or area for consideration	Recommendation of Sub-Committee
51	Staffing Committee – appeals	Officers are considering whether there an appropriate level below which appeals will be dealt with by officers e.g. Principal Officer grades?	The proposal was not supported. The existing arrangements to remain the same. <i>The Sub-Committee's recommendation was noted and no change has been made.</i>
52	Investigatory and Disciplinary Committee – Receiving Investigating Officer's Report, para 54.	A Councillor has raised a concern that in a previous version (April 2017) of the Constitution that a sentence had been added to the Terms of Reference to the Investigatory and Disciplinary Committee which gives the MO and the Chair of the staffing Committee the ability to "filter out and deal with allegations which are clearly unfounded, trivial or can be dealt with under some other procedure". Bevan Brittan notes that similar wording appears in the Chief Executives' National Salary Framework and Conditions of Service, dated 13.10.16 Bevan Brittan recommends that the decision is delegated to the MO, unless the complaint is against the MO, in which case the delegation should be to the chief executive. In both cases we advise that the delegation should be "in consultation with the Chair of the IDC".	It was agreed that the decision should be delegated to the MO, in consultation with the Chair of the IDC, and thereafter the matter should be reported to the IDC. <i>The Sub-Committee's recommendation is noted and a change has been made.</i>
59	Lay Members Appointment Committee	This function could be added to the Terms of Reference of the Constitution Committee.	The proposal was supported. <i>The Sub-Committee's recommendation was noted and the function has been added to the Terms of</i>

Page	Section	Comment and/or area for consideration	Recommendation of Sub-Committee
			Reference of the Constitution Committee
N/A	Polling Districts and Polling Places Review Sub-Committee	The functions of the sub-committee could be delegated to officers.	<p>It was agreed that the functions of the sub-committee be delegated to the Electoral Registration Officer, or his/her Deputy. It was also agreed that the functions of the Civic Sub Committee and the Outside Organisations Sub Committee be performed, with effect from the new municipal year, by the Constitution Committee.</p> <p><i>The Sub-Committee's recommendation was noted and this committee has been removed. The Chief Operating Officer's local scheme of delegation will need to specify that these functions are further delegated to the Electoral Registration Officer or his/her deputy.</i></p> <p><i>The Civic Sub Committee and the Outside Organisations Sub Committee have been left in</i></p>

Page	Section	Comment and/or area for consideration	Recommendation of Sub-Committee
			<i>place for now, but it is recommended that they be abolished for the next municipal year.</i>
61	Audit and Governance Committee – Functions	<p>We have taken out much of the previous detail for this committee as the detailed list of activities of the Committee is not necessary – the headline areas are sufficient for this section. We have suggested the details are hyperlinked.</p> <p>We have extracted what look to be the most important formal/statutory and listed them. Officers/member comments on this are welcome.</p> <p>If the Initial Assessment Panel and Local Resolution Panel are standing bodies, their membership and terms of reference need to be included here.</p>	<p>Agreed, subject to the approval of the Annual Governance Statement being written in.</p> <p><i>The Sub-Committee's recommendation was noted and a paragraph has been added making clear that the review and approval of the Annual Governance Statement is a function of the Audit and Governance Committee.</i></p>
70	Health and Wellbeing Board – Agenda and notice of Meetings	Should this be amended so that exempt and confidential information be circulated to all members of the Board?	<p>The proposal was supported, so that exempt and confidential information will be circulated to members of the Board.</p> <p><i>The Sub-Committee's recommendation was noted and this amendment has been made.</i></p>
73	Shared Services Joint Committee	Are there any other joint arrangements with other Councils? – if so they need to be included here.	It was agreed that, whilst no other joint arrangements could be identified, these could be added to the documentation as

Page	Section	Comment and/or area for consideration	Recommendation of Sub-Committee
			and when they arose.
Council Procedure Rules			
94	Council Procedure Rule	Five members can call a Special Council – it has been queried as to whether this number is too low. This number cannot be increased as it is specified by Paragraph 3 of Schedule 12 of the Local Government Act 1972.	It was agreed that the existing provisions of the current constitution be retained
95	Questions at Council Meetings	Clarification on how responses should be given was needed (1.18)	Additional wording has been added to clarify that the response will be given within 10 working days by written answer with a copy to all other Members (except where the response contains exempt or confidential information).
97	Notices of Motion	An issue has been raised as to whether motions should always be debated or at least should the proposer be able to explain it. At the moment the wording has been left as in the previous Constitution. Practice varies in councils as to how motions are dealt with. The risk of allowing them to be debated in detail is that (1) the Full Council may not be (and often is not) the correct decision making body to deal with the issue so the matter will have to be re-run and (2) the debate will not be informed by a report setting out the issues, implications and options. However, it is not unreasonable for consideration to be given to the proposer of the motion to be able to explain it briefly – for discussion.	It was agreed that the provisions of the current constitution be retained
120	Rules of Debate	An issue has been raised requesting that members should have the Right	It was agreed that the existing

		<p>to Speak at Council at any point, and not only as determined by the Chair</p> <p>This is not usual practice and would potentially cause an unmanageable meeting. The Constitution has not been changed in this respect.</p>	<p>arrangements should be retained</p>
124	Council Procedure Rule – Appendix 4	<p>The definition of an urgent decision, for the purposes of this section, has been widened following feedback from the Chief Operating Officer. It was previously defined as where "any delay likely to be caused by following the usual procedures would seriously prejudice the Council's or the Public's interest." It now reads:</p> <p><i>"A decision will be urgent in the case of: civil emergency; natural or man-made disaster; matter of serious public health; matters regarding safeguarding of people; or where the Council is at risk of serious reputational damage; loss or claims; or any other matters where the CE or in his/her absence the CFO has declared that an urgent decision is required"</i></p>	<p>Noted and Agreed.</p>
146	Table of Financial Limits	<p>A table of Financial Limits has been inserted into the Constitution. Its purpose is to assist users of the Constitution to be able to see at a glance where the Constitution imposes financial limits and or sets thresholds for various decisions and procedures.</p> <p>Appendix A.1 of to this Explanatory Note includes:</p> <p>A) A table which evidences the input from the Chief Operating Officer on the current financial limits and which, where appropriate, recommends that the levels are amended; and</p> <p>B) A draft table of financial limits to be inserted into the Constitution.</p>	<p><i>The Sub-Committee approved the amended levels proposed to them and the agreed table of financial limits has been inserted into the Constitution. The draft Constitution now reflects the agreed financial limits.</i></p> <p><i>Some consequential amendments to the Officer Schemes of Delegation will be required to give effect to the agreed financial limits.</i></p>

Finance Procedure Rules			
N/A	<u>General</u>	References to Authority amended to Council throughout.	The proposal was supported.
N/A	<u>General</u>	References to Cabinet Member for Finance and Assets amended to Cabinet Member for Finance and Communications throughout.	The proposal was supported.
159	<u>Foreword – Paragraph 1</u>	Decision makers required to check that they have authority to incur financial consequences arising from any decisions they may make.	The proposal was supported.
159	Foreword Paragraph 2 –	A requirement to maintain a written record of delegated decision making has been added – covered in detail at A24 and A26 to A27.	The proposal was supported.
159	Foreword Paragraph 4 –	Responsibility of COO to report breaches of FCPRs amended from Cabinet and Council to Audit & Governance Committee.	The proposal was supported.
159	Foreword Paragraph 6 –	Amended to remove reference to role of internal audit and Corporate Governance and Audit Manager (covered in detail under internal audit and risk management section of FPRs)	The proposal was supported.
160	Foreword Paragraph 7 –	Clarifies that advice should be sought from COO before decisions are taken where the interpretation of the FPRs is unclear.	The proposal was supported.
162	Section A Financial Management (para 8) –	Additional wording to clarify that when making decisions Members must check they have authority to incur financial consequences arising from their decisions.	The proposal was supported.
163	Section A Financial Management (para 10) –	Clarifies that A&G Committee has right of access to information required for the effective discharge of its responsibilities.	The proposal was supported.

164	Section A – Financial Management – (para 20)	Expanded commentary on actions that may be considered contrary to budget	The proposal was supported.
166	Section A – Financial Management – (para 25)	Designated Deputy s151 Officer amended from Finance Manager to Head of Finance & Performance	The proposal was supported.
167	Section A – Financial Management – (para 28)	Members of Corporate Leadership Team updated	The proposal was supported.
167	Section A – Financial Management – (Section A, para 31)	Expanded commentary on objectives of Schemes of Financial Delegation	The proposal was supported.
169	Section A – Financial Management – (para 37.6)	Additional bullet point clarifying that administrative virements do not require Member approval.	The proposal was supported.
171	Section A – Financial Management – (para 39, 43)	Supplementary Estimates section split into revenue and capital	The proposal was supported.
171	Section A – Financial Management – (para 41)	New table added with separate approval limits for SREs funded from earmarked reserves and contingencies	The proposal was supported.
171	Section A – Financial Management –	Clarifies that SREs funded wholly or in part from general reserves or general purpose funding require Council approval regardless of value.	Noted and agreed subject to the addition of “regardless of value” as per A38.

