

Council Agenda

Date: Thursday 22nd February 2018
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 meetings** (Pages 5 - 34)

To approve the minutes of the ordinary meeting and special meeting of the Council held on 14 December 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 paragraph 1.32 of the Council Procedural Rules 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 - Medium Term Financial Strategy 2018-21**
(Pages 35 - 344)

To consider the recommendation from Cabinet.

9. **Recommendation from Cabinet - Treasury Management Strategy and Minimum Revenue Provision Statement 2018/19** (Pages 345 - 376)

To consider the recommendation from Cabinet.

10. **Council Tax 2018/19 - Statutory Resolution** (Pages 377 - 392)

To set the Council Tax for Cheshire East Council for the financial year 2018/19, at £1,404.28, in accordance with the formal resolutions as shown in section 13 of the report.

11. **Recommendation from Cabinet - A 'Patient Passport' - Delivering Access to Health and Care Records** (Pages 393 - 404)

To consider the recommendation from Cabinet.

12. **Recommendation from Staffing Committee - Pay Policy Statement 2018/19**
(Pages 405 - 416)

To consider the recommendation from the Staffing Committee.

13. **Election of Mayor and Deputy Mayor for the 2018/19 Civic Year**
(Pages 417 - 418)

To resolve that Councillor Lesley Smetham be designated as Mayor Elect and that a second Member be designated as Deputy Mayor Elect, with a view to their formal election and appointment as Mayor and Deputy Mayor for Cheshire East for 2018-19, at the Mayor Making ceremony to be held on 23 May 2018.

14. **Notices of Motion** (Pages 419 - 422)

To consider any Notices of Motion that have been received in accordance with paragraph 1.34 of the Council Procedural Rules

15. **Questions**

In accordance with paragraph 1.18 of the Council Procedure Rules, 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, 14th December, 2017 at The Ballroom, Sandbach Town
Hall, High Street, Sandbach, CW11 1AX

PRESENT

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

Councillors C Andrew, A Arnold, D Bailey, Rachel Bailey, Rhoda Bailey, Baggott, P Bates, G Baxendale, M Beanland, D Bebbington, Bratherton, S Brookfield, D Brown, C Browne, B Burkhill, P Butterill, S Carter, J Clowes, S Corcoran, M Deakin, B Dooley, L Durham, S Edgar, I Faseyi, P Findlow, R Fletcher, T Fox, D Flude, H Gaddum, S Gardiner, S Gardner, L Gilbert, P Groves, M Hardy, A Harewood, G Hayes, S Hogben, D Hough, O Hunter, J Jackson, J Macrae, D Mahon, N Mannion, D Marren, A Martin, 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, G Wait, B Walmsley, G M Walton, L Wardlaw, M Warren, M J Weatherill, G Williams and J Wray

Apologies

Councillors G Barton, E Brooks, C Chapman, H Davenport, W S Davies, M Grant, J Hammond, L Jeuda, M Jones, A Kolker and H Wells-Bradshaw

41 PRAYERS

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

42 DECLARATIONS OF INTEREST

Cllr S Carter declared an interest under item 15 – Questions, by virtue of being a Governor of Hurdsfield School, as he would be asking a question in respect of the school.

43 MINUTES OF PREVIOUS MEETING

Consideration was given to the minutes of the meeting of the Council held on 19 October 2017.

RESOLVED

That, subject to the correction of the spelling of the name of one of the public speakers (Mrs Hazel Faddes), under minute 32 and a correction to the initial of Cllr S Brookfield, under minute 40, the minutes be approved as a correct record.

44 **MAYOR'S ANNOUNCEMENTS**

The Mayor:-

1. Informed Members of the sad death of Honorary Alderman Ken Hemsley, a former Congleton Borough Councillor, who had represented Odd Rode and had also served on the former County Council. The Mayor had attended Ken's funeral on 17 November. Members stood for a minute's silent tribute.
2. Announced that since the last meeting of Council, he and the Deputy Mayor had attended almost sixty events, details of which had been circulated around the Chamber. Events held on or around Remembrance Sunday had played an important part in the Council's civic year and this year it had been his privilege to represent the Council at seven separate Remembrance events. He had also attended two Poppy Appeal launches.
3. Announced that in October, along with Councillor Ainsley Arnold and Officers, he had met with the Chinese Consul General in Macclesfield, to discuss the potential for establishing civic and business links between China and Cheshire East and he wished this ongoing initiative well.
4. Stated that one of the joys of being Mayor was the opportunity to help celebrate what was good about the Borough and meeting some of those who went the extra mile to make Cheshire East such a special place. Over the last few weeks it has been his pleasure to help judge and then attend the Local Hero Awards and he had also attended the Your Champions Awards and an awards ceremony for foster carers. There could be no doubt that there were some very special people in the Borough.
5. Referred to the death in the summer of previous year of Tom Jackson from Congleton. Tom had been murdered whilst backpacking in Australia. What made such a sad event even more tragic was that Tom had died trying to save the life of a fellow tourist. On 7th November, on what would have been his 32nd birthday, the Mayor had joined Tom's family at Tatton, where they planted a tree and dedicated a bench to his memory. He was delighted that Cheshire East had been able to arrange this simple memorial to remember a very brave man. He added that he had rarely met such a wonderful family, a family who have coped with tragedy in a very dignified way and who, along with Tom's friends, had done much to ensure that he was not forgotten.
6. Announced that he had something important to say about the conduct of Members of the Council, and members of the public at Council meetings. He had been concerned to observe the behaviour of elected Members and of some members of the public at the last Council meeting and reminded the meeting of a number of things:

- That he had been elected by the Council to preside over its meetings and, when doing so, to act impartially.
- That he was committed to repaying the trust put in him, but that he expected from Members of the Council, and from the public, that the office of Mayor would be respected, as constitutional rules required. Members of the Council, and members of the public would be silent when the Mayor spoke and he would not tolerate any behaviour which disrespected the office of Mayor, or which sought to disrespect Members of the Council.
- He did expect Members of the Council to speak passionately about issues which came before meetings, but their contributions must be put to the meeting in a respectful manner.
- At the last meeting of Council, there had been examples of attempts by some to “drown-out” the contributions of others. There had also been some examples of inappropriate language being used by Members. There was also at least one example of a Member who felt it appropriate to “answer-back” after a ruling was made from the Chair. He reminded Members that the ruling of the Mayor on any issue at a Council meeting was final.
- This behaviour would not be tolerated, and he would use the powers vested in him by Council to deal with any similar instances, either today or in the future.

He thanked those present, in anticipation of their cooperation.

45 **PUBLIC SPEAKING TIME/OPEN SESSION**

Middlewich Town Cllr J Parry used public speaking time to address Council regarding the use of Section 106 monies, the definition of affordable housing and the recent rally against the downgrading of Crewe's second fire engine.

Mr M Unett used public speaking time to address Council regarding public trust issues, infrastructure in Alsager and the timetabling of the Council's decision-making meetings.

Mr T Wall used public speaking time to address Council regarding the reputation of the Council and budget expenditure. Cllr Paul Bates, Finance and Communication Portfolio Holder, responded.

Mr R Edwardson used public speaking time to address Council regarding the external independent review into Cheshire East Council's organisational culture which was being undertaken by Sarah Messenger from the LGA.

46 **LEADER'S ANNOUNCEMENTS**

The Leader of the Council, in summary:-

1. Responded to comments, made during public speaking time, with regard to the concerns about provision for the fire service in Crewe. She stated that she was clear that this Conservative led Council had used a scrutiny process cross party to consider the concerns with regard to provision at the fire station in Crewe and indeed that continued. The Leader stated that her comments in relation to Laura's march and her understandable concern was simply to point out that actually this was a matter that had been considered cross party and was being considered within the Council's governance and through its representatives on the Fire Authority. It was recognised that times were tough and that the public purse was tough, but equally the Council had to work within its budget. If this wasn't done, whether it be Cheshire East Council the Fire Authority, or the Police Authority, it would not be possible to deliver any of the excellent services that they currently did.
2. Welcomed the comments made under public speaking time with regard to infrastructure, particularly with a focus on Alsager. She stated that she would urge the speaker to look at the Council agenda, not least with regard to Alsager School because its infrastructure was its health, education, and its highways, and it was that strategic infrastructure programme that she wanted to remind Council of, not least the successful bids made to Government by Cheshire East Council.
3. Stated that, with the adopted Local Plan and the future catalyst of HS2, she considered it more important than ever that Council ensured that it had the infrastructure to support these plans to benefit existing residents and support future growth.
4. Referred to the comments made during public speaking time, in relation to the use of 106 monies and affordable housing. She stated that there was a judgement to be made at the reserved matters stage, but that the overarching policy was for 30% affordable housing on the back of developments. However, within affordable housing, there was rightly consideration for provision in relation to the transit community, because they equally were deserving of support of a local area. She would, however, look to review the documentation that has been shared with Cllr Parry but this was her initial response.
5. Stated that in delivering the major schemes over recent years, including the Crewe Green Link Road, Basford West Spine Road, Alderley Edge Bypass and the M6 Junction 16 and 17 pinch point schemes, the Council had a strong pipeline of major strategic projects. A number of projects in the Council's Local Plan Infrastructure Development Plan were either on site or being developed with major progresses made in the current year. She considered that these projects would make a significant contribution to the regional ambitions, as set out in the revised Cheshire and

Warrington SEP and help prepare for the arrival of HS2 to the borough. Equally, she considered that the infrastructure investments would also help to support the wellbeing of communities. These investments would unlock new and good quality housing and employment land, as well as enabling residents to better access facilities and amenities to enhance quality of life; the Crewe lifestyle Centre for instance.

6. Reported that, In October the Middlewich Eastern Bypass project had been successful in its bid to be part of Government's Large Local Major Schemes programme and the receipt of Government grant funding towards the project. This scheme would provide a bypass to Middlewich town centre and enable access to the strategic employment site adjacent to the M6 motorway. Completion of this bypass would support the economic growth agenda by enabling a 1,000 new dwellings and over 2,000 additional jobs in the town.
7. Reported that, also in October, the Council had been successful in its two bids for funding from the National Productivity Investment Fund, receiving £5m for the North West Crewe Package and £3.5m for the Macclesfield Movement Strategy. The Crewe package included proposals for new highway infrastructure to provide additional capacity on the highway network in Leighton and supported delivery of the Local Plan.
8. Referred to the Macclesfield Movement Strategy, which drew upon the findings of the Macclesfield S-Paramics Traffic Modelling Programme, reported in May 2014. She considered that it was important to mention this because she felt that people considered that it had arrived "out of the blue" and the work on this had been going on for a long time. It looked to improve public transport, walking and cycling, whilst also developing a phased strategy for the implementation of localised highway infrastructure and capacity improvements.
9. Referred to the A500 dualling near to junction 16, and stated that it was expected that a planning application would be submitted in the following year; and she considered this would help address the existing congestion from the M6 and would be part of the forward plan for the vision of the Crewe hub.
10. Reported that the Council had been busy on planned schemes and had also to respond to the collapse of the water main on the A530 earlier in the year. She was clear that without the infrastructure that was in place at the David Whitby Way and Jack Mills Way, the impact on the surrounding traffic would have been considerable and she wished to put on record her thanks to all involved in dealing with the incident in such a timely manner. It had been a very

complex matter, not least because of the amount of infrastructure that was delivered to the town of Nantwich over the bridge.

11. Stated that she looked to 2018 to see the Crewe Green roundabout improvements commencing and advanced preparation works on Sydney Road Bridge, starting in the Summer. The Council would be working hard to coordinate these works, in close proximity to each other, to minimise the disruption to local residents and businesses.
12. Stated that, in moving towards the end of the year, she wished to recall some events in 2017 which had been difficult and particularly painful to local residents. Over a few short weeks in the summer there had been three separate occasions where communities had gathered together to remember those who had lost their lives in three very tragic events. Firstly, the Manchester bombing; then the attack at London Bridge and then, in late June, those who perished in the Grenfell Tower fire. In such troubled times, she considered it right and proper that political differences were put aside and that the Council unite to provide that important leadership to the community. She was reminded of the late Jo Cox MP, in her maiden speech to the House of Commons in 2015, where she had said “We are far more united and have far more in common with each other than things that divide us”. And the Leader believed that all agreed with her. The bombing in Manchester had had a very direct impact on the Council’s own community, in that Nell Jones, a student at Homes Chapel Comprehensive School had been killed. She and the Mayor had visited the school in the week following the attack. Equally Elaine McIver, a serving Cheshire Police Officer who had served the Cheshire community for over 19 years had also killed in the attack. She was sure that Members would wish to join with her in thanking those in the emergency services who worked tirelessly to keep the community safe. The tragic events of the summer could only serve to remind of the risks that they took every day to help people lead their lives.
13. Stated that she was delighted that, in his announcements, the Mayor had mentioned that the Council had found a way of remembering the sacrifice of Tom Jackson, a truly remarkable young man. She hoped that Tom’s family had found some comfort from the memorial at Tatton. She had had the privilege of visiting Tatton in the previous week, when she was reminded of the true meaning of Christmas. The magnificent mansion had been decorated to the theme of the “12 Days of Christmas”. She had learnt that the traditional 12 days of Christmas ran from Christmas Day to the Epiphany Eve on the 5th January. It was a period of merry making and feasting with different religious celebrations on each of the days. She encouraged all to visit Tatton and embrace this. The other message that Tatton always reminded her of was that the Council rightly looked to bring economic regeneration and growth and such spaces as Tatton were vitally important.

14. Paid tribute to the Council's staff, particularly in the Christmas season. She stated that the staff in Cheshire East, day in day out, delivered services to the public whatever their role and that they all contributed to making Cheshire East a wonderful place to live. She hoped that Members would join with her in sending Christmas and New Year good wishes to all staff and their families. She would particularly like to thank those staff who would be working over the festive season to keep services running and the roads safe.

15. Wished all Members a very happy Christmas and New Year.

47 RECOMMENDATION FROM CABINET - COUNCIL TAX BASE 2018/19 - DOMESTIC RATES

Cabinet, at its meeting on 5 December 2017, had considered a report setting out the Council Tax base calculation for 2018/19 for recommendation to Council.

RESOLVED

1. That, in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, the amount to be calculated by Cheshire East Council as its Council Tax Base for the year 2018/19 be 147,003.80 for the whole area.
2. That no changes be 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.