	(para 42)		<i>The Sub-Committee's recommendation was noted and this amendment has been made</i>
172	Section A – Financial Management – (para 43)	Clarifies that Supplementary Capital Estimates funded wholly or in part from additional Council resources such as capital reserves, borrowing and capital receipts, regardless of value, must be approved by Council. Council approval also required where there are significant revenue implications for future year's budgets.	The proposal was supported.
173	Section A – Financial Management – (para 49)	Clarifies that requests for carry forward of underspends should not be submitted where directorate budgets as a whole are overspent.	The proposal was supported.
179	Section B – Financial Planning – (para 16)	Clarifies that Council should not amend revenue or capital budgets without first having considered advice of Cabinet and COO on financial implications arising.	The proposal was supported.
180	Section B – Financial Planning – (para 18)	Reinforces responsibility of CLT to alert the COO in a timely manner to any potential overspending.	The proposal was supported.
183	Section B – Financial Planning – (para 27)	Removes reference to lower limit of £10,000 for capital expenditure	The proposal was supported.
185	Section B – Financial Planning – (para 36)	Reference to Portfolio Holder for Corporate Policy and Legal Services needs to be checked for accuracy.	The proposal was supported.
186	Section B – Financial	Amended wording to clarify that Council will decide how capital receipts should be used when setting the annual revenue budget and capital	The proposal was supported.

	Planning —(para 43)	programme and remove reference to repayment of debt.	
189	<u>Section C – Risk Management and Control of Resources – (para 3) and throughout</u>	Reference to Corporate Manager Governance and Audit needs to be updated to reflect current management arrangements	The proposal was supported.
193	<u>Section C – Risk Management and Control of Resources – (para 29)</u>	Clarifies internal audit rights of access apply equally to Council ASDVs and these rights should be documented in management agreements.	The proposal was supported.
193	<u>Section C – Risk Management and Control of Resources – (para 31)</u>	Additional paragraph citing statutory basis of external audit.	The proposal was supported.
193	<u>Section C – Risk Management and Control of Resources – (para 32)</u>	Updated to reference new arrangements for appointment of external auditors under Local Accountability and Audit Act 2014.	The proposal was supported.
196	<u>Section C – Risk Management and Control of Resources –</u>	Additional wording to make clear that cash held on Council premises should not exceed insurance limits.	The proposal was supported.

	<u>(para 51)</u>		
198	<u>Section C – Risk Management and Control of Resources – Para 65)</u>	Additional wording to clarify that relevant Director (or Chief Exec) should approval all requests for early retirement or severance.	The proposal was supported.
N/A	<u>Section D – Financial Systems and Procedures</u>	Requirement for trading accounts where turnover exceeds £1m deleted.	The proposal was supported.
208	<u>Section D – Financial Systems and Procedures – (para 56)</u>	This section on ASDVs will need to be updated in light of the ongoing ASDV review.	The proposal was supported.
209	<u>Section E – Partnerships and Jointly Funded Projects (para 3)</u>	Clarifies that the Cabinet Member for Finance & Communities will periodically set out policy on approach to be taken to the allocation of grants, donations and other contributions to outside bodies, in consultation with the Chief Operating Officer and Head of Legal Services.	The proposal was supported.
Codes and Protocols			
N/A	Throughout	The Member Code (and associated documents) is being changed to address issues that have arisen with its operation since it was introduced, presumably in 2012. Most of these points have arisen dealing with complaints against town and parish councillors, who tend to adopt the council code, but will be of equal assistance to CEC councillors.	The proposal was supported.
260, 263	Appendix to the current Code. New sections as	Our code currently only defines disclosable pecuniary interests as a class of declarable/registerable interests. The standards regime and legislation envisages council's defining other classes of interests and issuing	The proposal was supported.

	per the headings in the proposed new code.	<p>guidance about declaring those interests and what action to take once those interests have been declared, but Cheshire East has never done that. That is problematic, because there are a whole range of interests that should be declared to ensure transparency and openness, but which don't amount to disclosable pecuniary interests. The lack of definition/guidance has caused confusion, led to inadvertent breaches of the code and so needless standards complaints. It has also caused needless friction between councillors and undermined public confidence in the democratic process.</p> <p>The code is proposed to be amended to set out a definition for personal interests (where a declaration should be made for transparency but participation in the debate and vote is still permitted) and a prejudicial interest (where one can speak as a member of the public but not otherwise and not vote). This is in line with the old standards regime which most members will be familiar with and seem to be following in practice in any event.</p>	
258	Currently dealt with in the "notes" section on the top of page 3 of the existing code. Proposed to have its own dedicated section under the "information" heading in the new code	Operational practice has shown that the code needs to be clearer in its provisions on how Members should and should not deal with information. We address that to re-emphasise the gravity of confidentiality obligations, particularly in light of GDPR where personal accountability and significant fines begin to bite.	The proposal was supported.
259	Gifts and Hospitality	Currently the declaration limit for Members is £100 and for officers £5. That is a stark differential for which it is difficult to see any objective reasonable justification. Compared to other authorities, the Member limit is high and the officer limit very low. Members are asked to consider a unified	Agreed that the limit for Member and Officer declarations be equalised at £100.

		limit for officers and Members.	
N/A	Paragraph 2 of the proposed new code	We have inserted a requirement not to deliberately mislead, after feedback that our code contains no express provisions in that regard. Our view is that this would be covered in any event under the integrity and honesty headings, and to be “truthful” is a requirement of the Nolan principles in any event, but there has been a request to include it so it is for Members to decide whether and how it goes in.	It was agreed that this requirement will not be included. <i>The Sub-Committee's recommendation has been noted and the text has been removed.</i>
257	Paragraph 4.6 of the proposed new code	We have included the word “appropriate” before the bit which says Members are subject to scrutiny by local residents. There have been numerous instances where complaints have been brought which have been founded in an unreasonable expectation of what the right to scrutinise Members entails. In some cases, this has bordered upon the harassment of members.	The proposal was supported.
258	Paragraph 8(a)(iv) of the proposed new code (second “(a)”)	We have added a bit in the “respect for others” section designed to make clear that interference or attempted interference with another party in the standards complaints process is itself a breach of the code. Experience has shown that clarification is necessary.	The proposal was supported.
262	Part 4 of the new code	We make reference in the code to a Monitoring Officer Protocol which the Monitoring Officer will produce and update from time to time. The purpose of that protocol is to alert members to the sorts of issues that have been arising and give an indication of how they will be dealt with under the code. That is almost a running “FAQs” intended to guide Member conduct on common or emerging themes. The purpose of the reference to it in the Code is to give the Monitoring Officer Protocol the status of guidance to be considered when determining matters under the Code.	The proposal was supported.

259	Sensitive Interests	This section has been clarified.	The proposal was supported.
261	Pre-determination and bias	This section has been added based on wording in the existing Planning Protocol. This was previously overlooked in the Code and is an issue all Members need to be alert to.	The proposal was supported.
260	Paragraph 16 of the proposed new code	A section has been added where the Audit & Governance Committee can add membership of prescribed bodies as a personal interest. This flows from the debate at A&GC of a Notice of Motion requesting that all members be required to declare membership of the freemasons as an interest. The debate at A&GC queried why just the freemasons and not any other organisation. The resolution at A&GC was to deal with this in the constitution review process. This proposed addition to the Code enables A&GC to add that and any other body as being bodies that membership of which requires a declaration, as the A&GC sees fit.	The proposal was supported.
App A	Arrangements for Dealing with Standards Complaints. This is a separate document that sits outside of the code. The existing document was approved by Council. There	<p>There is a legal requirement to have this document. The code references and links to it. There has been a substantial redraft to clarify issues that have cropped up in practice, and to make the process clearer. The document has been combined with an existing “overview of process” document at Appendix A to this Explanatory Note. The main changes are:-</p> <ul style="list-style-type: none"> • Providing more scope for the M.O. with the statutorily appointed Independent Person (IP) to reject complaints without first putting them to the subject member. We get a considerable amount of complaints which are not appropriate for the process (usually trivial, unfounded or tit for tat with no public interest element) but currently have to put those to a subject member and convene formal 	The proposal was supported.

	is considered a need to update that document as explained in the column to the right. It is opportune to do that as part of this process.	<p>meetings of the IP (both requiring considerable administrative resource and delay) to consider them before invariably dismissing them on very clear grounds. That is an unsustainable drain on resource. The new procedure enables the MO to reject complaints on set criteria consulting the IP as appropriate. Reasons are given and the subject member is given a precis of the complaint when being told it has been received and rejected.</p> <p>Other aspects have been clarified by greater explanation/detail on matters which have caused confusion in practice.</p>	
279	Member/Officer Relations Protocol	A proposed new officer/member protocol is attached. This is substantively the same as the current document, although provides more detail and narrative on areas where difficulties and tensions most often arise. There is a proposal to include further narrative by way of hyper linked appendices on particular areas, if Members would find that useful, such as protocols on involvement in procurement processes and on access to and the use of information.	The proposal was supported.
N/A	Local Ward Member Protocol	<p>The Local Ward Member Protocol currently forms part of the Constitution. It is repetitive in places, complicated to follow, and is not well drafted. The Working Group concluded that the key issues which needed to be addressed in the replacement Protocol were to: simplify the document so as to make it easier to follow; to strike the right balance in respect of keeping local members informed of local issues; and to agree the right approach to hyperlinking.</p> <p>The following substantive matters are identified for agreement by the Sub-Committee:</p> <ol style="list-style-type: none"> 1. The Working Group has therefore agreed to utilise a shorter version of the Protocol, which used plain English, and which focusses the minds of its readers upon what is really important to local members. The Sub-Committee's approval is sought in respect of the newly 	The proposal was supported.

		<p>drafted document at Appendix B.</p> <p>2. The Working Group concluded that there was no need for the Protocol to be contained within the Constitution, so long as it was accessible to those reading the Constitution via a hyperlink (on page 142).</p> <ul style="list-style-type: none"> ▪ It is therefore proposed to hyperlink the document so as to make it available to anyone reading the Constitution. ▪ It is further proposed that the document should have the status of a “Tier Two” hyperlink, with the responsibility for reviewing and updating the document resting with the Constitution Committee. <p>3. Keeping Ward Members informed: the previous Protocol stated that “Quite Simply, members should be the first to know of events and issues affecting their wards”. This obligation upon officers was not well expressed, and introduced an element of uncertainty as to circumstances where there might be grounds to preserve confidentiality. Sections 2 & 3 of the Protocol therefore seek to strike the right balance.</p>	
N/A	Mayoralty Code of Practice	<p>The Constitution currently includes this Code, which is 6 pages long, is repetitious and poorly drafted. Essentially, it is a document which seeks to set out important and helpful guidance and protocols of behaviour in respect of the Mayor. Bevan Brittan advise that it does not need to be part of the Constitution, and could therefore be hyperlinked.</p> <p>The document has been appropriately re-drafted so as to include the important elements of the document. The Sub-Committee’s approval is sought in respect of the newly drafted document at Appendix C, but the Sub-Committee is asked to express a view upon the following issue which was raised by the Working Group.</p>	The proposal was supported subject to it being made explicit that all Groups can put forward nominations.

		<p>Whereas the existing arrangement for the nomination of Deputy Mayor rests with the ruling Group, and that in reaching a decision, it may choose to invite nominations from other Groups, the Working Group asked for consideration to be given to granting all Groups the right to put forward nominations for the Deputy Mayoralty to the Ruling Group. This would replace the existing arrangement.</p> <p>The Sub-Committee is asked to make an appropriate recommendation to the Constitution Committee.</p>	
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APPENDIX A.1 – Tables of Financial Limits as approved by Constitution Sub-Committee on 17 November 2017

Review of financial levels within Cheshire East Council's Constitution

Overall we would recommend that the financial levels be streamlined and made more consistent across the whole Council to make decision-making clearer and more consistent – there are too many different delegations that are not all consistent.

No	Reference	Issue	Financial Limit	BB Initial Comment	Feedback from s.151 Officer
	Part 2, Chapter 12 Decision Making				
1.	Chapter 12, para 4,	Threshold for an executive decision being likely to be a "key decision"	£1m	This compares well. Most Unitary/Met Councils are £250-500k and larger Councils e.g. Birmingham £1m £1m provides consistency with virement level to seek further Council approval and portfolio holder spend	This level is about right, and can remain at £1m.
	Part 3 Executive Functions				
2.	Executive Functions – Scope of, and limitations to, Portfolio holder Decision Making	Individual Portfolio Holders are empowered to make all executive decision in respect of their own portfolio area of responsibility except decisions involving spending over £1m	£1m	This is a reasonable level (although could be higher). £1m provides consistency with virement level to seek further Council approval & key decisions	This level can remain the same.
	Part 3 Staffing Committee TOR's				
3.	Staffing Committee Terms of Reference, para 5.3	Staffing Committee to make recommendations to Council in relation to decisions affecting remuneration of any new post whose remuneration is or is proposed to be or would become more than £100,000	£100,000 pa	There is no legal requirement to do this, but DCLG statutory guidance in February 2013 recommends it for transparency reasons – and only necessary when the remuneration changes from what is stated in the approved Pay Policy Statement	This limit should remain at £100,000 but the restriction should only apply where the remuneration departs from the approved Pay Policy Statement.

No	Reference	Issue	Financial Limit	BB Initial Comment	Feedback from s.151 Officer
4.	Staffing Committee Terms of Reference, para 5.4	Staffing Committee to make decision in relation to proposed severance packages with a value of £100,000 or more	£100,000 or more	The same guidance suggests that severance payments in excess of this level (including pension strain etc) should be considered and approved by members at full Council, however, where there are good reasons e.g. personal circumstances, confidentiality, speed the Council may consider that a report to Council is not appropriate having considered the guidance.	No change from current arrangements - Staffing Committee to make decision in relation to proposed severance packages with a value of £100,000 or above.
	Part 3, Officer of Delegation	NB Revised delegations may not reflect all of these functions and are likely to be more general in scope			
5.	Scheme of Delegation to senior Officers, paragraph 1.21	The making of grants to voluntary and community to be approved by (a) Portfolio Holders and (b) Cabinet	(a) £0-50,000 (b) £50,000+	This in effect doesn't delegate any powers. A grant of £1 would need Portfolio Holder's approval. There may be political sensitivity around grants. This could be staggered with small grants made by Officers; Portfolio Holders up to a higher level; and Cabinet above. Limits to be discussed but could be up to £50k; up to £100k; £100k+ This would be more consistent with the £50k limit in point 44 below	Suggested approach: Within approved grant policy: (a) Grants of up to £50,000 can be made by officers in consultation with relevant portfolio holders; (b) Grants of between £50,000 and £100,000 require Portfolio Holder(s) Approval; (c) Grants in excess of £100,000 require Cabinet Approval. All grants which do not fall within existing approved grant policy require Cabinet Approval.
6.	Scheme of Delegation, Chief Executive, para 2.14	Chief Executive can make decisions affecting the remuneration of any existing post whose remuneration is or is proposed to be or would become £100,000 p.a. or more in consultation with the Leader and Chairman of the Staffing Committee	£100,000	Appropriate in light of guidance above – will need full Council approval if changes are outside the agreed Pay Policy Statement for the time being.	This level can stay the same.
7.	Scheme of	COO to authorise improvements to roads,	£30,000	How does this sit with other	Take this line out. If the spending is

No	Reference	Issue	Financial Limit	BB Initial Comment	Feedback from s.151 Officer
	Delegation, Chief Operating Officer, para 3.11	including grass verges, street furniture etc not exceeding £30,000 for which provision has been made in the budget and capital programme.		delegations and limits in the Contract Procedure rules? Suggest an increase (£50 or £100k?)	within budget then it should not require further approval.
8.	Scheme of Delegation, Chief Operating Officer, para 3.17	COO on the advice of the Assets Manager or District Valuer to settle claims for borehole damage up to £1,500.	£1,500	Suggest an increase to at least £5k to be consistent with lowest level of Ombudsman claims	Take this out. It can be dealt with under a delegation to Director of Legal to settle claims.
9.	Scheme of Delegation, Chief Operating Officer, para 3.24	COO To accept land for road improvements by dedication subject to the total consideration not exceeding £30,000	£30,000	This should not be politically controversial and should be higher e.g. £100k	Seems reasonable
10.	Scheme of Delegation, Chief Operating Officer, para 3.71	COO is not authorised to write off debt. Approval must be sought from the Portfolio Holder or Cabinet.	£0	This is very unusual. It also doesn't fit with Financial Planning, C47 below - £5k	Suggest that up to £5,000 should be the CFO, £5,000-£25,000 should be CFO in consultation with Portfolio Holder, £25,000+ should be Portfolio Holder.
11.	Scheme of Delegation, Chief Operating Officer, para 3.84	Level of salary below which COO can apply early retirement/redundancy scheme without agreement of the relevant Portfolio Holder	£48,000	Inconsistent with 2.14 above – should be up to £100k (including pension strain etc) – could be in consultation with the Leader and/or portfolio holder in any event for CO's Deputy CO's but otherwise no requirement for consultation as members should not be seen to influence decisions below DCO? Apply to HPS and Executive Director level (ED)	This level should be £100,000
12.	Scheme of Delegation, Chief Operating Officer, para 4.6	ED Place can accept any tender in consultation with the COO and after having notified the Portfolio Holder up to £200,000	£200,000	How does this sit with Contract Procedure Rules? Above/Below threshold? – Consider limits in CPR	Take this line out.
13.	Scheme of Delegation, Chief Operating Officer, para 4.6	ED Place can accept any tender in consultation with the COO and with the approval of the Portfolio Holder between £200,000 and £500,000	£200,000-£500,000	Ditto	Take this line out.