48 RECOMMENDATION FROM CABINET - NON-DOMESTIC RATES TAXBASE 2018/19

Cabinet, at its meeting on 5 December 2017, had considered a report on the Non-Domestic Rates Tax base for 2018/19 and resolved to note that:-

- (a) the non-domestic rates estimates and calculations for 2018/19 would 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	Section 31 Compensation grant*	+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*

(b) 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.

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

RESOLVED

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

49 RECOMMENDATIONS FROM CABINET - MID-YEAR REVIEW OF PERFORMANCE

Cabinet, at its meeting on 7 November 2017, had considered a report on the Mid-Year Review of Performance for 2017/18.

Cabinet had resolved to:-

1. note 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).

and

2. approved supplementary revenue estimates to be funded by additional specific grant (Appendix 11);

Cabinet had recommended 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 of the report.
- (b) The Supplementary Capital Estimate of £12.6m for Poynton Relief Road as detailed in Appendix 8 and paragraphs 183-185 of the report.
 - 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 of the report.

and

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 of the report.

RESOLVED

1. That the fully funded supplementary capital estimates and virements above £1,000,000 in accordance with Financial Procedure Rules, as detailed in Appendix 8 of the report, be approved.
2. That the Supplementary Capital Estimate of £12.6m for Poynton Relief Road as detailed in Appendix 8 and paragraphs 183-185 of the report be approved.
3. That the forward funding of developer contributions to the scheme and the underwriting, in principle, of any necessary gap funding required to deliver the proposed relief road be approved.
4. That the scheme budget profile be adjusted accordingly in the capital programme.
5. That use of the flexibility to apply capital receipts to fund transformation projects as detailed in Appendix 14 of the report be approved.
6. That the financial implications of the change in the MRP policy to the use of the annuity method, as detailed in Appendix 15 of the report, be noted.

50 RECOMMENDATION FROM THE CONSTITUTION COMMITTEE - REVIEW OF THE CONSTITUTION

The Constitution Committee, at its meeting on 30 November 2017, had 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 to the Constitution Committee.

The report to the Constitution Committee was submitted to Council, together with the minute extract from the Committee, including recommendations to Council.

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 recommended no longer to 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.

A table of financial limits set out in Appendix B, upon which officers had corrected a number of the references.

The Committee had 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.

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 in respect of the current draft provisions relating to the Staffing Committee terms of reference, the Investigation and Disciplinary Committee and the Employee Procedure Rules.(Appendix A). The Committee had considered a separate explanatory note on these issues, which included a response from Bevan Brittan and a recommended position in each case. It had been 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 had agreed with both proposed amendments.

The following Constitution Committee resolutions, which took into account those amendments agreed following Members' Speaking at the Constitution Committee meeting, were proposed and seconded:-

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.

(With regard to resolution 6 above, an appendix was attached to the minute extract from the Constitution Committee, which set out an amended (clarified) table of approval limits for virements. The original table was included for comparison. Council was asked to approve the table as amended and this is appended to these minutes, for information).

Amendment 1

An amendment to the recommendations to require that the draft changes to the Constitution to be subject to consultation, and be made available to residents and businesses of Cheshire East before then being submitted to the Annual Council meeting in May 2018 was proposed and seconded.

Following the debate on the amendment, a requisition for a named vote was submitted and duly supported. The amendment was put to the meeting with the following results:-

For

Cllr D Bailey, Cllr J Bratherton, Cllr S Brookfield, Cllr C Browne, Cllr B Burkhill, Cllr S Carter, Cllr S Corcoran, Cllr I Faseyi, Cllr R Fletcher, Cllr D Flude, Cllr T Fox, Cllr A Harewood, Cllr S Hogben, Cllr D Hough, Cllr J Jackson, Cllr N Mannion, Cllr D Marren, Cllr J Nicholas, Cllr M Parsons, Cllr S Pochin, Cllr J Rhodes, Cllr B Roberts, Cllr A Stott and Cllr M Warren.

Against

Cllr C Andrew, Cllr A Arnold, Cllr G Baggott, Cllr Rachel Bailey, Cllr Rhoda Bailey, Cllr P Bates, Cllr G Baxendale, Cllr M Beanland, Cllr D Bebbington, Cllr D Brown, Cllr P Butterill, Cllr J Clowes, Cllr M Deakin, Cllr T Dean, Cllr B Dooley, Cllr L Durham, Cllr S Edgar, Cllr JP Findlow, Cllr H Gaddum, Cllr S Gardiner, Cllr S Gardner, Cllr L Gilbert, Cllr P Groves, Cllr M Hardy, Cllr G Hayes, Cllr O Hunter, Cllr J Macrae, Cllr A Martin, Cllr R Menlove, Cllr G Merry, Cllr B Moran, Cllr H Murray, Cllr J Saunders, Cllr M Sewart, Cllr M Simon, Cllr L Smetham, Cllr D Stockton, Cllr G Wait, Cllr B Walmsley, Cllr G Walton, Cllr L Wardlaw, Cllr J Weatherill, Cllr G Williams and Cllr J Wray.

Not Voting

Cllr D Mahon and Cllr A Moran.

The amendment was declared not carried, with 24 votes for, 44 against and 12 not voting.

(At this point the meeting was adjourned for lunch)

Amendment 2

An amendment to the wording at Chapter 3, Part 2, Appendix 2 – Notices of Motion, Procedure at the meeting, to state that when a Notice of Motion has been moved and seconded, the mover “shall be entitled to make a speech introducing the Motion, lasting no more than three minutes in duration” was proposed and seconded.

The vote was taken on the amendment by show of hands and the amendments was declared not carried.

Amendment 3

An amendment to Chapter 3, Part 4 – Approval levels to state that “All virements over £1m must be approved by full Council” was proposed and seconded.

The vote was taken on the amendment by show of hands and the amendment was declared not carried.

Following debate on the substantive motion, a requisition for a named vote on the substantive motion was submitted. The named vote was taken with the following results:-

For

Cllr C Andrew, Cllr A Arnold, Cllr G Baggott, Cllr Rachel Bailey, Cllr Rhoda Bailey, Cllr P Bates, Cllr G Baxendale, Cllr M Beanland, Cllr G Bebbington, Cllr D Brown, Cllr P Butterill, Cllr J Clowes, Cllr M Deakin, Cllr T Dean, Cllr B Dooley, Cllr L Durham, Cllr S Edgar, Cllr JP Findlow, Cllr S

Gardiner, Cllr L Gilbert, Cllr P Groves, Cllr M Hardy, Cllr G Hayes, Cllr D Hough, Cllr O Hunter, Cllr J Macrae, Cllr A Martin, Cllr R Menlove, Cllr G Merry, Cllr B Moran, Cllr H Murray, Cllr J Saunders, Cllr M Sewart, Cllr M Simon, Cllr L Smetham, Cllr D Stockton, Cllr G Wait, Cllr B Walmsley, Cllr G Walton, Cllr L Wardlaw, Cllr M Warren, Cllr J Weatherill, Cllr G Williams and Cllr J Wray.

Against

Cllr D Bailey, Cllr S Brookfield, Cllr C Browne, Cllr B Burkhill, Cllr S Carter, Cllr S Corcoran, Cllr I Faseyi, Cllr D Flude, Cllr T Fox, Cllr A Harewood, Cllr S Hogben, Cllr J Jackson, Cllr D Mahon, Cllr Nick Mannion, Cllr J Nicholas, Cllr M Parsons, Cllr J Rhodes, Cllr B Roberts and Cllr A Stott.

Not Voting

Cllr R Fletcher, Cllr D Marren, Cllr A Moran and Cllr S Pochin.

The motion was declared carried, with 44 votes for, 19 against and 4 not voting.

RESOLVED

That subject to the resolutions below, the revised constitution of Cheshire East Council, as appended to the report at Appendix B, be adopted, 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, as set out in the appendix to the minute extract from the Constitution Committee, which set out an amended (clarified) table of approval limits for virements, as attached.
- 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.

51 **RECOMMENDATION FROM THE CONSTITUTION COMMITTEE -
CALENDAR OF MEETINGS 2018/19**

Consideration was given to a report on the Calendar of Meetings 2018/19. The report had been considered by the Constitution Committee at its meeting on 30 November 2017.

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

The recommendations of the Constitution Committee were proposed and seconded.

RESOLVED

That the Calendar of Public Meetings for Cheshire East Council 2018 - 2019 be approved.

52 HIGH SPEED RAIL - (WEST MIDLANDS CREWE) BILL (HS2 PHASE 2A) PETITIONING

(During consideration of this item, reference was made to an area of land in Worsley, situated in the Cheshire West and Chester area. The Leader of the Council, Cllr Rachel Bailey, declared an interest in respect of this matter, by virtue of being a friend of the owners of the land).

Consideration was given to a report concerning petitioning in respect of the High Speed Rail (West Midlands – Crewe) Bill(HS2 Phase 2a).

On the 17th July 2017, the Government had deposited the High Speed Rail (West Midlands – Crewe) Bill (“the Bill”) in Parliament. The Bill was a hybrid Bill and included proposals for the HS2 line between Fradley and Crewe and provision to bring HS2 services to Crewe in 2027. The scheme was sometimes referred to as Phase 2a of HS2 and followed 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.

The proposals for Crewe in the Bill included the interventions needed to support 2 stopping HS2 trains per hour at Crewe and reducing journey times to London from Crewe to 55 minutes. The current plans did not support additional HS2 services from Crewe when phase 2b opened in 2033.

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 had the right to petition against it.

It was reported that petitioning provided the opportunity for the Council to formally raise its concerns regarding the Bill before the House of Commons Select Committee. If a petition was not deposited it would not

be possible for the Council to appear before the Select Committee. There would be a further opportunity to petition against the Bill in the House of Lords in due course.

The report sought Council authorisation for Cheshire East Council 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 prejudiced Cheshire East Council.

In November 2017, the Council had 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 was working closely with these agents and it had been concluded that the most appropriate approach was for the Council to petition against the Bill.

All Members would be provided with updates as to what representations the Council was making in the petitions process.

RESOLVED

1. That it is expedient for the Council to petition the High Speed Rail (West Midlands – Crewe) Bill, introduced in the 2017 – 19 session of Parliament.
2. That the Executive Director of Place shall have delegated authority, 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. That the Director of Legal Services shall have delegated 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. That the Executive Director of Place shall have delegated authority, in consultation with the Leader of the Council to withdraw any aspect of the Council's Petition against the Bill, if this is no longer the appropriate course of action.

53 NOTICES OF MOTION

The following Notices of Motion had been submitted 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.

RESOLVED:

That the Motion stand referred to Cabinet.

2. UK100 Clean Energy by 2050

Proposed by Councillor S Corcoran and seconded by Councillor S Hogben.

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/>

RESOLVED:

That the Motion stand referred to Cabinet.

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.

RESOLVED:

That the Motion stand referred to Cabinet.

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.

RESOLVED:

That the Motion stand referred to Cabinet.

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.

RESOLVED:

That the Motion stand referred to the Strategic Planning Board.

54 QUESTIONS

The following questions were asked by Members

1. Councillor S Carter referred to a question he had raised at July Council meeting in relation to roof problems at the school which he was a Governor of and thanked the Leader for her intervention in the matter. Councillor Rachel Bailey, Leader of the Council responded.
2. Councillor S Brookfield referred to money pledged for parking schemes, and having received no update on this, sought assurance that the schemes were still going ahead. Councillor Rachel Bailey, Leader of the Council responded.
3. Councillor D Bailey referred to Laura Smith MP campaign to stop the downgrading of the Fire Station in Crewe and asked the Leader about a press release issued and if the conservative members on the Fire Authority had seen the press release before it was issued.

Councillor Rachel Bailey, Leader of the Council and Councillor G Merry, member of the Cheshire Fire Authority responded.

4. Cllr H Murray referred to email security stating that he recently received confirmation that his emails were being intercepted by Cheshire East. He understood that it was legal for Cheshire East to intercept councillors' emails and at times that it was necessary to do so for legal reasons. He asked the following questions and that the written response be shared with all councillors:

1. How many councillors have had their emails intercepted in the last three years?
2. Who receives and who reviews the interceptions?
3. Who authorises and under what authority are they intercepted?
4. What was the process for member oversight?

Councillor JP Findlow, Portfolio Holder for Corporate Policy and Legal Services undertook to provide a response.

5. Councillor G Merry asked that now the bus review had been concluded would the Portfolio Holder explain how the views of residents had been taken into account. Councillor P Bates, Portfolio Holder for Finance and Communities responded.
6. Councillor D Flude asked what progress had been made on the air quality action plans and what actions had been taken to improve air quality, noting that from 31 December 2018 the government expected all local authorities to abide by air quality management. Councillor A Arnold, Portfolio Holder for Housing, Planning and Regeneration responded.
7. Councillor J Jackson thanked Sarah Messenger for conducting the review into the culture of the Council and allegations of bullying and asked the Leader about a quote relating to the location of an incident which had taken place. Councillor Rachel Bailey, Leader of the Council responded.
8. Councillor D Marren thanked the Leader for commissioning the LGA review. He asked if the Leader agreed with him that if an officer was pre disposed against women they should not be allowed to investigate complaints against women and female members. Councillor Rachel Bailey, Leader of the Council responded.
9. Councillor A Harewood thanked the Cabinet for visiting her ward and asked why elected councillors had not been allowed to attend. Councillor Rachel Bailey, Leader of the Council responded.