No	Reference	Issue	Financial Limit	BB Initial Comment	Feedback from s.151 Officer
14.	Scheme of Delegation, Chief Operating Officer, para 4.7	ED Place to authorise the acquisition of an interest in Land in consultation with the COO and after having notified the Portfolio Holder up to £200,000	£200,000	This is low for an acquisition – suggest £500k above which it goes to Cabinet – will depend on budget provision in any event?	£500,000
15.	Scheme of Delegation, Chief Operating Officer, para 4.7	ED Place to authorise the acquisition of an interest in Land in consultation with the COO and with the approval of the Portfolio Holder between £200,000 and £500,000	£200,000-£500,000	£500k - £1m?	£500k - £1m
16.	Scheme of Delegation, Chief Operating Officer, para 4.18	To manage the Farms estate, serve all statutory notices, to negotiate and approve all matters and grant all consents required in order to do so provided that investment in improvements to farms will not exceed £20,000	£20,000	Not very high these days – increase?	£50,000
17.	Scheme of Delegation – Director of Adult Social Care and Independent Living – Para 6.21(d)	DASCIL can only write-off debt where it is felt that the individual would be at risk in consultation with the portfolio holder.	No cap.	Consultation with Portfolio Holder is required. Inconsistent with other limits for debt write off.	Should be in consultation with Portfolio Holder for ASC and Portfolio Holder for Finance. There should be a limit of £5k.
18.	Scheme of Delegation, MO, para 9.6	Authorise settlement of up to £5,000 in respect of potential uninsured claims or Local Government Ombudsman cases (which after settlement shall be reported to Cabinet)	£5,000	Relatively low – if these develop into legal claims then covered by below	£25,000, and would include boreholes.
19.	Scheme of Delegation, MO, para 9.6	Authorise settlement in respect of potential uninsured claims or Local Government Ombudsman cases above £5000 and below £50,000 in consultation with the Portfolio Holder and the Chief Operating Officer, (which after settlement shall be reported to Cabinet)	£5,000 to £50,000	Reasonable - £100k would be more consistent with other officer delegations – what is uninsured level?	£25,000-£100,000 in consultation with the Portfolio Holder and the Chief Operating Officer
20.	Scheme of Delegation, MO, para 9.6	Claims in respect of potential uninsured claims or Local Government Ombudsman cases in excess of £50,000 require Cabinet approval	£50,000	£100k flows from above	£100,000+

No	Reference	Issue	Financial Limit	BB Initial Comment	Feedback from s.151 Officer
	Council Procedure Rules				
21.	Procedure Rules, General Provisions – Appendix 4, Urgent Decisions taken outside of meetings	For the purposes of this urgency provision, the limit placed on the decision-making powers of individual Portfolio Holders in relation to decisions involving expenditure or savings of £1M or more would not apply	No cap on emergency decision making powers for Portfolio Holders.	Correct, unless Council needs to approve more funds because outside of the budget or policy framework	This should set out the circumstances under which it would apply: "...in the case of: civil emergency; natural or man-made disaster; matter of serious public health; matters regarding safeguarding of people; or where the Council is at risk of serious reputational damage; loss or claims; or any other matters where the CE in his/her access the CFO has declared that an urgent decision is required".
22.	Access to Information Procedure Rules	Threshold for an executive decision being likely to be a "key decision"	£1m		
	Finance Procedure Rules				
23.	Financial Management A32	Approval Limits for Virements: Head of Service	Up to £100,000 or 10% of their net Service budget, whichever is the lowest. (Revenue)	For certainty and consistency suggest £100k rather than % of net budget	Up to £100,000 (Revenue)
24.	Financial Management A32	Approval Limits for Virements: Corporate Leadership Team	Greater than 10% of a net Service budget but less than £100,000 (Revenue) Up to £100,000 between net Service budgets (Revenue) within their area of responsibility.	CLT should be higher – if there is to be any distinction – e.g. CLT up to £250k? If not subsume first one into above. Again an amount may be better than a % Capital limits should be higher than revenue - compare how this would fit with capital spend proposed above on land	£100,000 - £500,000 – Relevant Executive Director (Revenue) £100,000-£1,000,000 – Relevant Executive Director (Capital)

No	Reference	Issue	Financial Limit	BB Initial Comment	Feedback from s.151 Officer
			Up to £100,000 funded from underspends within the approved Service budget (Capital)	<p>NB Most Councils do not require any further approval to spend capital where any amount has been approved against designated projects as part of the annual budget process</p> <ul style="list-style-type: none"> - Member approval may still be required to acquire a particular piece of land or to commence a procurement process etc. 	
25.	Financial Management A32	Approval Limits for Virements: Corporate Approval Limits for Virements: Leadership Team in consultation with Finance & Assets Portfolio Holder	£100,000 and up to £250,000 (Revenue/Capital)	Again capital expectations would be higher than revenue £250k - £500k CLT	Executive Directors in consultation with Finance and Assets Portfolio Holder and relevant Portfolio Holder: <ul style="list-style-type: none"> • £500,000 - £1m (Revenue) • £1m - £5m (Capital)
26.	Financial Management A32	Approval Limits for Virements: Portfolio Holders and Corporate Leadership Team in consultation with Portfolio Holder for Finance and Assets	£250,000 and up to £500,000 (Revenue/Capital)	Ditto – suggest covered by above - delete	Delete if above agreed
27.	Financial Management A32	Approval Limits for Virements: Cabinet	£500,000 and up to £1,000,000 (Revenue/Capital)	Consistent with above	Cabinet: <ul style="list-style-type: none"> • £1m+ (Revenue) • £5m+ (Capital)
28.	Financial Management A32	Approval Limits for Virements: Council	£1,000,000 or more; and/or significant ongoing financial implications; and/or significant policy change. (Revenue/Capital) “Significant” to be defined by the Chief Operating Officer or their	Suggest definite limit of £1m	As above if outside budget and policy framework

No	Reference	Issue	Financial Limit	BB Initial Comment	Feedback from s.151 Officer
			representative.		
29.	Financial Management A36	Approval limits for supplementary capital and revenue estimates: Corporate Leadership Team	Up to £100,000	£250k or £500k would be consistent with recommendations above	Executive Director up to £500,000
30.	Financial Management A36	Approval limits for supplementary capital and revenue estimates: Management Group Board in consultation with the Portfolio Holder for Finance and Assets	£100,000 and up to £250,000	Delete	Executive Director in consultation with Portfolio Holder for Finance and Assets £500,000 - £1m.
31.	Financial Management A36	Approval limits for supplementary capital and revenue estimates: Portfolio Holders and Corporate Leadership Team in consultation Portfolio Holder for Finance and Assets	Between £250,000 and up to £500,000	Delete, subject to above	Delete
32.	Financial Management A36	Approval limits for supplementary capital and revenue estimates: Cabinet	Between £500,000 and up to £1,000,000	OK?	Delete
33.	Financial Management A36	Approval limits for supplementary capital and revenue estimates: Council with recommendation from Cabinet	£1,000,000 and over	OK – consistent with above	Keep
34.	Financial Planning B26	Amount below which expenditure is not treated as capital expenditure	£10,000	CFO to advise	Alex to check CIPFA guidance as to whether there is a limit. Suggested delete 30/10/17 – no need for a limit in the constitution
35.	Financial Planning B27	Block provisions will be approved within the Capital Programme for individual schemes costing less than £250,000	£250,000	Could be higher £500k?	Take this line out
36.	Financial Planning B38	In respect of highways improvements, heads of Service may approve capital expenditure in respect of other rechargeable reinstatement work costing £10,000 and above	£10,000	Who approves below £10k No upper level?	Take this line out - Will be covered by general delegations
37.	Financial Planning C47	CLT, Heads of Service and officers specified in a Scheme of Financial Delegation may authorise the write off of losses up to £5,000, or disposals, of obsolete or surplus equipment, materials, vehicles or stores up to a disposal value	£5,000	Increase to be consistent with general write-offs	CFO should authorise all write offs up to £5,000.

No	Reference	Issue	Financial Limit	BB Initial Comment	Feedback from s.151 Officer
		of £5,000. If this threshold is exceeded, approval must be sought from the Finance Portfolio Holder.			
38.	Financial Planning D24	If a requisition for the purchase of goods or services exceeds £5,000 in value Contract Procedure rules Part 2.1 apply (these relate to competition law and the number of bids which should be sought etc)	£5,000	Review	£10,000, and needs to be in line with the revised Contract Procedure Rules.
39.	Financial Planning D50	Separate Trading Accounts are required when services are provided to either internal or external clients, on a basis other than a straightforward recharge of full cost. These accounts are also required where there is a minimum turnover of £1,000,000	£1,000,000	This is inconsistent with legislation – e.g. a separate account needs to be kept for all Goods and Services Act 1970 trading irrespective of value?	Remove. The law requires all G+S to be recorded separately, so there is no need to deviate from this position.
40.	Financial Planning E18	Approving partnership proposals: Chief Officers	Up to and including £100,000	Why are these decisions different from other decisions above?	Remove
41.	Financial Planning E18	Approving partnership proposals: Chief Officer In consultation with Cabinet Member	Over £100,000 and up to £500,000	Ditto	Remove
42.	Financial Planning E18	Approving partnership proposals: Cabinet	Over £500,000 and up to and including £1,000,000 or if the Authority is undertaking an accountable body role;	Ditto	Remove
43.	Financial Planning E18	Approving partnership proposals: Council	£1,000,000 or more.	This is an example of Council taking the "big" decisions – not appropriate if an Executive function and there is budget provision	Remove
44.	Financial Planning	Approval levels for the paying of grants,	Up to and over	Suggest this level should be	This should be cross referenced to

No	Reference	Issue	Financial Limit	BB Initial Comment	Feedback from s.151 Officer
	E25	donations and contributions: Cabinet Member	£50,000	delegated to officers	the grant approval levels in Line 5.
45.	Financial Planning E25	Approval levels for the paying of grants, donations and contributions: Cabinet	Over £50,000	Or could be portfolio holder	Cross reference to line 5.
	Contract Procedure Rule				
46.	Definitions	Request for Quotations	£10,000 to EU Threshold	EU Threshold changes – now defined. There is a link to the Europa Website at 1.1.8 but if this approach is continued, it should be more clearly signposted. If a link is preferred, it should be to: https://www.ojeu.eu/thresholds.aspx as the current link in the Constitution doesn't work. We recommend including the Thresholds in a table. They are updated once every two years, in January. The next update is January 2018.	Agreed
47.	Part 2 – Below EU Threshold 2.1.1	3 quotes are advisable but not mandatory (local firms being preferable)	Up to £5,000	Many local authorities would have a higher threshold of £10k, but require 3 quotes	Advisable to obtain 3 quotes up to £10,000.
48.	Part 2 – Below EU Threshold 2.2.1	Minimum of three quotes shall be obtained, subject to a procurement risk assessment being carried out. All quotations should be sent to Procurement to ensure compliance with the Government Transparency Code.	£5,000 to £25,000	reasonable	£10,000 to £25,000
49.	Part 2 – Below EU Threshold 2.2.1	Minimum of three quotations sought via e-tending portal. Procurement must carry out a procurement risk assessment and will determine the route to market.		It is not clear if this is £25k to EU threshold.	£25,000 to EU Threshold
50.	Part 4 – Invitations to Quote <£25k	Invitations to Quote below £25,000 will follow any guidance issued from the CPU and will be assessed based on their own	Up to £25,000	Merge with above	

No	Reference	Issue	Financial Limit	BB Initial Comment	Feedback from s.151 Officer
		risk.			
51.	Part 4 – Invitations to Quote >£25k 4.1.1	All invitations to Quote/Tender over £25,000 shall include the following: <ol style="list-style-type: none"> 1. All quotes to be issued and received via the e-tendering portal; 2. Bidders must sign the Form of Tender which includes non-collusion provisions; 3. Responses are restricted to access by the Verifying Officer; 4. Invitations must have sufficient detail for a competitive tender and must contain T&Cs of the contract; 5. Must contain a description of the award criteria. 6. Bidders told that preparation of tenders is at their risk and expense; 7. Bidders told that they must not amend the contract documents. 			Amend so that all invitations to Quote/Tender
52.	Part 4 – Invitations to Quote >£25k 4.3.1	Tenders above £1,000,000 will be verified by Legal Services.	£1,000,000		Merge with line below.
53.	Part 4 – Invitations to Quote >£25k 4.3.1	Tenders from the 'EU Threshold' up to £1,000,000 will be verified by the Procurement Manager or a Procurement Category Manager that has not been involved in the tender in question.	EU Threshold to £1,000,000		Tenders above the EU Threshold will be verified by the Procurement Manager or a Procurement Category Manager that has not been involved in the tender in question.
54.	Part 4 – Invitations to Quote <£25k 4.3.1	Tenders/Quotations below the 'EU Threshold' will be verified by a Procurement Officer that has not been involved in the tender in question.	Tenders below EU Threshold	Should the lower limit for this be £25,000 so that it sits with the line below?	Tenders from £25,000 to EU Threshold.
55.	Part 4 – Invitations to Quote >£25k 4.3.1	Quotations from £5,000 to £25,000 will be opened in accordance with any guidance issued by CPU from time to time.	Tenders £5,000 to £25,000.		Tenders £10,000 to £25,000.

No	Reference	Issue	Financial Limit	BB Initial Comment	Feedback from s.151 Officer
56.	Part 5 – Contracts and Post Competition Requirements 5.1.2	Contracts can be executed by a duly authorised officer in accordance with the local scheme of delegation.	Up to £1,000,000		Take this line out
57.	Part 5 – Contracts and Post Competition Requirements 5.1.3	Contracts must be executed under seal.	Where the contract exceeds £1,000,000.	MO to advise	
58.	Part 5 – Contracts and Post Competition Requirements 5.2.1	Waiver of the Contract Procedure Rules. Currently all waivers must be approved by the Chief Operating Officer and Director Legal Services	All waivers	We recommend that below £25,000 a waiver can be signed approved by the Head of Procurement.	Above £25k approval by CFO and DoLS,

Additional points raised on the call:

1. Reference to COO in this table should be to the CFO. The roles can be performed by different people.

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COUNCIL MEETING – 14TH DECEMBER 2017

**Extract from the Minutes of the Constitution Committee meeting on
30th November 2017**

15 CALENDAR OF MEETINGS FOR 2018-19

The Committee considered the draft calendar of meetings for 2018-19 and the outcome of the consultation thereon.

The proposed scheduling of meetings for 2018-19 followed the pattern adopted in previous years.

RESOLVED

That the draft Calendar of Public Meetings for Cheshire East Council 2018 - 2019 be recommended to Council for approval.

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CHESHIRE EAST COUNCIL

Constitution Committee

Date of Meeting: 30th November 2017
Report of: Head of Governance and Democratic Services
Subject/Title: Calendar of Meetings for 2018-19

1.0 Report Summary

- 1.1 This report includes a draft Calendar of Meetings for Cheshire East Council for 2018-19.
- 1.2 The Committee is invited to recommend the draft calendar to Council for approval.

2.0 Recommendations

- 2.1 That the Committee consider the responses to the consultation on the draft Calendar of Public Meetings, as set out in paragraph 10.5.
- 2.2 That the draft Calendar of Public Meetings for Cheshire East Council 2018 - 2019 be recommended to Council for approval.

3.0 Reasons for Recommendations

- 3.1 The Council is required to give public notice of its meetings in order to fulfil its legal obligations under the Constitution and to meet its obligations under the Local Government Act 1972. The Calendar will assist the Council in meeting these requirements.

4.0 Wards Affected

- 4.1 All Wards

5.0 Local Ward Members

- 5.1 All Ward Members

6.0 Policy Implications

- 6.1 None identified.

7.0 Financial Implications

- 7.1 None identified.

8.0 Legal Implications

- 8.1 There are no specific legal implications other than those identified in the main body of the report.