10. Councillor J Rhodes asked when the HMO legislation provisions would be implemented. Councillor A Arnold, Portfolio Holder for Housing, Planning and Regeneration responded.
11. Cllr Fletcher referred to the 110 houses which had not yet been built which had been sent a consultation letter on a planning application by the planning department and asked what the planning department had done with these envelopes when returned by Royal Mail and if the IT had been corrected so this mistake would not happen again. Councillor A Arnold, Portfolio Holder for Housing, Planning and Regeneration undertook to look into this and provide a written response.
12. Cllr Warren referred to the air quality progress report which went to the Audit and Governance Committee last week regarding the external investigation into the Council's monitoring report. The Air Quality Team had reviewed the processes and a number of new measures were now in place. Could the Portfolio Holder explain what these measures were? Councillor A Arnold, Portfolio Holder for Housing, Planning and Regeneration undertook to look into this and provide a written response.
13. Cllr Nicholas asked if all councillors could be provided with a written detailed breakdown of costs to date that have been incurred from officers currently suspended and any associated costs. Councillor P Bates, Portfolio Holder for Finance and Communities undertook to provide a written response.
14. Councillor B Roberts referred to the statement made by the Chairman of the Staffing Committee on 26 October concerning an incident and asked the Leader if she could clarify when she became aware of the incident. He also asked if she could clarify what the Chairman of the Staffing Committee did about the incident in light of this statement. Councillor Rachel Bailey, Leader of the Council responded.
15. Cllr S Corcoran referred to the last Cabinet meeting and the question asked about the banning of snares on council land and the motion passed by West Sussex County Council. He asked what progress had been made on this; as if it was possible for West Sussex to ban them it should be possible for Cheshire East. Councillor J Clowes, Portfolio Holder for Adult Social Care and Integration undertook to look into this and provide a response.
16. Councillor Rhoda Bailey referred to the resignation of the Monitoring Officer and asked what payments they received whilst off. Councillor JP Findlow, Portfolio Holder for Corporate Policy and Legal Services responded.
17. Councillor I Faseyi referred to an unannounced inspection of a nursing home, which was found to be inadequate and asked what

had been put in place for the residents. Councillor J Clowes, Portfolio Holder for Adult Social Care and Integration responded.

18. Cllr M Mannion referred to the Macclesfield Movement Strategy, published in May 2014, and asked if the Council should be relying on this as it was out of date. Councillor Rachel Bailey, Leader of the Council undertook to provide a written response.

The meeting commenced at 11.00 am and concluded at 4.20 pm

Councillor A Moran (Chairman)
CHAIRMAN

Appendix

Clarified table

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

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CHESHIRE EAST COUNCIL

Minutes of a Special meeting of the **Council**
held on Thursday, 14th December, 2017 at The Ballroom, Sandbach Town
Hall, High Street, Sandbach, CW11 1AX

PRESENT

Councillor A Moran (Mayor/Chairman)

Councillor L Smetham (Deputy Mayor/Vice-Chairman)

Councillors C Andrew, A Arnold, Rachel Bailey, Rhoda Bailey, Baggott, P Bates, M Beanland, D Bebbington, S Brookfield, D Brown, C Browne, B Burkhill, P Butterill, S Carter, J Clowes, S Corcoran, M Deakin, T Dean, B Dooley, L Durham, S Edgar, I Faseyi, P Findlow, R Fletcher, T Fox, D Flude, S Gardiner, P Groves, M Hardy, A Harewood, S Hogben, J Jackson, J Macrae, D Mahon, N Mannion, D Marren, A Martin, R Menlove, H Murray, J Nicholas, M Parsons, J Rhodes, B Roberts, J Saunders, M Sewart, M Simon, D Stockton, A Stott, G Wait, B Walmsley, G M Walton, L Wardlaw, M Warren, M J Weatherill, G Williams and J Wray

Apologies

Councillors D Bailey, G Barton, G Baxendale, J Bratherton, E Brooks, C Chapman, H Davenport, W S Davies, H Gaddum, L Gilbert, M Grant, J Hammond, G Hayes, D Hough, O Hunter, L Jeuda, M Jones, A Kolker, G Merry, B Moran, S Pochin and H Wells-Bradshaw

56 DECLARATIONS OF INTEREST

Cllrs S Hogben and G Baggot declared an interest in item 4 of the agenda by virtue of being members of the ANSA Board. Both Members left the meeting during consideration of this item and did not return.

57 PUBLIC SPEAKING TIME/OPEN SESSION

Mr G Goodwin used public speaking time to address Council regarding comments made at the Council meeting on 27 July 2017 regarding a virement of £2.4m to the new Waste Hub. Cllr Paul Bates, Finance and Communication Portfolio Holder, responded.

Middlewich Town Cllr J Parry also used public speaking time to address Council regarding the virement of £2.4m to the new Waste Hub. Cllr Paul Bates, Finance and Communication Portfolio Holder, responded.

58 REQUEST FOR SPECIAL MEETING OF COUNCIL

Under powers contained in legislation, five Members of the Council had requisitioned a special meeting of Council. On behalf of those Members, Councillor Amanda Stott had submitted a motion to Council with regard to

aspects of the Council decision of 27th July 2017 relating to a sum of £2.4m gifted to ANSA.

A motion was proposed and seconded and subsequently withdrawn, following an undertaking by the Leader of the Council that a report in respect of this matter would be submitted to Cabinet.

RESOLVED

That a report be submitted to a future meeting of Cabinet in respect of the above matter.

The meeting commenced at 4.25 pm and concluded at 5.15 pm

Councillor A Moran (Chairman)
CHAIRMAN

COUNCIL MEETING – 22ND FEBRUARY 2018**MEDIUM TERM FINANCIAL STRATEGY 2018/21**

Cabinet recommends to Council the items at Appendix A to the report.

Extract from the Minutes of the Cabinet meeting on 6th February 2018**100 MEDIUM TERM FINANCIAL STRATEGY 2018/21**

Cabinet considered a report on the Medium Term Financial Strategy for Cheshire East Council for the years 2018/19 to 2020/21.

The Portfolio Holder referred to an error in the report at paragraph 1.6 in that the term 'Band D' should be deleted from the final sentence as this related to an average property. The increase per week for an average Band D property was £1.53.

The Portfolio Holder for Finance and Communication reported the comments of the Corporate Overview and Scrutiny Committee as appended to these minutes. The Committee's comments were considered by Cabinet.

Earlier in the meeting, Councillor S Pochin had asked the Portfolio Holder for Health to reconsider the decision to withdraw the refunding of parking fees for users of the Council's leisure facilities. The Portfolio Holder for Health responded that the matter was under consideration and she was unable to comment further at this stage.

Caroline O'Brien had raised a question earlier in the meeting regarding the use of New Homes Bonus funding to support the delivery of early help and prevention services until the new framework was in operation. The Portfolio Holder for Adult Care and Infrastructure envisaged the new framework becoming operational in April or May. Support mechanisms were in place to assist voluntary organisations whose contracts would be ending at the end of March. The Leader stressed the need to have the new model framework in relation to New Homes Bonus funding ready before the next Council meeting and asked the Portfolio Holder for Finance and Communication to set up an urgent task and finish group in liaison with the Chairman and Vice-Chairman of the Corporate Overview and Scrutiny Committee for this purpose. [Later in the meeting, following consideration of an item on the Early Help Framework, the Leader undertook to lead on the task and finish group.]

RESOLVED

That Cabinet

1. recommends to Council the items at Appendix A to the report; and

2. notes:

- (a) the summary results of the Budget Consultation, attached at Appendix B and the Budget Engagement exercise undertaken by the Council, as set out in the attached (Appendix C, Annex 2);
- (b) the comments of the Council's Interim Executive Director of Corporate Services (Section 151 Officer), contained within the MTFs Report, regarding the robustness of estimates and level of reserves held by the Council based on these budget proposals (Appendix C, Comment from the Interim Executive Director of Corporate Services);
- (c) the risk assessment detailed in the MTFs Report (Appendix C, Annex 5);
- (d) the development of a Capital Strategy as set out in the attached (Appendix C, Annex 10). This is linked to the Treasury Management and Investment Strategies and these will continue to be developed in accordance with the revised guidance for local authority investments during 2018/19. The strategy contains the programme of capital investment for 2018/19 to 2020/21. The programme may vary to take advantage of external funding opportunities, maximise private sector investment, prudential borrowing considerations, operational capacity and to ensure optimal delivery of the overall programme;
- (e) that the Council's Finance Procedure Rules will always apply should any changes in spending requirements be identified (Appendix C, Annex 10); and
- (f) that the Corporate Overview and Scrutiny Committee supports the proposal to earmark £2m to create a specific "New Homes Bonus Community Fund" to be used over the next two financial years. To also note that the Corporate Overview and Scrutiny Committee is willing to assist Cabinet by working on the details of a specific scheme to allocate funds.

COUNCIL IS ASKED TO APPROVE THE RECOMMENDATION AT 1 ABOVE.

Cheshire East Council

Cabinet

Date of Meeting:	6th February 2018
Report of:	Jan Willis, Interim Executive Director of Corporate Services
Subject/Title:	Medium Term Financial Strategy 2018/21
Portfolio Holder:	Cllr Paul Bates

1. Report Summary

- 1.1 This report presents the Medium Term Financial Strategy for Cheshire East Council for the years 2018/19 to 2020/21.
- 1.2 Cheshire East Council arranges the delivery in the region of 500 local services every day and the Council's achievements in making Cheshire East such a great place to live are reflected in a range of local indicators, some headlines include:
 - 94% of Cheshire East schools were 'good' or 'outstanding' based on their most recent inspection as of March 2017,
 - Only 2.2 per cent of young people are not in education or training (NEET) and 'not known' in Cheshire East, compared to a national average of 6%. Cheshire East has achieved the third-lowest level of NEETs in the UK.
 - 8 Green Flag Awards have been awarded for our parks and open spaces
- 1.3 The provisional announcements from government on 19th December 2017 confirmed that local government funding will continue to reduce through to 2019/20 with no confirmation yet for future funding levels. Central Government's approach continues to rely on local tax raising powers to fund services and this has been supported by continuing to allow flexibility in the council tax charge to support Adult Social Care of up to 6% over the period 2017/18 to 2019/20. There has been further flexibility for 2018/19 with the announcement that the base level of council tax can increase up to 3% (from 2%) before a referendum is required. The reduction in central government grant that was reported in the Council's [Pre-Budget Consultation](#) (November 2017) has also been confirmed. This level was guaranteed by the completion of a [4-Year Efficiency Plan](#) (submitted to Government in October 2016)
- 1.4 Cheshire East is the third largest council in the Northwest of England, providing services for a population of over 370,000 local people. Following extensive consultation the proposed revenue budget is balanced for 2018/19 with net revenue spending of £267.9m and total capital investment aspirations of £326.1m is identified over the next three financial years. The individual status of schemes within this ambitious programme is summarised within **Appendix C, Annex 10.**

- 1.5 In proposing a balanced budget for 2018/19 the Council has recognised the requirement to respond to both cost and demand pressures in Adult Social Care and Childrens Social Care Services. Revenue Support grant reductions of £8m in 2018/19, were based on an assumption, by the Government, that the Council's ability to raise Council Tax levels could go some way to replace this reduction in grant. The clear local, regional and national pressure within the overall Health and Social Care system led to the introduction of additional flexibility to increase Council Tax levels within the Local Government Settlement in December 2016.
- 1.6 In response to these issues and assumptions from Central Government the Council is proposing to increase the Adult Social Care (ASC) Precept by 3% in 2018/19 after levying a rate of 3% in 2017/18. This is designed to not only protect Adult Social Care investment, but can also fund a net increase in spending in this area. The ASC precept is in addition to a general Council Tax increase of 2.99%. This means an overall Council Tax increase of 5.99% in 2018/19 is proposed which equates to a £1.39 increase per week for an average household Council tax bill.
- 1.7 The Medium Term Financial Strategy 2018/19 to 2020/21 is currently forecasting on the assumption that the Council Tax could also increase by a further 1.99% in 2019/20 and then 1.99% in 2020/21. These planning forecasts may be subject to change when Council is asked to set the annual budget in February each year.
- 1.8 This report is based on the Provisional Settlement, which therefore still requires parliamentary approval, and includes the following headlines:
- Overall net revenue spending on services is being increased by £5.0m to deliver a balanced position in 2018/19.
 - Value for money will continue to be supported through prudent management of Council investments.
 - Central Government grants will reduce by £12.8m.
 - Funding for essential local services will require a proposed Council tax increase of 5.99% from £1,324.92 to £1,404.28 for a Band D property.
 - £197m is estimated to be spent over the next three years on improving our highways network.
- 1.9 This report sets out how the Council will approach the financial challenges over the medium term and forecasts a balanced budget for 2018/19.

Budget 2018/21

- 1.10 Following months of development and consultation, the budget change proposals contained in this report are robust and provide a balanced budget for consideration.
- 1.11 Like most local authorities the Council had significant budget deficits to tackle over the medium term, caused by major grant reductions in local government funding. This is Central Government's clear strategy to try to deal with the

scale of the national deficit. Our local response to these pressures continues to focus on innovation and creativity with a clear emphasis on improving efficiency, productivity and establishing more effective local service delivery arrangements.

- 1.12 Our ability to create the best conditions for private sector investment, economic growth and prosperity will be critical to the continued success of the Borough as the Council's reliance on locally generated income increases.
- 1.13 This report summarises the resolutions that Cabinet are requested to recommend to Council at **Appendix A**.
- 1.14 This report provides the Medium Term Financial Strategy (MTFS) Report (containing the Budget) for the period 2018/19 to 2020/21 at **Appendix C**.
- 1.15 The document is the result of the Business Planning Process led by the Council from June 2017 to February 2018, which included regular review from the Council's Scrutiny Committees, concluding with a final review by the Corporate Overview and Scrutiny Committee on 1st February 2018. The MTFS Report is being submitted to Cabinet on 6th February 2018 for recommendation to Council for approval.
- 1.16 The business planning process involved engagement with local people and organisations and details of how this process was managed is included within **Appendix C, Annex 2** and a summary of the results is provided in **Appendix B**.

2. Recommendations

- 2.1. That Cabinet recommend to Council the items at **Appendix A**.
- 2.2. That Cabinet notes:
 - a) The summary results of the Budget Consultation, attached at **Appendix B** and the Budget Engagement exercise undertaken by the Council, as set out in the attached (**Appendix C, Annex 2**).
 - b) The comments of the Council's Interim Executive Director of Corporate Services (Section 151 Officer), contained within the MTFS Report, regarding the robustness of estimates and level of reserves held by the Council based on these budget proposals (**Appendix C, Comment from the Interim Executive Director of Corporate Services**).
 - c) The risk assessment detailed in the MTFS Report (**Appendix C, Annex 5**).
 - d) The development of a Capital Strategy as set out in the attached (**Appendix C, Annex 10**). This is linked to the Treasury Management and Investment Strategies and these will continue to be developed in

accordance with the revised guidance for local authority investments during 2018/19. The strategy contains the programme of capital investment for 2018/19 to 2020/21. The programme may vary to take advantage of external funding opportunities, maximise private sector investment, prudential borrowing considerations, operational capacity and to ensure optimal delivery of the overall programme

- e) The Council's Finance Procedure Rules will always apply should any changes in spending requirements be identified (**Appendix C, Annex 10**).
- f) That Corporate Overview and Scrutiny Committee supports the proposal to earmark £2m to create a specific "New Homes Bonus Community Fund" to be used over the next two financial years. To also note that the Corporate Overview and Scrutiny Committee are willing to assist Cabinet by working on the details of a specific scheme to allocate funds.