9.0 Risk Management

- 9.1 A published calendar of meetings enables effective business planning and decision making procedures.

10.0 Background and Options

- 10.1 As set out in its Constitution (Part 4 – Council Procedure Rule 1) the Council is required to decide when its meetings will take place and these will be contained in a calendar of meetings.

It is for full Council to approve the calendar.

- 10.2 Under Part 3 of the Constitution, the Constitution Committee is responsible for:

“overseeing, monitoring, co-ordinating and implementing the Council’s administrative and political business, including...administrative arrangements for ...the Council and other meetings.”

10.3 Calendar

Attached at Appendix 1 is a timetable of meetings for 2018-19.

10.4 Scheduling of Meetings

The proposed scheduling of meetings for 2018-19 follows the pattern adopted in previous years. As far as possible only one Committee has been scheduled per day and meetings of each Committee have been scheduled on the same weekday were possible.

Scheduling of meetings has taken into account the business planning/performance reporting cycles.

Certain categories of meetings which do not form part of the formal decision-making process will be omitted from the public calendar but will be added to the Members’ diary for convenience. These include Member development sessions and meetings of the Cheshire Fire Authority and Cheshire Police and Crime Panel.

August has been retained for recess except for Planning Meetings.

No meetings have been scheduled on the dates of Cheshire Show (19-20 June 2018), RHS Tatton Flower Park Show (18-20 July 2018) and Nantwich Show (25 July 2018).

10.5 Consultation

The calendar of meetings has been circulated to the following:

- Corporate Leadership Team
- Cabinet
- Committee Chairmen
- Group Leaders
- Group Whips

Responses have been received from consultees are summarised as follows:

- concern that Council and other meetings are held on a Thursday in Sandbach when there are difficulties with parking due to it being market day

Any further responses received will be reported at the Constitution Committee meeting.

10.6 Council

Meetings of full Council have been scheduled to be held on 23 May 2018 (Annual Council), 26 July 2018, 18 October 2018, 13 December 2018 and 21 February 2019 (Budget Council), with start times of 11 am for Annual Council, December 2018 and February 2019 meetings and 2.00 pm in July and October 2018.

10.7 Overview and Scrutiny Committees

Meetings of Overview and Scrutiny Committees have been scheduled to meet on a bi-monthly basis, with the exception of the Health and Adult Social Care and Communities Overview and Scrutiny Committee, which is scheduled monthly. If there is a specific need for additional meetings, these can be dealt with under existing arrangements.

10.8 Cabinet Meetings:

Cabinet meetings have been scheduled monthly on a Tuesday at 2.00 pm and have been arranged to take place in the Committee Suite at Westfields. No other meetings have been scheduled on the same day.

10.9 Portfolio Holder Meetings

These are proposed to be discontinued as part of the review of the Constitution but, until such time as the current arrangements change, the following applies. Portfolio Holder meetings have not been scheduled into specific dates, but it has been the practice to hold them on Monday mornings, and rooms have been reserved at Westfields to allow them to take place. However, meetings will be arranged at the most appropriate venue, following consultation with Portfolio Holders.

10.10 Planning Committees

Strategic Planning Board, Northern Planning Committee and Southern Planning Committee are scheduled on a four weekly cycle of meetings on Wednesday where possible; with any site visits taking place the Friday before the meeting.

The Strategic Planning Board will commence at 10.30 am, with the Northern Planning Committee and Southern Planning Committee commencing at 10.00 am.

10.11 Committees

The Constitution Committee, Staffing Committee and Public Rights of Way Committee have been scheduled to take place quarterly, with the Audit and Governance Committee and Licensing Committee to meet five times a year. Provision exists for additional meetings to be called if needed.

10.12 Subject to additional recommendations which Members may wish to make, the Committee is asked to refer the calendar to Council at its meeting to be held on 14 December 2017.

11.0 Access to Information

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

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Designation: Democratic Services Officer
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Email: rachel.graves@cheshireeast.gov.uk

Calendar of Meetings 2018-19

Elections 2 May 2019

COMMITTEE	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APRIL	MAY
Council (Wed Annual Council/ Thursday)	23 (11 am)		26 (2 pm)			18 (2 pm)		13 (11 am)		21 (11 am)			22 (11 am)
Cabinet Bodies													
Cabinet (Tuesday 2 pm)		12	10		11	9	6	4	15	5	12	9	
Portfolio Holders (Monday am)	Monday mornings have been identified as an option for Portfolio Holder meetings but notice will be given as and when these meetings are arranged												
Shared Services Joint (Friday, Winsford)	18		13		28		30		25		22		
Corporate Bodies													
Constitution Committee (Thursday 2 pm)		28			20		22				21		
Audit and Governance Committee (Thursday 2 pm)	31		31 (Tue)		27			6			14		
Staffing Committee (Thu 2 pm)			23 (Mon)			4			24			25	
Appeals Sub Committee (Mon/Tue 2 pm)		5	3, 30		4	2, 30	20		8	12	5	2	
Regulatory Bodies													
Licensing Committee (Monday 2 pm)		4			3		5		7		4		
General Licensing Sub Committee		21	17	23	18	23	15	11	22	14	19	12	
Public Rights of Way Committee (Monday 2 pm)		11			10			3			11		
Strategic Planning Board (Wednesday 10.30 am)	16	27		1, 29	26	24	21	19	30	27	27	24	

COMMITTEE	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APRIL	MAY
Southern Planning (Wednesday 10 am)	30		4	8	5	3, 31	28		9	6	6	3	
Northern Planning (Wednesday 10 am)		6	11	15	12	10	7	5	16	13	13	10	

Overview and Scrutiny Bodies													
Corporate (Thu 2.00 pm)		7			6		1		10, 31			4	
Health and Adult Social Care and Communities Overview and Scrutiny Committee (Thursday 10 am)		14	5		13	11	8	6	17	7	7	11	
Environment and Regeneration (Mon 2 pm)		18			17		12		21		18		
Children and Families (Mon 2 pm)		25			24		26		28		25		

Others													
Health and Wellbeing Board (Tuesday 2 pm)	29		24		25		27		29		26		
Local Authority School Governor Appointments Panel (Monday 2 pm)			2			15				4			

Cheshire East Council

Council

Date of Meeting:	14 th December 2017
Report of:	Hayley Kirkham, Head of HS2 Growth
Subject/Title:	High Speed Rail -(West Midlands Crewe) Bill (HS2 Phase 2a) Petitioning
Portfolio Holder:	Cllr Rachel Bailey, Leader of Cheshire East Council

1. Report Summary

- 1.1. The arrival of HS2 to Crewe could have the potential to deliver significant economic growth across the Borough, the Constellation Partnership and beyond.
- 1.2. On the 17th July 2017, the Government deposited the High Speed Rail (West Midlands – Crewe) Bill (“the Bill”) in Parliament. The Bill is a hybrid Bill and includes proposals for the HS2 line between Fradley and Crewe and provision to bring HS2 services to Crewe in 2027. The scheme is sometimes referred to as Phase 2a of HS2 and follows on from Phase 1 which concerned the route from Euston to Handsacre in Staffordshire, with a spur from Water Orton in Warwickshire to Curzon Street, Birmingham.
- 1.3. The proposals for Crewe in the Bill include the interventions needed to support 2 stopping HS2 trains per hour at Crewe, reducing journey times to London from Crewe to 55 minutes. The current plans do not support additional HS2 services from Crewe when phase 2b opens in 2033.
- 1.4. For several years, Cheshire East Council has advocated the delivery of an enhanced hub station in Crewe serving 7 HS2 trains per hour, each way, with direct services to Manchester, Birmingham and London. The step-change in connectivity delivered by this level of HS2 service will be the catalyst for transformative growth and regeneration across the Borough and sub-region.
- 1.5. Proposals outlined in the Bill would not deliver this step change in connectivity and therefore it is possible that only limited growth around the Crewe hub station would be attained.
- 1.6. The recent Crewe hub consultation “Crewe hub: building on existing connectivity” launched by the Department for Transport alongside the Bill presented 3 alternative options for enhanced HS2 train service patterns at

Crewe. Of the 3 options presented, only one, Scenario 3, allowed for 7 HS2 trains per hour and with HS2 connections to Manchester and Birmingham. This option delivered significantly higher transport benefits than each of the other options presented.

- 1.7. Cheshire East Council's ambitions for a Crewe hub station align to Scenario 3 of the Crewe hub consultation. Of the 3 options identified in the consultation and the Bill's proposals, this is the only option that would support the Council's and its Partners' growth ambitions. Therefore, the Council would not support the Bill's proposals as currently drafted in this regard.
- 1.8. The Bill could have its second reading in early December 2017 with a 25 day petitioning period commencing the following day. Any individual, group of individuals or organisations "directly and specially affected" by the Bill has the right to petition against it. Examples of objections raised are those relating to:
 - route alignment;
 - noise impacts and how they can be reduced and mitigated;
 - traffic issues including access to and from construction sites, how spoil is disposed of and whether better alternative sites in the locality exist;
 - the impact of changes to the road network, footpaths and bridleways;
 - measures to protect or preserve wildlife, flora and fauna;
 - impact on development opportunities.
- 1.9. Petitioning provides the opportunity for the Council to formally raise its concerns regarding the Bill before the House of Commons Select Committee. If a petition is not deposited it will not be possible for the Council to appear before the Select Committee. There will be a further opportunity to petition against the Bill in the House of Lords in due course.
- 1.10. This report seeks Council authorisation for Cheshire East to petition against the Bill during the relevant petitioning periods in the House of Commons and the House of Lords in relation to those aspects of the Bill that prejudice Cheshire East Council.
- 1.11. It is expected that changes to the Bill – known as an Additional Provision – will be deposited in Parliament later in 2017 or early 2018. An Additional Provision is essentially a "mini Bill" and the process for promoting one is largely the same as for the promotion of the current Bill. If the Council is concerned about any Additional Provision, it will be possible for the Council to petition against it in due course.

2. Recommendation

2.1. Council is recommended to:

- 1) Resolve that it is expedient to petition the High Speed Rail (West Midlands – Crewe) Bill introduced in the 2017 – 19 session of Parliament.
- 2) Delegate the authority to the Executive Director of Place, in consultation with the Leader of the Council and Director of Legal Services, to take all necessary and expedient steps to give effect to the resolution above.
- 3) Delegate to the Director of Legal Services the authority to seal any necessary documents and confirm that Sharpe Pritchard LLP (Parliamentary Agents) be authorised to deposit and, if necessary, sign the Petition of the Council against the Bill.
- 4) Delegate the authority to the Executive Director of Place in consultation with the Leader to withdraw any aspect of the Council's Petition against the Bill if this is no longer the appropriate course of action.

3. Other Options Considered

- 3.1. The opportunities that the arrival of HS2 could deliver for the Borough and sub-region are significant. However these are predicated on securing the right level of HS2 train service patterns at Crewe and an enhanced Crewe hub station.
- 3.2. The Bill's proposals for only 2 trains per hour to London would unlikely deliver growth above the current Local Plan and would not be a catalyst for regeneration and transformation of Crewe as depicted in the Crewe Masterplan.
- 3.3. Failure to secure an enhanced hub station with at least 7 HS2 stopping trains per hour would see a once in a lifetime opportunity lost for Crewe and loss of economic benefits to the whole of the UK. Moreover, Crewe would see significant disruption through the construction of the Bill scheme with little gains at the end of this.
- 3.4. Whilst the Council is working with Government and Network Rail to develop proposals for an enhanced Crewe hub this is not yet committed. By petitioning against the Bill the Council is in a stronger position to negotiate with Government and influence future decisions on the Crewe hub station.
- 3.5. Without petitioning against the Bill it could be considered that that the Council is satisfied with the current proposals.

4. Reasons for Recommendation

- 4.1. Cheshire East has been a strong advocate of the HS2 scheme with recognition of the wider economic and regeneration potential that it can unlock. This support remains conditional on the following assumptions:
 - That an enhanced hub station is delivered, capable of serving 7 HS2 stopping trains per hour with direct HS2 connectivity to Manchester, Birmingham and London; and
 - The maximum levels of mitigation and compensation are applied to Cheshire East residents and businesses negatively impacted by HS2.
- 4.2. Cheshire East's evidence base demonstrate the stark contrast in economic and regeneration potential of Crewe and the wider Constellation Partnership of delivering the Bill's proposals and the 7 trains per hour scenario.
- 4.3. The recent Crewe hub consultation by the Department for Transport identified alternative connectivity options for the Crewe hub, with only one option, Scenario 3, meeting the Council's ambitions for HS2 connectivity. The consultation also identified the transport benefits of providing greater high speed connectivity to and from Crewe with the benefits arising from Scenario 3 being 69% higher than the next best scenario.
- 4.4. The Council is undertaking a comprehensive work programme with the Department for Transport and Network Rail to develop a business case for an enhanced hub station at Crewe that delivers the Council's ambitions for HS2 connectivity and supports the wider regeneration of the Crewe HS2 Masterplan. There is currently no commitment from Government that the enhanced hub option will be delivered.
- 4.5. By petitioning against the Bill, the Council seeks, amongst other things, to influence future decisions on the Crewe hub.
- 4.6. It is not unusual for an organisation such as a local authority which, in principle, supports a Bill to petition against it in order to seek (for instance) better mitigation for its area. This happened during the promotion of the Phase 1 Bill and resulted, in some cases, in changes to the Phase 1 proposals in line with the local authority's petitioning position.
- 4.7. In November 2017, the Council appointed Sharpe Pritchard, a firm of recognised Parliamentary Agents, through a Council procurement framework, to provide specialist advice and support in relation to the Council's options and position with regards to petitioning. The Council is working closely with these agents and it was concluded that the most appropriate approach was for the Council to petition against the Bill.

- 4.8. The Council recognises the implications of petitioning on the Council and has the necessary resources to deliver the requirements with the Project team working closely with the Council's legal team on all aspects of the petitioning process.

5. Background/Chronology

- 5.1. The then Secretary of State for Transport, the Rt Hon Patrick McLoughlin MP, announced the initial preferred line of route and station options in January 2013 and the first round of public consultation ran until the end of January 2014.
- 5.2. In November 2015 the Secretary of State made the decision on the final preferred option for the Line of Route for Phase 2a, from Fradley to Crewe. At the same time safeguarding directions were issued to protect the route from conflicting development and a property consultation was launched to assist those living along the Phase 2a route. This directly affects those properties within 300m either side of the proposed HS2 Line of Route.
- 5.3. In November 2016 the Secretary of State proposed that the site for any HS2 Hub Station at Crewe should be on the site of the existing station.
- 5.4. Over the past 5 years the Council's evidence base for an enhanced Hub Station at Crewe has been strengthening. An enhanced Hub Station is one that is capable of handling 7 stopping HS2 trains per hour with direct HS2 connectivity to Manchester and Birmingham as well as London. This would bring Manchester and Birmingham within 21 and 28 minutes respectively of Crewe and see Crewe become one of the best connected places in the UK.
- 5.5. This evidence shows a difference in economic and social benefits that can be delivered by an enhanced station as compared to a base case station is stark. A draft HS2 Growth Strategy from the Constellation Partnership was submitted to Government in November 2017 which demonstrated how an enhanced Hub Station at Crewe will support the delivery of significant housing and employment growth across South Cheshire and North Staffordshire.
- 5.6. On the 17th July 2017, the Bill was deposited in Parliament. The Bill includes proposals for the line of route between Fradley and Crewe and the delivery of HS2 connectivity to Crewe with 2 HS2 trains per hour between Crewe and London.
- 5.7. Also on the 17th July 2017, the Department for Transport launched the consultation 'Crewe hub: building on existing connectivity'. The consultation identified, and sought views on, options for increased HS2 connectivity at Crewe. It identifies three alternative options for HS2 connectivity at Crewe with only one, Scenario 3, being capable of delivering the Council's ambitions for a Crewe hub serving 7 HS2 trains per hour with direct services to Manchester and Birmingham and increased HS2 connectivity to London.

- 5.8. It was encouraging to see that the consultation on the Crewe Hub options took account of the representations previously submitted to Government by the Council.
- 5.9. The consultation also set out the transport benefits and wider economic benefit outcomes from each scenario with the Council's preferred option, Scenario 3, delivering significantly higher benefits than either of the other two options presented.
- 5.10. These transport benefits together with the economic outputs and regeneration potential as set out in the Crewe HS2 Masterplan and Constellation Partnership's draft Growth Strategy provide a compelling case for an enhanced hub station. This is also supported by many of the Council's wider partners including Growth Track 360 partners across Cheshire and North Wales and Transport for the North.

The second reading of the Bill is due to take place in the forthcoming months and possibly as soon as early December 2017. Unless an alternative timetable is set by Government the second reading will trigger a 25 day petitioning period commencing the day after the second reading in Parliament. Therefore, petitions may need to be submitted by as early as January 2018.