3. Other Options Considered

- 3.1. The Business Planning Process enables the Council to develop options, consider the best approach, produce Business Cases and share these options via the [Pre-Budget Consultation](#) 2018/21.
- 3.2. The engagement process and feedback on the [Pre-Budget Consultation](#) plus funding announcements and on-going refinement, informs the set of proposals in this report. For the second time the Council included options that were considered during the preparation of the consultation material, but were not currently being proposed for inclusion in the medium term forecasts. This increased level of transparency allowed stakeholders to comment on a wider set of considerations.

4. Reasons for Recommendation

- 4.1. The Council's Budget (as contained in the MTFS Report) requires Council approval. A copy of the MTFS Report is attached at **Appendix C**.
- 4.2. In accordance with the Budget and Policy Framework Rules of Procedure, Cabinet is requested to recommend this report to Council to approve the MTFS Report for 2018/21.
- 4.3. The Council's Interim Executive Director of Corporate Services (Section 151 Officer) reports that, in accordance with Section 25 of the Local Government Act 2003 and Sections 32 and 43 of the Local Government Finance Act 1992, as amended by the Localism Act 2011, she is satisfied with the robustness of the estimates making up the Council Tax Requirement of £206,434,496. This is based on a total 5.99% Band D

increase, which includes a 3% precept specifically for Adult Social Care (based on the Provisional Finance Settlement and subject to change from the Final Settlement) and she is satisfied with the adequacy of the financial reserves for the Council.

- 4.4. Further to the above statement it can be reported that the Medium Term Financial Strategy Report 2018/19 to 2020/21 (**Appendix C**) is based on sound financial principles and reflects sufficiently detailed plans that can maintain the financial resilience and viability of the Council in the medium term.

5. Background / Chronology

- 5.1. The Budget Setting Process 2018/21 was developed and endorsed by the Cabinet and Corporate Leadership Team in June 2017.
- 5.2. This has enabled a set of proposals to be developed and challenged through a managed process that considered service changes, the Capital Programme and the supporting financial planning assumptions relating to funding levels.
- 5.3. There have been a series of distinct stages of the Budget Setting Process with reports in relation to the Council's financial position being taken to Cabinet in June, September, November, December 2017 and February 2018. Overview and Scrutiny Committees were briefed in July and November 2017, and January 2018 with final consideration of the package of proposals presented to the Corporate Overview and Scrutiny Committee on 1st February 2018. All Members were invited to two finance briefings on 28th November 2017 and 12th December 2017.
- 5.4. This exercise has been undertaken against a background of significant reductions in funding levels from Central Government, implementing the new Corporate Plan and the Authority continuing to deliver against its commitment to become a commissioning council through its 'Best Fit' model of service delivery.
- 5.5. The MTFS Report provides financial background as well as setting out further details of the on-going approach to funding the Outcomes set out in the Corporate Plan. It highlights the spending plans and income targets for the financial year starting 1st April 2018, as well as forecast estimates for the 2019/20 and 2020/21 financial years.
- 5.6. The MTFS Report is based on the Provisional Local Government Finance Settlement for 2018/19. This was released on 19th December 2017. The final settlement is expected in early February 2018 with a debate by Members of Parliament in the House of Commons expected in mid February (after the publication date of this report to Cabinet) to agree the position. The Settlement included some changes to national policies which the Council has responded to.

- 5.7. Adding to or amending the change programmes has been an important focus of the budget setting process, ensuring that the Council focuses its energy and resources on those areas of change which will help build sustainable communities and a Council that remains fit for the future.
- 5.8. Progress in terms of delivery of the proposals has been monitored and reported at regular intervals during 2017/18 and this will continue during 2018/19.
- 5.9. The MTFS Report 2018/21 is attached at **Appendix C**.
- 5.10. The MTFS Report continues to include estimated grant allocations in relation to several Specific Grants (**Annex 8**). These will be refined as appropriate in due course.
- 5.11. Any resulting impact of these issues in terms of changes to funding will be managed through General Reserves. Therefore, a balanced budget position will be maintained. Should there be any changes these will be notified to Members at the earliest opportunity.
- 5.12. Any changes made as a result of the engagement process and further debate will be reported to Members at the Council meeting on 22nd February 2018.

6. Wards Affected and Local Ward Members

- 6.1. Not applicable.

7. Implications of Recommendation

7.1. Policy Implications

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

7.2. Legal Implications

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

7.3. Financial Implications

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

7.4. Equality Implications

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

7.5. Rural Community Implications

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

7.6. Human Resources Implications

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

7.7. Public Health Implications

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

7.8. Other Implications (Please Specify)

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

8. Risk Management

- 8.1. The steps outlined in this report mitigate the four main legal and financial risks to the Council's financial management arrangements:
- The Council must set a balanced Budget.
 - Setting the Council Tax for 2018/19 must follow a compliant process.

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

9. Access to Information / Bibliography

Please see the following financial reports:

[2016/17 Outturn Report](#)

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

[2017/18 Mid-Year Review of Performance](#)

[2018/21 Pre-Budget Consultation](#) released 7th November 2017

[Corporate Overview and Scrutiny Committee 15th November 2017](#)

[Council 14th December 2017: Domestic and Non Domestic Rate Taxbase Reports](#)

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

10. Contact Information

Contact details for this report are as follows:-

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Designation:	Interim Executive Director of Corporate Services
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Appendix A

Recommendations to Council from Cabinet - February 2018

That Council approve:

- 1 The Revenue estimates for the 2018/19 budget and the medium term Capital Programme estimates 2018/21, as detailed in the Medium Term Financial Strategy Report (MTFS) 2018/21 (**Appendix C**).
- 2 Band D Council Tax of £1,404.28 representing an increase of 5.99%. This is below the referendum limit and arises from the provisional finance settlement allowing a 3% additional charge to fund Adult Social Care pressures (**Appendix C, Section 2**).
- 3 The 2018/19 non ring-fenced Specific Grants, and that any amendments to particular grants will be reported to Council if further information is received from Government Departments or other funding bodies (**Appendix C, Annex 8**).
- 4 The 2018/19 Capital Grants, and that any amendments to particular grants will be reported to Council if further information is received from Government Departments or other funding bodies (**Appendix C, Annex 9**).
- 5 The relevant Portfolio Holder to agree the use of additional Specific Grants received in conjunction with the Finance Portfolio Holder as further updates to the 2018/19 funding position are received.
- 6 The recommended Prudential Indicators for Capital Financing (**Appendix C, Annex 10**).
- 7 The Children and Families Portfolio Holder to agree any necessary amendment to the 2018/19 Dedicated Schools Grant (DSG) of £144m and the associated policy proposals, in the light of further information received from DfE, pupil number changes, further academy transfers and the actual balance brought forward from 2017/18 (**Appendix C, Annex 8**).
- 8 The recommended Reserves Strategy (**Appendix C, Annex 12**).
- 9 That £2m be allocated to a specific “New Homes Bonus Community Fund” to be used over the next two financial years.

That Council recognises that Cabinet has noted:

- 10 The Budget Engagement exercise undertaken by the Council, as set out in the attached (**Appendix C, Annex 2**).
- 11 The results of the Budget Consultation (**Appendix B**).

- 12 The comments of the Council's Interim Executive Director of Corporate Services (Section 151 Officer), contained within the MTFS Report, regarding the robustness of estimates and level of reserves held by the Council based on these budget proposals (**Appendix C, Comment from the Interim Executive Director of Corporate Services**).
- 13 The risk assessment detailed in the MTFS Report (**Appendix C, Annex 5**).
- 14 The Capital Strategy as set out in the attached (**Appendix C, Annex 10**). This is linked to the Treasury Management and Investment Strategies and these will continue to be developed in accordance with the revised guidance for local authority investments during 2018/19. The strategy contains the programme of capital investment for 2018/19 to 2020/21. The programme may vary to take advantage of external funding opportunities, maximise private sector investment, prudential borrowing considerations, operational capacity and to ensure optimal delivery of the overall programme
- 15 The Council's Finance Procedure Rules will always apply should any changes in spending requirements be identified (**Appendix C, Annex 10**).

Cheshire East Council

Budget Consultation

Appendix B - Summary of Results

Production date: 14/02/2018

Report produced by:

Research and Consultation
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Introduction

Background and methodology

Between November 2017 and January 2018 Cheshire East residents and other stakeholders were invited to provide their comments and views on the Councils pre-budget report. The following provides a summary of the responses received.

Respondents could submit their views via an online survey, postal survey or via a dedicated e-mail address. Respondents were asked to read through the pre-budget report document before answering the survey questions/ submitting their views.

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

Details of engagement activity can be found at page 48 – efforts to understand opportunities for improved communication shall be analysed and introduced into subsequent budget setting activity.

The consultation activity resulted in around 600 general or specific responses to proposals listed in the Budget Consultation being raised from a number of sources. The online survey was viewed 1,462 times - whilst we cannot detect if this was by separate individuals it still indicates that engagement was high. A total of 436 valid responses were received for the online/postal survey. 118 further responses were received via the dedicated e-mail address, 14 letters were received & 3 petitions relating to certain proposals were also received. There were also various discussions that occurred via social media pages like Twitter & Facebook (Appendix One). Some of the responses were from elected representatives or from organised groups, although in all cases demographic information on the respondents was requested.

Summary of Results

Postal/Online Questionnaire responses

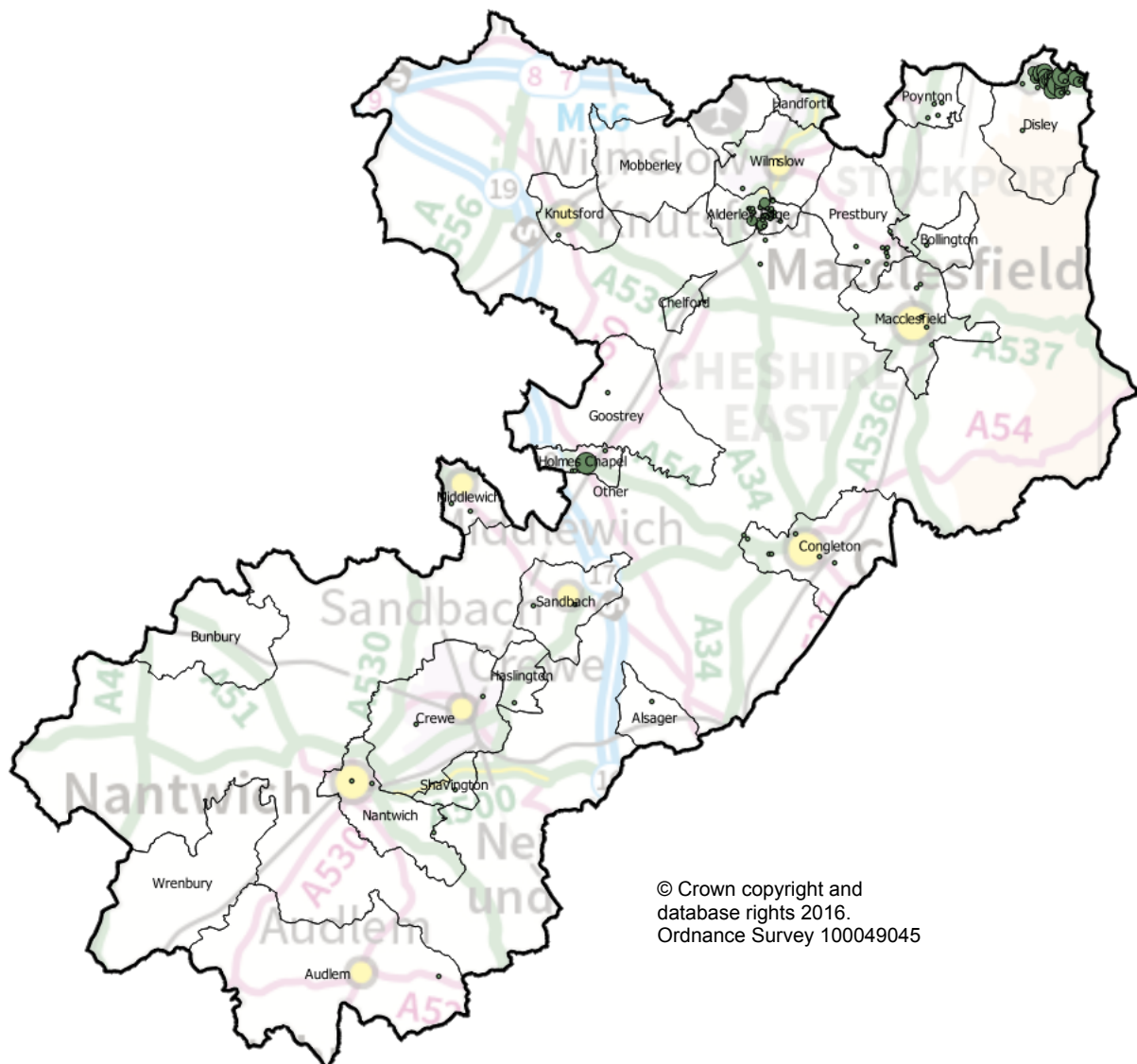
A total of 436 valid responses have been received for the online/postal survey.

Demographics

Key demographic information collected was as follows:

- 58% of respondents were females, 36% males
- Age breakdown, 16 – 34 (10%), 35 – 54 (30%), 55 – 74 (38%) and 75 and over (17%)
- The majority were White British (89%) with 8% preferring not to say
- 20% of respondents indicated that their day to day activities were limited due to a health problem or disability that had lasted longer than 12 months.
- The majority of respondents resided in Disley, followed by Alderley Edge and Holmes Chapel, (areas corresponding with the proposals for library closures). As The map below shows (*please note not everyone left valid postcode details*).

Map of respondent postcodes.



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Question One: Should any of the potential changes to budgets supporting each of the Outcomes be altered, and if so in what way?

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

Table 1.1. Summarised comments in relation to Outcome 1. Our local communities are strong and supportive		
Proposal 2. Increase Community Grants	Response from CEC	Changes to Pre-Budget Report based on feedback
Stop community funding and let them get lottery money	Supporting communities in the right way is important to the prevention and early help offer across adults and children's services. We support organisations in bidding for money such as the lottery, and such bids are often reliant on some level of match funding. A thriving community sector is essential to the Councils ambition.	No changes

Table 1.2. Summarised comments in relation to Outcome 2 – Cheshire East has a strong and resilient economy		
Mixed proposal comment - Proposal 3, 8 & 9	Response from CEC	Changes to Pre-Budget Report based on feedback
Confused by proposals within outcome 2 - proposal 9 - Council wishes to create new investment portfolio through more investment in commercial property - proposal 3 indicates current commercial asset portfolio needs additional funding as it does not achieve its income target - proposal 8. Surely, if the Council chooses to invest in more commercial buildings then these two other proposals will require additional funding beyond that which has been indicated within the pre-budget report?	Proposal 3 relates to reduced income levels in the existing assets owned by the council where a rent is charged which includes garages, industrial units and offices. The growth is required to address the shortfall in income. Proposal 9 relates to the council investing in better performing assets to secure an increase in revenue for the council to assist in supporting essential services. All acquisitions would be subject to detailed business cases.	No changes

Table 1.2. Summarised comments in relation to Outcome 2 – Cheshire East has a strong and resilient economy		
Proposal 16. HS2 Strategy (Revenue Investment)	Response from CEC	Changes to Pre-Budget Report based on feedback
3 x comments received Do not support/ waste of money/won't benefit the North/ cutting this element will save £1.5 million over 3 years.	<p>The arrival of HS2 to Crewe has the potential to deliver significant economic growth which would not otherwise be achieved. The right Crewe Hub station, one which is capable of handling up to 7 HS2 trains stopping per hour with direct services to London, Manchester and Birmingham would unlock significant growth opportunities for Crewe and also across the wider Constellation Partnership area.</p> <p>The current proposals in the phase 2a hybrid bill do not propose a Crewe Hub station and will only see 2 HS2 trains to and from London stopping at Crewe per hour. However, The Council is working with Government to develop a Crewe hub station campus proposal that delivers the Council's ambitions.</p> <p>Following the Full Council decision to petition against the phase 2a hybrid bill we are working with Parliamentary Agents to prepare a response following the second reading. The HS2 budget for this financial year relates to the work required to petition the Hs2 bill and to undertake technical work on the Crewe hub station.</p>	No changes
Town centre revitalisation	Response from CEC	Changes to Pre-Budget Report based on feedback
Make Crewe a town that residents can be proud of and one that people want to visit and spend money in	Cheshire East Council developed a Crewe Town Centre Regeneration Delivery Framework for Growth in 2015 and now has a comprehensive and holistic town centre regeneration programme underway centred around four regeneration zones.	No changes

Table 1.2. Summarised comments in relation to Outcome 2 – Cheshire East has a strong and resilient economy

	<p>These four zones will be integrated together by an emerging Town Centre Public Realm Strategy that seeks to create a high quality setting to attract visitors, occupiers and investors, and extend dwell time. The regeneration programme recognises the changing role of town centres which will have a greater focus on a mix of uses, leisure and culture. The Council also understands its position as a driver for transformation and catalyst for further commercial investment. Crewe is growing, is set for stronger growth and it is crucial that the town centre benefits and that it's ideally placed to benefit from the Crewe HS2 Hub Station & improvements in wider infrastructure.</p>	
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Table 1.3. Summarised comments in relation to Outcome 4 - Cheshire East is a green and sustainable place

Proposal 31 & 33. Highways Contract/ Procurement	Response from CEC	Changes to Pre-Budget Report based on feedback
<p>5 x comments received</p> <p>Do not reduce highway funding/ in need of greater attention/road maintenance should be increased/ roads are an important asset/ consider bringing back in-house.</p>	<p>It is recognised that the consultation responses do not support reductions in the Highway Service with majority of comments requesting greater service levels. The Council has therefore reviewed the savings proposals.</p> <p>The Council is also in the process of procuring the next Highway Services Contract, as part of this procurement exercise differing delivery methods are being explored to provide improved value for money.</p>	<p>Highways Contract Savings (Proposal 31) are going to be reduced from an initial saving of £500k to only £150k</p> <p>£5m of expenditure in the Highways Investment Programme will be moved from the Capital Addendum and funded as part of the main programme</p>

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Table 1.4. Summarised comments in relation to Outcome 5 – People live well and for longer		
Proposal 47. Commissioning all services currently provided by our in-house provider, Care4CE (Revenue Savings)	Response from CEC	Changes to Pre-Budget Report based on feedback
2 x comments received	Our plans are to evaluate all of the services within Care4ce to establish the best fit moving forward- this may include maintaining some services, sharing some services, integrating some services or services becoming separate from the Council.	No changes
The complete disbanding of Care4C would leave vulnerable people in the adult social care network at great risk. A baseline service must continue to operate/ Care4CE is currently being reviewed by an external consultancy - outcome of this cannot be pre-judged.		
Proposal 54: Review Early Help Commissioned Services (Revenue Savings)	Response from CEC	Changes to Pre-Budget Report based on feedback
Early help prevention saved / support early years/ more support carers	A full service redesign and refocusing of the services provided will place greater emphasis on early years services and family support services. Support to carers will be included in this offer. Alongside proposals to refocus the council early help, early years and youth support services provided by the council, we also require providers to deliver targeted earlier help that reduces demand. The council, with its partners, is investing in services for example, like emotionally healthy schools, so our children and young people receive earlier support for the emotional health and well-being.	No changes
Proposal 56: Youth Service Restructure (Revenue Savings)	Response from CEC	Changes to Pre-Budget Report
5 x comments received	The Youth Support Service will continue to work with young people who are at risk of NEET and those who are NEET, but due to the changing requirements to track and support young people, the service will be focussing on those who are 16/17 yr olds, rather than those who are 18 +years. The budget reductions will require the service to reshape and to focus on those who are at most need and those who are covered by the Raising of Participation guidance.	No changes
Youth support service helps young people that may not have had any careers advice or guidance at school – concerned that NEET figures for young people may rise if this support is reshaped. Reduction in budget should not go ahead.		

Proposal 60. Review all funding and shift to "asset-based" model (Revenue Savings)	Response from CEC	Changes to Pre-Budget Report based on feedback
2 x comments received	There are a number of contracts that are classed as Early Intervention and Prevention and they are due to come to the end of their contracted period in March 2018. The organisations involved will have been aware of this when they were originally awarded the contracts. If Council agrees the proposal in the budget a 3 month notice period will be served. There will be opportunity for funding which will be made available through the Early Help Framework which will be online by October 2018 which will be more outcome focused on 3 tiers – universal, targeted and specialist.	No changes
Support that all options to review Early Intervention & Prevention (EIP) contracts should be explored to ensure value for money & delivering the right services to the right people. However the method should be altered - cancellation of existing contracts is at very short notice without clear & transparent process. Affects the organisation I work for directly (the Bridgend Centre in Bollington) as it is proposed that our EIP contract be allowed to expire with effect from 31st March 2018 which will result in a significant funding gap for our organisation.		
Proposal 67. Cease provision of services at Lincoln House and Mountview (Revenue Savings)	Response from CEC	Changes to Pre-Budget Report based on feedback
8 x comments received	The offer of respite, will be looked at as part of a wider review of respite for all residents across the Borough as presented to Cabinet in December 2017. CEC is looking to develop a wide range of alternative models of respite that gives people more choice and control. For those receiving day opportunities they will receive a full reassessment and more personalised service. All service users and their families will be consulted with.	No changes
Alternative proposition is unclear/ bad idea – should not be closed down/ future service needs to have experienced staff/ keep together groups who have formed friendships/ should be within reasonable distance (keep local) so visits can continue/ provide mental & physical wellbeing activities and support.		
Comment in relation to SEN support	Response from CEC	Changes to Pre-Budget Report based on feedback
2 x comments received	There are no planned budget reductions for children with SEND. However there will be an ongoing review to ensure the most efficient use of available resources.	No Proposals in budget consultation
Don't cut SEN/ disability support/ use budget to meet the needs of the children instead of on legal expenses.		

Table 1.5. Summarised Comments in relation to Outcome 6 – A responsible effective and efficient organisation		
Proposal 78. Inflationary Increase for Members	Response from CEC	Changes to Pre-Budget Report based on feedback
Do not think that an inflation equalling increase in allowances is fair or justifiable at this time.	Response is noted and will be brought to the attention of the relevant Portfolio Holder	No changes
Proposal 79. (83 & 84) Community Library Provision	Response from CEC	Changes to Pre-Budget Report based on feedback
51 x general comments received in relation to proposed closure of libraries	The Council acknowledges that the consultation has received a large number of objections to the proposal to close these libraries, particularly from residents of Disley. The Council invited proposals from local community organisations to deliver these libraries as community managed libraries as an alternative to closure. A community group has submitted a proposal to increase the level of financial support it already provides for the library in Prestbury. No proposals were received for Alderley Edge or Disley libraries, although a group in Alderley Edge has expressed a longer term aspiration in taking over the running of the library.	In light of the consultation responses these proposals have been reviewed. In Alderley Edge and Disley the libraries will achieve some budget savings from revised opening hours and staffing. In Prestbury a small budget saving will be achieved from the increased financial support from the community. Usage at libraries will continue to be monitored and closure may be reconsidered if usage declines significantly. We shall also engage with the communities during the year with a view to developing alternative models for the delivery of libraries. The revised proposal will achieve a saving of £0.046m.
Libraries offer vital services and an invaluable sense of community to the most vulnerable in our society/ are well loved and used/ should not be transferred to ESAR.		
33 x comments received in relation to proposed closure of Alderley Edge library		
Do not agree with closing Alderley Edge library/ it is an essential & valuable service that has an important role in the community/ its closure would impact the young and old.		
228 x comments received in relation to proposed closure of Disley library		
Do not agree with the closure of Disley library/ it is a vital resource and a very important part of the community for all age groups (young and old)/ alternative provisions are too far away/ there has been an increase in housing – growing population.		
7 x comments received in relation to proposed closure of Prestbury library		
Prestbury Library should not close – valuable amenity & heart of the community– is little cost to Cheshire East.		
7 x comments received in relation to proposed closure of Holmes Chapel library (not being out forward for 18/19)		
Do not close Holmes Chapel library it is an essential service / should not be transferred to ESAR/ do not close even if transferring to ESAR.		

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Proposal 81. Macclesfield Leisure Centre Improvement Programme	Response from CEC	Changes to Pre-Budget Report based on feedback
<p>12 x comments received</p> <p>Spend less on Macc. leisure centre and use money to fund libraries that are proposed to close.</p>	<p>Macclesfield Leisure Centre is the largest leisure facility in Cheshire East and requires investment to update and modernise the facility to ensure that it continues to provide an attractive leisure offer for residents of Macclesfield and the surrounding area. The investment is expected to increase the income the Council generates from the facility. Sometimes it may seem as though the council is proposing to spend large amounts of money on buildings or infrastructure projects, whilst proposing cuts to important public services such as libraries. Projects are funded from capital resources that we can only use to invest in long term projects which will generate income or savings in the future. We are not allowed to use capital resources to fund day-to-day services such as libraries and so the Council does not spend money on projects instead of services. The income or savings we generate from our capital investments will be used to help run public services in the future.</p>	<p>No changes</p>
Proposals 88 & 89. Changes to 'Everybody Options' Scheme Investment (ESAR) (Revenue Savings) / Car Park Refunds (Revenue Savings)	Response from CEC	Changes to Pre-Budget Report based on feedback
<p>2 x comments received</p> <p>Could have a longer term financial cost to the Council/ put more strain on the NHS and social care groups due to reduced attendances & physical activity. Look at alternatives to a complete removal - phased removal, or continue scheme for the options members who are less well off, look into weekly/monthly bulk discount parking tickets.</p>	<p>The reduction of the discount provided by the Everybody Options scheme from 40% to 30% still represents a significant subsidy by the Council to ensure our leisure facilities are affordable to all. At 30% the discount will be higher than the average for the leisure sector. Users that are currently eligible for free access will continue to benefit from free access.</p> <p>It is noted that the removal of the car park refund could have an impact on participation in leisure activities in the affected locations.</p>	<p>No changes</p>

Comment in relation to staff	Response from CEC	Changes to Pre-Budget Report based on feedback
2 x comments received	Response is noted and will be brought to the attention of the relevant Portfolio Holder	No changes
Reduce staff/ pension benefits/ number of overly inflated salaries/ has the budget made allowances for additional cost of suspended staff?		
Comment in relation to social care tax	Response from CEC	Changes to Pre-Budget Report based on feedback
Council Tax to pay 3% for adult social care - get your house in order and then look at raising council tax - are staff getting a pay rise to cover this increase in their outgoings?	Social care is under pressure across the Country – CEC has an ageing population larger than most areas and an increase in younger people with very complex needs. There is a transformation programme in place for Adult social care but it must be recognised that safeguarding quality requires investment.	No changes

Table 1.6. Summarised comments – Outcomes mixed or unknown		
Mixed comments relating to various outcomes/ proposals	Response from CEC	Changes to Pre-Budget Report based on feedback
<p>97. Community Budgets funded from NHB - do not need to spend money on supporting house development - should be against building as pollution and traffic levels are too high and cannot support the existing services.</p> <p>68. Growth in Demand for Adult Social Care - The increase in this is too much - if the county continue to allow people to move into the area by allowing excessive house building we will see even more strain.</p> <p>39. Housing Growth, Waste Contract Inflation and Tonnage Growth - We should be reducing the number of houses built in the area to help reduce this pressure.</p>	<p>Response is noted and will be brought to the attention of the relevant Portfolio Holders. See above re Adult Social Care.</p> <p>Response is noted and will be brought to the attention of the relevant Portfolio Holder.</p> <p>Response is noted and will be brought to the attention of the relevant Portfolio Holder</p>	No changes
<p>Outcome 1 - no longer feel safe - crime gone up as well as fly tipping & anti-social behaviour.</p> <p>Outcome 2 - nothing here benefits me.</p> <p>Outcome 4 – feel that Cheshire East doesn't care about the environment</p> <p>Outcome 5 - difficulty accessing services when they are needed, funding for this section needs to be far more and help given too far more people.</p> <p>Outcome 6 – assess staff at higher management levels / struggle to pay council tax.</p>	<p>Outcome 1 – Both fly tipping and ASB have been two key campaigns for the Council. Going forward these remain key priorities.</p> <p>Response is noted and will be brought to the attention of the relevant Portfolio Holder</p> <p>Response is noted and will be brought to the attention of the relevant Portfolio Holder</p> <p>Outcome 5 – agree and that is why £10.9 million investment going into adult social care in 2018/19.</p> <p>Response is noted and will be brought to the attention of the relevant Portfolio Holder</p>	No changes