5.11. The HS2 Scheme – Phase 2b

- 5.12. It is expected that a further bill providing for the construction of the HS2 route north of Crewe to Manchester ("Phase 2b") will be deposited in Parliament in 2019. There will be an opportunity to petition against that Bill after it has had its second reading in 2019 or 2020. A further Council resolution would be required to petition against that bill, if the Council considered it expedient to do so.
- 5.13. Whilst the proposals for HS2 Phase 2b are still being developed, the current consulted line of route is complex and passes through a number of communities north of Crewe where it is likely that that scheme will have a negative impact on local residents and businesses. Owing to complexities of the route and its likely effects, the Council is already working on its case in respect of those proposals.

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. A major national project such as HS2 has national policy objectives. Addressing the development impacts of a project of this scale will cover all the Council's aims within the corporate plan.

- 7.1.2. The petitioning objections put forward by the Council will be in accordance with its policies.

7.2. Legal Implications

7.2.1. Petitioning against a Bill requires specialist knowledge and expertise in drafting the petition and presenting this to the Select Committee. Parliamentary Agents are solicitors approved by the House of Commons and Lords to undertake this work on behalf of bodies seeking to petition. The Council has appointed Parliamentary Agents to assist with this process.

7.2.2. Section 239 of the Local Government Act 1972 enables a local authority to oppose a public or private bill where it is satisfied that it is expedient to do so, but only in accordance with the procedure laid down in the Act. There is a requirement under section 239 for local authorities to pass a resolution of full Council to deposit a petition in Parliament against a local or private bill. A Hybrid Bill is considered to fall within the remit of section 239.

7.3. Financial Implications

7.3.1. The costs associated with petitioning including the costs of parliamentary agents for 17/18 will be met from existing budgets. The costs for 18/19 are built in to the business case for the HS2 programme which is currently being considered as part of the medium term financial plan.

7.4. Equality Implications

7.4.1. Any petition of the Council to the proposals within the HS2 phase 2a and phase 2b hybrid bills will support equality and diversity within the borough.

7.5. Rural Community Implications

7.5.1. The Council's petitioning objections will seek maximum mitigation against the environmental impacts of HS2 on our communities.

7.5.2. The Council's petitioning objections will seek the delivery of a full Hub Station at Crewe by 2027 rather than in several phases of works to minimise the disruption to local business and residents including those in our rural communities.

7.6. Human Resources Implications

7.6.1. None identified

7.7. Public Health Implications

7.7.1. The Council's petition will seek to ensure the maximum levels of mitigation are secured including those against the negative environmental impacts of the HS2 proposals. This could include, for example, impacts on air quality.

7.7.2. The Council's petition will support the delivery of an enhanced HS2 Hub Station which can have significant impacts upon public health through access to high quality environments, amenities and employment opportunities.

7.8. Implications for Children and Young People

7.8.1. The Council's petition will support the delivery of an enhanced Crewe Hub Station which will provide opportunities for employment and be the catalyst to deliver good quality housing and environments for residents of all ages.

7.9. Other Implications (Please Specify)

7.9.1. None identified

8. Risk Management

8.1. It is considered that preparing a robust petition will increase the ability of the Council to maintain its influence as a key stakeholder and achieve the best possible final decisions for the Borough

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

10.1. Contact details for this report are as follows:

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COUNCIL – 14 DECEMBER 2017

NOTICES OF MOTION

Submitted to Council in Accordance with Procedure Rule 12

1. M6, J17 – Future Growth and Investment

Proposed by Councillor B Moran and seconded by Councillor G Baggott

At M6, Junction 17, the delivery of the Local Plan depends on the ability of people to make reliable journeys on Highways England's strategic road network and that the adjacent local roads can cope with the additional traffic that will need to safely access and exit the Junction into the future. The arrival of the HS2 Hub at Crewe will place more demands on the road network in this area, but the growth of traffic on the M6 should not be at the expense of more congestion on local roads which will affect local journeys.

Future investment by Highways England into a major upgrade of Junction 17 should be a key consideration of Transport for the North as they commence their process of developing a Strategic Transport Plan for the North which will be the basis for determining Highways England's future programme. Consultation on this Plan starts in the New Year and I propose that the Portfolio Holder for the Environment, in conjunction with the Executive Director for Place, include within the Council's response, support for an early inclusion of a major scheme to improve capacity at Junction 17 in Highways England's next investment period.

This Motion reflects the question raised by Fiona Bruce MP, in the House of Commons on 30 November 2017. This concerned the need for improvements at Junction 17 to be prioritised in Transport for the North's Strategic Transport Plan, in order for Cheshire East Council to deliver continuing high levels of economic growth.

2. UK100 Clean Energy by 2050

Proposed by Councillor S Corcoran

This Council acknowledges;

- the historic commitments made at the 2015 United Nations Climate Change Conference in Paris toward the future of renewable energy;
- our responsibility to help secure an environmentally sustainable future for our residents and in relation to the global effects of anthropogenic climate change.

This Council subsequently notes that;

- despite the Paris Agreement placing no binding commitments upon Local Government institutions, we as a Council can still play our part in the global movement towards a sustainable energy future;
- additional benefits of the development of green industries include the potential to create well-paid, high-skilled employment locally, regionally and nationally;
- the UK100 Agreement pledge outlines the ambition for the UK regions to exceed the Paris Climate targets through achieving 100% 'clean energy' usage by 2050.

In light of this, this Council therefore resolves to;

- match the ambitions of the UK100 Agreement through pledging to achieve 100% clean energy across Cheshire East Council's full range of functions by 2050 (defined as 70% from fully renewable sources [Wind, Water, Solar], with the remainder from other low CO2 forms of energy production, in line with ambitious post-2040 energy mix forecasts;
- work in partnership with our residents and business community to deliver against the commitments made nationally and internationally at the 2015 Paris Summit;
- turn these commitments into reality through developing a 'route map' to a sustainable future, working together with Cheshire East's business, educational and residential communities as part of an integrated approach to a shared sustainable future.

References

For energy mix forecasts see Greenpeace, 'Energy Revolution', p.86:

www.greenpeace.org/international/Global/international/publications/climate/2015/Energy-Revolution-2015-Full.pdf

<http://www.uk100.org/>

3. Local Plan Housing Land Supply

Submitted by Councillor S Corcoran and seconded by Councillor N Mannion

That this Council notes that

- 1 in a recent planning appeal case the Inspector considered whether Cheshire East Council had a 5-year housing land supply and said, "To my mind, even though the calculated supply includes a 20% buffer, the 5-year supply should be considered to be marginal and, potentially, in doubt" and said "I conclude that it would be both cautious and prudent in the circumstances of this case to regard policies for the supply of housing to be considered not up-to-date, thus engaging the tilted balance of paragraph 14 of the Framework."

- 2 the Local Plan assumes a housing need of 1800p.a.
- 3 a recent government consultation included a figure for housing need in Cheshire East of 1142 p.a.
- 4 if the 5-year housing land supply calculation were based on a housing need of 1142p.a. then Cheshire East would have a secure and robust 5-year housing land supply
- 5 in order to take advantage of the lower figure for housing need in calculating a 5-year housing land supply, the Local Plan will need to be refreshed

This Council requests that a report be presented to the next Cabinet meeting setting out the work required to refresh the Local Plan to ensure that Cheshire East has a secure and robust 5-year housing land supply.

4. Maintenance of Highways in Crewe

Proposed by Councillor J Rhodes and Seconded by Councillor S Brookfield

This Council should review its current asset led management approach to the repair and maintenance of roads and footpaths in the light of its failure to adequately maintain the highways in the principal town of Crewe.

Furthermore, it should institute an open and transparent system for funding and spending on highways, as is currently used for local highways groups. This would prevent any possible accusation of favouritism towards any particular town or ward. The annual assessment of highways and the list of areas to be maintained should also be made available to Councillors and the public.

Lastly, a comprehensive scheme of repair for highways in Crewe should be drawn up and submitted to the relevant scrutiny committee, alongside an estimate of the 3 year budget requirement.

5. Publication in full of Developer's Viability Assessments

Proposed by Councillor N Mannion and Seconded by Councillor B Roberts

Viability Assessments, introduced under the provisions of the NPPF in 2012, are submitted by developers of larger sites as evidence to justify removing or reducing their contributions, most often with regard to our Local Plan requirement that a minimum of 30% of residential units in a development are designated as 'affordable'.

To date, the content of Viability Assessments submitted by planning applicants to Cheshire East have not been published, nor have any details been shared with the Council's planning committees.

However, a growing number of planning authorities, most recently Greenwich and Southwark councils, joined in November 2017 by Bristol City Council, have started to publish all viability assessments submitted by developers in full.

Therefore, in the interests of openness and transparency it is proposed that:

From 1st February 2018 all Viability Assessments submitted by developers shall be published in full on the Council's planning portal.