Table 1.6. Summarised comments – Outcomes mixed or unknown

<p>1, 18: Maintain bus subsidies at their current level</p> <p>44, 46. Should not be planning further increases in parking charges - only leads to more on-street parking & the decline of town centres.</p>	<p>Parking comments provide a mixed view, however on balance most people accept that charging is required. The comments are focussed on providing greater levels of fairness across the borough together with measures to support our town centres.</p> <p>The proposed high level Parking Strategy, which is planned to undergo public consultation this Summer, will seek to address these current disparities and to develop proposals that would support of our town centres.</p>	<p>No changes</p>
<p>Proposals under Sections 19 & 26 under Outcome 3 (Education) and proposal under Section 54 of Outcome 5 (Health) should be altered. The proposal to "end investment in early help and prevention services" in proposal 26 surely presents a great challenge to the council's statutory responsibilities.</p>	<p>There are a number of contracts that are classed as Early Intervention and Prevention and they are due to come to the end of their contracted period in March 2018. The organisations involved will have been aware of this when they were originally awarded the contracts. If Council agrees the proposal in the budget a 3 month notice period will be served. There will be opportunity for funding which will be made available through the Early Help Framework which will be online by October 2018 which will be more outcome focused on 3 tiers – universal, targeted and specialist.</p>	<p>No changes</p>

Table 1.6. Summarised comments – Outcomes mixed or unknown		
<p>13. Funding for Silk Heritage should not be reduced - our heritage, museums & tourist attractions are important.</p> <p>20. This proposal is very vague - no indication of how advanced technology will reduce expenditure - more information is needed.</p> <p>21. Cared for children - do not increase funding - reduce number of children being taken from parents & focus on the extreme cases.</p> <p>22. Reduce money spent on adoption by leaving more children with their natural parents.</p>	<p>21 & 22. The Council has a statutory duty to safeguard children who have been harmed by their parents or carers and to support families to enable children to remain living with the parents and carers. The overwhelming majority of children in care have met the legal threshold and are therefore placed in care by an order of court. Whilst the number of children in care has increased we continue to have lowest ratio to population in the north west. There has been an increase in children leaving care by being made subject of special guardianship arrangements. The council is implementing a national model of social work called Signs of Safety which focuses on the strengthens of families and whilst it aims to make children safer it seeks to keep</p>	<p>No changes</p>
<p>Outcome 2 - Strong and Resilient Economy. Encourage use of the Town centre (Macclesfield) - do not understand, with the development of a cinema/leisure complex, where people are expected to park? Reduce car parking charges, or have 1 – 2 hours free parking.</p> <p>Outcome 4 - Green and Sustainable Place. Greater use of bus travel should be encouraged; this would have the additional benefit of reducing road congestion. Bus passes should be given to all those over 60. Greater use of bus travel, would again increase the use of the facilities in the town, with the additional benefit of getting people out of their houses, making them more fit and active.</p>	<p>The development of a cinema complex will, it is anticipated in particular boost the evening economy. At the present time the town centre is relatively quiet in the evening with a limited evening offer. Car parking capacity across the town centre car parks has been surveyed, the results showing significant capacity even at peak times. It is therefore anticipated that people currently parking in Churchill Way Car Park will be able to park in alternative car parks such as Duke Street and the Grosvenor Centre, where there are generally high numbers of vacant spaces available. Impact on parking will also be considered again at the planning application stage. Currently parking is free after 6pm in most of the Council's car parks and there is no evidence to suggest that free parking actually significantly increases footfall into town centres. Car parks cost money to maintain and the charges (where applicable) go towards such necessary fees as gritting, business rates, lighting,</p>	<p>No changes</p>

Table 1.6. Summarised comments – Outcomes mixed or unknown		
<p>52 - Restructure Prevention and Support - Support this proposal only if there is not a reduction in the offer especially to early years and youth support services.</p> <p>54 - Review Early Help - Should be no reduction in youth support services as these are vital to outcomes 1, 3 and 5. Services contained in 52 & 54 help develop a strong focus on support for children, young people and their families most vulnerable to the poorest outcomes. Need to ensure children & young people have the skills to meet the needs of local employers.</p>	<p>Response is noted and will be brought to the attention of the relevant Portfolio Holder</p> <p>The Youth Support Service will continue to work with young people who are at risk of NEET and those who are NEET, but due to the changing requirements to track and support young people, the service will be focussing on those who are 16/17 yr olds, rather than those who are 18 +years. The budget reductions will require the service to reshape and to focus on those who are at most need and those who are covered by the Raising of Participation guidance.</p>	<p>No changes</p>

Table 1.6. Summarised comments – Outcomes mixed or unknown

<p>Outcome 6. Item 79 - closure of small & medium size libraries is damaging to the whole community.</p> <p>Item 78 - Members should have a below inflation increase in allowances.</p>	<p>The Council acknowledges that the consultation has received a large number of objections to the proposal to close these libraries, particularly from residents of Disley. The Council invited proposals from local community organisations to deliver these libraries as community managed libraries as an alternative to closure. A community group has submitted a proposal to increase the level of financial support it already provides for the library in Prestbury. No proposals were received for Alderley Edge or Disley libraries, although a group in Alderley Edge has expressed a longer term aspiration in taking over the running of the library.</p> <p>Response is noted and will be brought to the attention of the relevant Portfolio Holder</p>	<p>In light of the consultation responses these proposals have been reviewed. In Alderley Edge and Disley the libraries will achieve some budget savings from revised opening hours and staffing. In Prestbury a small budget saving will be achieved from the increased financial support from the community. Usage at libraries will continue to be monitored and closure may be reconsidered if usage declines significantly. We shall also engage with the communities during the year with a view to developing alternative models for the delivery of libraries.</p> <p>The revised proposal will achieve a saving of £0.046m.</p>
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Table 1.6. Summarised comments – Outcomes mixed or unknown

<p>Went to customer services and document was not on public display – hidden under desk preventing easy access. Feedback papers are a waste of time - having tried to make sense of it I have some questions: Highways contract review - gully blockage will cause flooding, already seen gritters out less & only on major roads. Leave front line staff on low wages alone. How can you support families' and those in need yet reduce children's services. Respite care needs to be more personal, if one can get it as qualifying appears to be getting harder. Do we not pay enough in tax to cover cost of new & replacement bins? What is a channel shift? Libraries are assets that we need for peoples well-being & education. Raise fees will affect those in greatest need. It mentions the living wage to be monitored, rather hypocritical of a council that has wasted millions of pounds of our money, and pays senior staff thousands of pounds a week. It mentions mutually agreed resignation scheme, and golden handshakes, this should be looked at and reduced. What does budges be accountable and appropriate mean and who decides, and on what criteria? Where does the Council tax money go? There are proposals to cut services, yet the expenses of Councillors are not in line for cutting. Outcomes 1-6 are rather a contradiction. Cheshire East council says it will act with integrity, be open and honest and accountable to me there has not been any evidence of this and wonder if it will ever happen.</p>	<p>Response is noted and will be brought to the attention of the relevant Portfolio Holders</p>	<p>No changes</p>
Comment in relation to the document	Response from CEC	Changes to Pre-Budget Report based on feedback
<p>Budget document difficult to understand – should be in plain English.</p>	<p>Response is noted and will be brought to the attention of the relevant Portfolio Holder and be considered for next years budget consultation process.</p>	<p>No changes</p>

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Table 1.6. Summarised comments – Outcomes mixed or unknown		
Miscellaneous/ general comments	Response from CEC	Changes to Pre-Budget Report based on feedback
9 x comments received Seem appropriate/ think is through properly/ maximise debt recovery/ need stronger partnership theme/ consider those with sensory impairment/ consider prevention budgets/ use of central contracts, agency as last resort/ concessionary bus pass for over 60s.	Responses are noted and will be brought to the attention of the relevant Portfolio Holders	No changes

Question Two: What, if any, other proposals should be considered to achieve the Outcomes of the Council whilst maintaining an overall balanced budget?

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

Table 2.1. Summarised comments in relation to Outcome 2 – Cheshire East has a strong and resilient economy		
Proposal 2. Increase Community Grants	Response from CEC	Changes to Pre-Budget Report based on feedback
Fully support this proposal	Thank you for your comment	No changes

Table 2.2. Summarised comments in relation to Outcome 2 – Cheshire East has a strong and resilient economy		
Comment in relation to New Homes Bonus (NHB)	Response from CEC	Changes to Pre-Budget Report based on feedback
2 x comments received Better use of section 106 funding/CIL/ NHB - disappointed how the NHB bonus has been lost in existing taxation and not delivered improvements to offset developments. Developers should be made to deliver practical road solutions. Sandbach is being plagued by cycle ways that our not fit for purpose - ignored by cyclists because they do not provide easy connections / Only fair that any NHB payments should be divided between affected wards – reflect number of new homes built as this money was intended to enhance community infrastructure.	Response is noted and will be brought to the attention of the relevant Portfolio Holder	No changes

Table 2.2. Summarised comments in relation to Outcome 2 – Cheshire East has a strong and resilient economy		
Proposal 16. HS2 Strategy (Revenue Investment)	Response from CEC	Changes to Pre-Budget Report based on feedback
Take money away from this	<p>The arrival of HS2 to Crewe has the potential to deliver significant economic growth which would not otherwise be achieved. The right Crewe Hub station, one which is capable of handling up to 7 HS2 trains stopping per hour with direct services to London, Manchester and Birmingham would unlock significant growth opportunities for Crewe and also across the wider Constellation Partnership area.</p> <p>The current proposals in the phase 2a hybrid bill do not propose a Crewe Hub station and will only see 2 HS2 trains to and from London stopping at Crewe per hour. However, The Council is working with Government to develop a Crewe hub station campus proposal that delivers the Council's ambitions. Following the Full Council decision to petition against the phase 2a hybrid bill we are working with Parliamentary Agents to prepare a response following the second reading. The HS2 budget for this financial year relates to the work required to petition the Hs2 bill and to undertake technical work on the Crewe hub station.</p>	No changes

Table 2.3: Summarised comments in relation to Outcome 4- Cheshire East is a green and sustainable place		
Proposal 46. Flat rate Car Parking fee increases	Response from CEC	Changes to Pre-Budget Report based on feedback
All car parking across the local authority should be chargeable - very unusual that in Crewe where footfall needs to be encouraged car parks are not free to use, whereas in Sandbach and other areas of the borough car parks are free.	<p>Parking comments provide a mixed view, however on balance most people accept that charging is required. The comments are focussed on providing greater levels of fairness across the borough together with measures to support our town centres.</p> <p>The proposed high level Parking Strategy, which is planned to undergo public consultation this Summer, will seek to address these current disparities and to develop proposals that support our town centres.</p>	No changes
Comment in relation to Housing Developments	Response from CEC	
Stop further new housing developments - strain on resources.	Response is noted and will be brought to the attention of the relevant Portfolio Holder	No changes
Comment in relation to household waste bins	Response from CEC	
2 x comments received	Thank you for your suggestion which is noted	No changes
Reduce the frequency of the green bin collection in the winter/ reductions in recycling & waste collection budgets as per national trend		
Overview comment	Response from CEC	
Outcome 4 point 58 - why are house builders not paying more to help fund local services, e.g. new bins - improve air quality in newly congested towns caused specifically by over build?	Response is noted and will be brought to the attention of the relevant Portfolio Holder	No changes
37) Refuse disposal at the tipping sites should be charged per visit for commercial waste and larger vehicles cans etc rather than permit certificates, This means of administration has resulted in fly tipping in the countryside which is costly and labour intensive to clear	Response is noted and will be brought to the attention of the relevant Portfolio Holders	No changes
29) Rents on commercial properties in the main towns of Cheshire East should be reviewed to bring 'life' back into them. Surely a thriving town with reduced rents is better than dead towns and little revenue?		

Table 2.4. Summarised comments in relation to Outcome 5 – People live well and for longer		
Comment in relation to social care	Response from CEC	Changes to Pre-Budget Report based on feedback
2 x comments received Reduce spending on flowers/ 'prettying' up areas - more money spent on social care & children (x1) / cut spending on health & social services (x1).	The Council constantly reviews essential and non-essential expenditure to ensure value for money and an achievement of statutory need. Proposals within the 2018/19 Budget include investment of £3 million in Children and Families and £10.9 Million in Adults in 2018/19.	No changes
Proposal 67. Cease provision of services at Lincoln House and Mountview (Revenue Savings)	Response from CEC	Changes to Pre-Budget Report based on feedback
2 x comments received Day & respite care should be maintained within local area and not outsourced/ operating out of a less expensive asset or a non-council owned asset would still achieve savings to the overall budget without losing the valued service and much needed specialist staff. Possible solutions - sharing space in the Congleton War Memorial/ opening up the Mountview building for additional use as a medical centre i.e. Doctors, dentists, chiropody, counselling to recover revenue to invest in the service.	The offer of respite, will be looked at as part of a wider review of respite for all residents across the Borough as presented to Cabinet in December 2017. CEC is looking to develop a wide range of alternative models of respite that gives people more choice and control. For those receiving day opportunities they will receive a full reassessment and more personalised service. All service users and their families will be consulted with. With regards to possible solutions all these suggestions and more will be considered with NHS partners as part of the transformation programme.	No changes

Table 2.4. Summarised comments in relation to Outcome 5 – People live well and for longer		
Proposal 70. Increase Income (Revenue Savings)	Response from CEC	Changes to Pre-Budget Report based on feedback
This policy proposal isolates income generation only as something related to care charges. An income generation policy should be broader and more strategic than this. It should incorporate an outward looking culture re a number of relevant external funding opportunities.	Response is noted and will be brought to the attention of the relevant Portfolio Holder	No changes
Comment in relation to SEN support	Response from CEC	Changes to Pre-Budget Report based on feedback
Do not cut SEN/ disability support.	There are no planned budget reductions for children with SEND. However there will be an ongoing review to ensure the most efficient use of available resources.	No Proposals in budget consultation
Comment in relation to needs of the D/deaf community	Response from CEC	Changes to Pre-Budget Report based on feedback
"Outcome 5 talks about people living well and for longer - needs of the D/deaf community need to be fully addressed in the on-going commissioning of services, given the high proportion of the population affected & the positive impact to outcomes that good specialist services provide. I would urge commissioners to engage with people experiencing D/deafness and supporting organisations and service providers to ensure evolving needs continue to be met. D/deafness is a cross-cutting theme, relevant to all protected characteristics designated by the Council - action in this area has major benefits to the well-being of the population as a whole.	CEC agrees that support to and co-production with the D/Deaf community is critical. Continually assessing how we meet the needs for this community in particular around the duties under the Care Act remain part of our commissioning plans.	No change

Table 2.5. Summarised Comments in relation to Outcome 6 – A responsible effective and efficient organisation

Proposal 79. (83 & 84) Community Library Provision	Response from CEC	Changes to Pre-Budget Report based on feedback
<p>68 x general comments received in relation to proposed closure of libraries</p> <p>Keep the library open/ would support small increase in charges for borrowing items and or an increase in Council Tax to keep libraries open/ review staff or and opening hours</p> <p>39 x comments received in relation to proposed closure of Disley library</p> <p>Keep Disley library open/ reduce spend on Macc. leisure centre and put towards library/ review staff or and opening hours /assess all libraries to spread the cost.</p> <p>4 x comments received in relation to proposed closure of Prestbury library</p> <p>Do not close Prestbury library – help of Anne Whittaker Trust should ensure library is kept open.</p> <p>2 x comment received in relation to proposed closure of Alderley Edge library</p> <p>Library is a social, community health and education service. Reduce Councillor pay.</p> <p>2 x comment received in relation to proposed closure of Holmes Chapel library (not being out forward for 18/19)</p> <p>Village is growing - more people will require access to a library – charge extra for services within the building.</p>	<p>The Council acknowledges that the consultation has received a large number of objections to the proposal to close these libraries, particularly from residents of Disley. The Council invited proposals from local community organisations to deliver these libraries as community managed libraries as an alternative to closure. A community group has submitted a proposal to increase the level of financial support it already provides for the library in Prestbury. No proposals were received for Alderley Edge or Disley libraries, although a group in Alderley Edge has expressed a longer term aspiration in taking over the running of the library.</p>	<p>In light of the consultation responses these proposals have been reviewed. In Alderley Edge and Disley the libraries will achieve some budget savings from revised opening hours and staffing. In Prestbury a small budget saving will be achieved from the increased financial support from the community. Usage at libraries will continue to be monitored and closure may be reconsidered if usage declines significantly. We shall also engage with the communities during the year with a view to developing alternative models for the delivery of libraries.</p> <p>The revised proposal will achieve a saving of £0.046m.</p>

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Table 2.5. Summarised Comments in relation to Outcome 6 – A responsible effective and efficient organisation		
Proposal 81. Macclesfield Leisure Centre Improvement Programme	Response from CEC	Changes to Pre-Budget Report based on feedback
21 x comments in received Unsure why Macc. leisure centre needs so much funding – scale back and use money to fund libraries.	Macclesfield Leisure Centre is the largest leisure facility in Cheshire East and requires investment to update and modernise the facility to ensure that it continues to provide an attractive leisure offer for residents of Macclesfield and the surrounding area. The investment is expected to increase the income the Council generates from the facility. Sometimes it may seem as though the council is proposing to spend large amounts of money on buildings or infrastructure projects, whilst proposing cuts to important public services such as libraries. Projects are funded from capital resources that we can only use to invest in long term projects which will generate income or savings in the future. We are not allowed to use capital resources to fund day-to-day services such as libraries and so the Council does not spend money on projects instead of services. The income or savings we generate from our capital investments will be used to help run public services in the future.	No changes
Comment in relation to staff	Response from CEC	Changes to Pre-Budget Report based on feedback
16 x comments received Cut Councillor's expenses and/or number of councillors (x6) / reduce higher management costs (x3) / further savings in staff costs & administration/ voluntary redundancy (x2).	Response is noted and will be brought to the attention of the relevant Portfolio Holder	No changes

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Table 2.5. Summarised Comments in relation to Outcome 6 – A responsible effective and efficient organisation

Comment in relation to local taxation	Response from CEC	Changes to Pre-Budget Report based on feedback
8 x comments received	Response is noted and will be brought to the attention of the relevant Portfolio Holder	Council Tax to increase a further 1% for 2018/19
Increase council tax/ revenue in all areas.		

Table 2.6: Summarised comments – Outcome mixed/unknown

Comment in relation to Council Processes	Response from CEC	Changes to Pre-Budget Report based
19 x comments received		
Various comments received e.g. support local businesses/ review contracts/ bring services back in-house/ proper governance/ think of communities/ remove “ceremonial” costs/ consider internal business budgets.	Responses are noted and will be brought to the attention of the relevant Portfolio Holders	No changes
Mixed comments	Response from CEC	Changes to Pre-Budget Report based
14 x comments received		
Various comments received e.g. Reduce street lighting/ review secondary schools in Macclesfield/ ensure mental health & support services are available/ don’t discriminate the EHCP budget against tax for those who home educate funding should be available for resources to assist/ influence the hospital car parking charges, too high and refunds for those attending appointments.	Responses are noted and will be brought to the attention of the relevant Portfolio Holders	No changes

Question Three: ...Do you have any other suggestions about ways in which the Council could deliver its services and achieve the required savings?

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

Table 3.1. Summarised comments in relation to question three		
Comment in relation to local taxation	Response from CEC	Changes to Pre-Budget Report based on feedback
46 x comments received supporting increase in tax	Council Tax increase (Proposal 101). This was originally set at 4.99% (inc 3% for ASC) but is now changing to 5.99% (inc 3% for ASC). This reflects a lot of comments about increasing CT to support front line services, so this option will allow the above proposals to happen. The balance of the CT increase will be retained within the Financing Reserve to support costs of the Capital Programme	Council Tax to increase a further 1% for 2018/19.
Support increase in council tax to ensure services are maintained (e.g. library service, social care services/ front line services) / tax increase on higher band properties.		
4 x comments received not supporting increase in tax		
Don't put council tax up/ too many people live below the breadline however aren't eligible for support/ exceeds rate of inflation.		
5 x general comments received in relation to tax		
Should never have 'froze' council tax for so long / unfair to increase tax but lose services.		
Proposal 79. (83 & 84) Community Library Provision	Response from CEC	Changes to Pre-Budget Report based on feedback
59 x general comments received in relation to proposed closure of libraries	The Council acknowledges that the consultation has received a large number of objections to the proposal to close these libraries, particularly from residents of Disley. The Council invited proposals from local community organisations to deliver these libraries as community managed libraries as an alternative to closure. A community group has submitted a proposal to increase the level of financial support it already provides for the library in Prestbury. No proposals were received for Alderley Edge or Disley libraries, although a group	In light of the consultation responses these proposals have been reviewed. In Alderley Edge and Disley the libraries will achieve some budget savings from revised
Closure would impact the community, the elderly – increasing loneliness & impact young children/ would support an increase in Council Tax to keep libraries open		

Table 3.1. Summarised comments in relation to question three		
27 x comments received in relation to proposed closure of Disley		
Closure would impact the elderly & young children. Look at alternatives e.g. reduce spend on Macc. leisure centre and put towards library/ assess opening hours/ happy to pay more council tax and or other fees.		
2 x comment received in relation to proposed closure of Alderley		
Alderley Edge precept could easily accommodate the continued funding		
1 x comment received in relation to proposed closure of Prestbury		
Do not close Prestbury – valuable asset to the community.		

Table 3.1. Summarised comments in relation to question three		
Comment in relation to staff	Response from CEC	Changes to Pre-Budget Report based on feedback
17 x comments received	Response is noted and will be brought to the attention of the relevant Portfolio Holder	No changes
Cut pensions (x2) / review mileage allowances (x1) / more staff efficiencies (x3) / review payments to suspended staff (x7) / review senior payments (x4)		
Comment in relation to social services/ social care	Response from CEC	Changes to Pre-Budget Report based on feedback
13 x comments received	As well as the investment Adult social care service the service is also making savings in relation to efficiencies and streamlining across the MTFS.	No changes
Could be savings made within social care – review processes and administration / needs to be correctly funded & managed/ encourage families to look after their elderly relatives. Happy to pay more tax to fund social care services.		
Comment in relation to Council processes	Response from CEC	Changes to Pre-Budget Report based on feedback
24 x comments received	Responses are noted and will be brought to the attention of the relevant Portfolio Holders	No changes
Various comments received e.g. cut red tape (x2), don't waste money/ value for money (x8), work more efficiently (x7), find better ways to fund services (x1), stop punishing smaller communities on the outskirts (x1)/ lobby government for more central funding (x5)		

Table 3.1. Summarised comments in relation to question three		
Comment in relation to Parish/ Town Councils	Response from CEC	Changes to Pre-Budget Report based on feedback
2 x comments received Abolish Parish Councils as they are an extra cost / how much subsidy is given to town councils – is it too high?	Response is noted and will be brought to the attention of the relevant Portfolio Holder	No changes
Proposal 81. Macclesfield Leisure Centre Improvement Programme	Response from CEC	Changes to Pre-Budget Report based on feedback
10 x comments received Spend less on upgrading the leisure centre, seems extravagant – use money to fund libraries.	Macclesfield Leisure Centre is the largest leisure facility in Cheshire East and requires investment to update and modernise the facility to ensure that it continues to provide an attractive leisure offer for residents of Macclesfield and the surrounding area. The investment is expected to increase the income the Council generates from the facility. Sometimes it may seem as though the council is proposing to spend large amounts of money on buildings or infrastructure projects, whilst proposing cuts to important public services such as libraries. Projects are funded from capital resources that we can only use to invest in long term projects which will generate income or savings in the future. We are not allowed to use capital resources to fund day-to-day services such as libraries and so the Council does not spend money on projects instead of services. The income or savings we generate from our capital investments will be used to help run public services in the future.	No changes

Table 3.1. Summarised comments in relation to question three		
Miscellaneous Suggestions	Response from CEC	Changes to Pre-Budget Report based on feedback
35 x comments received Various suggestions received e.g. stop making alteration to roads & pavements that do not need it (x5) / reduction in street lighting to save electricity (x2)/ more green areas could be left uncut/ more families left accountable for elderly relatives (x2)/ reduce fortnightly recycling collections & provide bigger bins/ review working practices (x8)/ volunteers (x3)/ Review high school provision in Macclesfield/ lobby government for more funding (x3)/ community grants paid via the lottery/ more investment in prevention and intervention/ monitor car parking/ don't cut SEN support.	Responses are noted and will be brought to the attention of the relevant Portfolio Holders	No changes
General Comment	Response from CEC	Changes to Pre-Budget Report based on feedback
3 x comments received Seems reasonable/ not my area of expertise/ impact on funding for third sector	Responses are noted and will be brought to the attention of the relevant Portfolio Holders	No changes

Question Four: Do any of the proposals adversely affect you directly, if so please explain in what way?

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

Table 4.1. Summarised comments in relation to question four		
Proposal 26. End of Early Intervention short-term funding allocation (non Public Health element) (Revenue Savings)	Response from CEC	Changes to Pre-Budget Report based on feedback
Reductions in early intervention and prevention services will impact our services and ability to carry out our charitable objectives.	Response is noted and will be brought to the attention of the relevant Portfolio Holder. Please see answer above	No changes
Proposal 31 & 33. Highways Contract/ Procurement	Response from CEC	Changes to Pre-Budget Report based on feedback
State of the roads & verges – need to be maintained more often. Issues with cars parking on pavements. More help for older people. Bigger houses should pay more Council Tax.	It is recognised that the consultation responses do not support reductions in the Highway Service with majority of comments requesting greater service levels. The Council has therefore reviewed the savings proposals. The Council is also in the process of procuring the next Highway Services Contract, as part of this procurement exercise differing delivery methods are being explored to provide improved value for money.	Highways Contract Savings (Proposal 31) are going to be reduced from an initial saving of £500k to only £150k £5m of expenditure in the Highways Investment Programme will be moved from the Capital Addendum and funded as part of the main programme

Table 4.1. Summarised comments in relation to question four		
Proposal 56. Youth Support Restructure (Revenue Savings)	Response from CEC	Changes to Pre-Budget Report based on feedback
<p>2 x comments received</p> <p>Provision of services to young people's education provide them with the skills needed to become a valuable resourceful member of the community/ We would be severely affected if there was a reduction in youth support provision - impacted many young peoples' lives at Bromley Farm Youth Club, Congleton.</p>	The Youth Support Service will continue to work with young people who are at risk of NEET and those who are NEET, but due to the changing requirements to track and support young people, the service will be focussing on those who are 16/17 yr olds, rather than those who are 18 +years. The budget reductions will require the service to reshape and to focus on those who are at most need and those who are covered by the Raising of Participation guidance.	No change
Proposal 60. Review all funding and shift to "asset-based" model (Revenue Savings)	Response from CEC	Changes to Pre-Budget Report based on feedback
This proposal affects the organisation I work for (the Bridgend Centre) directly as it is proposed that our EIP contract be allowed to expire with effect from 31st March 2018 in turn this will also affect some of the most vulnerable population groups and members of community.	There are a number of contracts that are classed as Early Intervention and Prevention and they are due to come to the end of their contracted period in March 2018. The organisations involved will have been aware of this when they were originally awarded the contracts. If Council agrees the proposal in the budget a 3 month notice period will be served. There will be opportunity for funding which will be made available through the Early Help Framework which will be online by October 2018 which will be more outcome focused on 3 tiers – universal, targeted and specialist.	No change

Table 4.1. Summarised comments in relation to question four		
Proposal 67. Cease provision of services at Lincoln House and Mountview (Revenue Savings)	Response from CEC	Changes to Pre-Budget Report based on feedback
<p>2 x comments received</p> <p>Will affect disabled father and mother who is fathers full time carer – Mountview has been a lifeline for them / doesn't affect yet but getting older and would like local provision.</p>	<p>The offer of respite, will be looked at as part of a wider review of respite for all residents across the Borough as presented to Cabinet in December 2017. CEC is looking to develop a wide range of alternative models of respite that gives people more choice and control. For those receiving day opportunities they will receive a full reassessment and more personalised service. All service users and their families will be consulted with.</p> <p>All eligible service users and cares will continue to receive care and support.</p>	<p>No change</p>

Table 4.1. Summarised comments in relation to question four		
Proposal 79. (83 & 84) Community Library Provision	Response from CEC	Changes to Pre-Budget Report based on feedback
85 x general comments received in relation to proposed closure of libraries	The Council acknowledges that the consultation has received a large number of objections to the proposal to close these libraries, particularly from residents of Disley. The Council invited proposals from local community organisations to deliver these libraries as community managed libraries as an alternative to closure. A community group has submitted a proposal to increase the level of financial support it already provides for the library in Prestbury. No proposals were received for Alderley Edge or Disley libraries, although a group in Alderley Edge has expressed a longer term aspiration in taking over the running of the library.	In light of the consultation responses these proposals have been reviewed. In Alderley Edge and Disley the libraries will achieve some budget savings from revised opening hours and staffing. In Prestbury a small budget saving will be achieved from the increased financial support from the community. Usage at libraries will continue to be monitored and closure may be reconsidered if usage declines significantly. We shall also engage with the communities during the year with a view to developing alternative models for the delivery of libraries. The revised proposal will achieve a saving of £0.046m.
Library closure will affect me/ my family – important part of the		
136 x comments received in relation to proposed closure of Disley		
Closure of Disley library will affect me/ my family – no alternate nearby/ essential to the community		
31 x comments received in relation to proposed closure of Alderley Edge library		
Closure of Alderley Edge library will affect me/ my family – vital & valuable resource – do not want to have to drive to an alternative.		
9 x comments received in relation to proposed closure of Prestbury library		
Closure of Prestbury library will affect me/ my family .		
3 x comments received in relation to proposed closure of Holmes Chapel library (not being out forward for 18/19)		
Closure of Holmes Chapel Library will affect me/ my family - would have to drive to alternate as bus to next nearest library (Sandbach) is being discontinued.		

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Table 4.1. Summarised comments in relation to question four		
Comments in relation to Social Care/ SEN	Response from CEC	Changes to Pre-Budget Report based on feedback
4 x comments received Lack of funding for adequate social care/ no local provision for short term respite/ disabled, SEN, most vulnerable always lose out – don't cut support.	There are no planned budget reductions for children with SEND. However there will be an ongoing review to ensure the most efficient use of available resources.	No change
Proposals 88 & 89. Changes to 'Everybody Options' Scheme Investment (ESAR) (Revenue Savings) / Car Park Refunds (Revenue Savings)	Response from CEC	Changes to Pre-Budget Report based on feedback
Swim at Nantwich pool – car park refund compensates towards journey costs	It is noted that the removal of the car park refund could have an impact on participation in leisure activities in the affected locations.	No changes

Table 4.1. Summarised comments in relation to question four		
Comment in relation to local taxation	Response from CEC	Changes to Pre-Budget Report based on feedback
5 x comments received	Response is noted and will be brought to the attention of the relevant Portfolio Holder	No changes
Paying more council tax would affect me (x 4) / happy to pay increase if money is spent wisely (x1).		
Comment in relation to staff	Response from CEC	Changes to Pre-Budget Report based on feedback
No wage increase but having to pay out more – lots of ‘acting’ directors in Cheshire East how can we be confident budget has been looked at correctly?	Response is noted and will be brought to the attention of the relevant Portfolio Holder	No changes
Miscellaneous/ mixed Comments	Response from CEC	Changes to Pre-Budget Report based on feedback
4 x comments received	Responses are noted and will be brought to the attention of the relevant Portfolio Holders	No changes
Reduced bus service & closure of Alderley Edge library effect me/ state of the roads has cost me/ not me personally but effect a groups within the community that concerned with (care & support for early years)/ losing green belt.		

Shaping Our Services E-mail responses

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

Table 5.1. Shaping Our Services E-mail responses		
Proposal 11. Changes to subsidised Bus Service (Revenue Savings)	Response from CEC	Changes to Pre-Budget Report based on feedback
2 x comments received	Response is noted and will be brought to the attention of the relevant Portfolio Holder	No changes
Allow women aged 60 to receive a bus pass & reduced rate rail cards to help keep active & involved in the community (WASPI campaign)/ Utilities work has skewed bus service (bottom of park Street) can a schedule be posted with forecasted time of completion.		
Proposal 13. Reduce funding to Macclesfield Silk Heritage Trust (Revenue Savings)	Response from CEC	Changes to Pre-Budget Report based on feedback
Cllr Janet Jackson - object to these cuts in funding to the Macclesfield Silk Heritage Trust. The Town Centre 5 Year Strategy Document to support regeneration of Macclesfield states that ongoing activity includes developing plans to enhance Macclesfield's Museums. This statement is in contradiction to the budget. These cuts could be the final straw for the Museum Trust which is doing all it can to become self-sustainable. CE should reverse the proposed cuts to the Silk Heritage Trust grant.	Response is noted and will be brought to the attention of the relevant Portfolio Holder	No changes
Proposal 78. Inflationary Increase for Members	Response from CEC	Changes to Pre-Budget Report based on feedback
Over the past few months noticed Mayors in chauffeur driven Bentley cars, are these necessary in the current climate?	Response is noted and will be brought to the attention of the relevant Portfolio Holder	No changes

Table 5.1. Shaping Our Services E-mail responses		
Proposal 79. (83 & 84) Community Library Provision	Response from CEC	Changes to Pre-Budget Report based on feedback
<p>37 x comments received in relation to proposed closure of Disley library</p> <p>Against closure of Disley library – central part of the community, valuable to the elderly and helps with social isolation and also valuable to the young and their education. Alternate too far away. Suggestions received inc. assessing opening hours & staffing at all libraries thus spreading the cost reductions required.</p>	<p>The Council acknowledges that the consultation has received a large number of objections to the proposal to close these libraries, particularly from residents of Disley. The Council invited proposals from local community organisations to deliver these libraries as community managed libraries as an alternative to closure. A community group has submitted a proposal to increase the level of financial support it already provides for the library in Prestbury. No proposals were received for Alderley Edge or Disley libraries, although a group in Alderley Edge has expressed a longer term aspiration in taking over the running of the library.</p>	<p>In light of the consultation responses these proposals have been reviewed. In Alderley Edge and Disley the libraries will achieve some budget savings from revised opening hours and staffing. In Prestbury a small budget saving will be achieved from the increased financial support from the community. Usage at libraries will continue to be monitored and closure may be reconsidered if usage declines significantly. We shall also engage with the communities during the year with a view to developing alternative models for the delivery of libraries.</p> <p>The revised proposal will achieve a saving of £0.046m.</p>
<p>54 x comments received in relation to proposed closure of Alderley Edge library</p> <p>Central to the community, valuable service to all ages – please do not close. Group of volunteers willing to help one paid member of staff on rotational basis to help keep library open.</p>		
<p>2 x comments received in relation to proposed closure of Prestbury Library</p> <p>Object to closure, valuable service for the elderly / Ann Whittaker Trust submitted a proposal to help keep Prestbury library open – they propose to maintain current level of financial support and assist further by foregoing the annual rental charges & offering phased incremental payments.</p>		
<p>4 x general comments received in relation to proposed closure of libraries</p> <p>Object to closure of libraries.</p>		

Table 5.1. Shaping Our Services E-mail responses		
Proposal 81. Macclesfield Leisure Centre Improvement Programme	Response from CEC	Changes to Pre-Budget Report based on feedback
<p>4 x comments received</p> <p>The Macclesfield Athletics Development Fund fully supports the proposal n- in particular welcome the proposed improvement of facilities for athletics/ support the plans/ great, that we're all investing in improved sports changing facilities - in favour of the additional Sauna & the changing rooms are in need of improvement.</p>	<p>Macclesfield Leisure Centre is the largest leisure facility in Cheshire East and requires investment to update and modernise the facility to ensure that it continues to provide an attractive leisure offer for residents of Macclesfield and the surrounding area. The investment is expected to increase the income the Council generates from the facility. Sometimes it may seem as though the council is proposing to spend large amounts of money on buildings or infrastructure projects, whilst proposing cuts to important public services such as libraries. Projects are funded from capital resources that we can only use to invest in long term projects which will generate income or savings in the future. We are not allowed to use capital resources to fund day-to-day services such as libraries and so the Council does not spend money on projects instead of services. The income or savings we generate from our capital investments will be used to help run public services in the future.</p>	<p>No changes</p>

Table 5.1. Shaping Our Services E-mail responses		
Proposals 89. Car Park Refunds (Revenue Savings)	Response from CEC	Changes to Pre-Budget Report based on feedback
<p>2 x comments received</p> <p>Concerned about charges at Snow Hill in Nantwich. Would discourage service users - large number of pensioners would not be able to afford to attend if the motion was carried - the population is living longer therefore the authority should support ways which deflect from the financially overburdened Social Care budget/ car park is free after 3pm so would only effect members who use this facility in the morning may mean more people go in evening when it is already oversubscribed.</p>	It is noted that the removal of the car park refund could have an impact on participation in leisure activities in the affected locations.	No changes
Comment related to EIP contracts	Response from CEC	Changes to Pre-Budget Report based on feedback
Disappointed that the Cheshire Centre for Independent Living (CCIL) have received a notice of intention stating, at this time, that CEC do not intend to re-commission the Good Company. Feel that stopping the funding for the Good Company is not consistent with the Council's own proposals to achieve their outcomes. A meeting was held on 4th January 2018 for the South Cheshire members of Good Company - apparent that everyone was saddened about the intention not to fund the group in the near future. As parents of a Good Company service user, we urge CEC to re-think their proposal to cut the funding for Good Company.	There are a number of contracts that are classed as Early Intervention and Prevention and they are due to come to the end of their contracted period in March 2018. The organisations involved will have been aware of this when they were originally awarded the contracts. If Council agrees the proposal in the budget a 3 month notice period will be served. There will be opportunity for funding which will be made available through the Early Help Framework which will be online by October 2018 which will be more outcome focused on 3 tiers – universal, targeted and specialist.	No change

Table 5.1. Shaping Our Services E-mail responses		
Comment in relating to local taxation	Response from CEC	Changes to Pre-Budget Report based on feedback
The latest council tax rises are unaffordable to a large number of local residents - especially the elderly pensioners & those that are just about managing. Our Council tax bill is our single largest outgoing each year and equates to a massive percentage of our pension. Given the number of increased households and businesses in East Cheshire I fail to see how this increased council tax amount can be justified. What areas have you looked at and where have savings been made? The 'adult social care budget' is something that should be funded by Westminster. Council tax is not a fair tax. A greater percentage of the population is becoming older and the costs of adult social care will increase significantly. This needs to be addressed now for the future, as the voting baby boom generation reach their golden years.	See above about Adult Social Care. A Green Paper on the future of Adult Social Care is expected later this year.	No changes
Comment in relating to the document	Response from CEC	Changes to Pre-Budget Report based on
I have read the document - not easily understood, unclear; long winded and not with direct report and action. Plain English clear specific outcome and action is needed.	Response is noted and will be brought to the attention of the relevant Portfolio Holder	No changes
Mixed comments/ proposal unknown	Response from CEC	Changes to Pre-Budget Report based on
6 x comments received Various comments received e.g. Use funds to maintain and improve welfare services/ review 'arms length' company processes/ ensure TSS have sufficient funding to support shop mobility charities/ Nantwich town infrastructure needs improvement/ continue funding to Good Company.	Responses are noted and will be brought to the attention of the relevant Portfolio Holders	No changes

Table 5.1. Shaping Our Services E-mail responses

Response from Mottram St Andrew Parish Council	Response from CEC	Changes to Pre-Budget Report based on feedback
<p>Concerned that no detail has been provided of proposals for solving the projected budget deficits in years 2019/20 and 2020/21. Concerned at the proposed cuts to the highway maintenance budget and the lack of funding in ensuring all parts of CE are able to obtain a decent broadband & mobile phone signal. Feel that consideration should be given to reducing the number of highly paid staff at CE inc. & assessing the suspended staff situation. What service cuts are being made to accommodate extra staff costs - what actions are being taken to overcome this situation & over what timescale?</p>		<p>No changes</p>
Response from Cllr Teresa Clark as vice chair of Barthomley Parish Council	Response from CEC	Changes to Pre-Budget Report based on feedback
<p>Barthomley parish is rural and small compared with many other areas in the county – however due to the proximity to J16 of the M6 experience heavy volumes of traffic leading to eroded & damaged verges, hedges and lane surfaces. Outcome 4 states a commitment 'to make Cheshire East a green and sustainable place', and recognises the 'maintenance of highways is important ' yet tables of information show that you will reduce budgets for these areas up until 2020. Please consider providing substantial kerbing of verges, clearing of gullies and tidying of hedges in all areas where lanes are narrow - would help prevent our elderly inhabitants from becoming increasingly isolated – keeping our communities strong and supported.</p>	<p>It is recognised that the consultation responses do not support reductions in the Highway Service with majority of comments requesting greater service levels. The Council has therefore reviewed the savings proposals.</p> <p>The Council is also in the process of procuring the next Highway Services Contract, as part of this procurement exercise differing delivery methods are being explored to provide improved value for money.</p>	<p>Highways Contract Savings (Proposal 31) are going to be reduced from an initial saving of £500k to only £150k</p> <p>£5m of expenditure in the Highways Investment Programme will be moved from the Capital Addendum and funded as part of the main programme</p>

Table 5.1. Shaping Our Services E-mail responses		
Response from Goostrey Parish Council	Response from CEC	Changes to Pre-Budget Report based on feedback
Disappointed that CEC cancelled both consultation events. Don't support the proposed increased cost for a food waste collection and suggest the money is used instead to support bus services. We would like to know how CEC is budgeting for the increased costs for the officer suspensions and ask that these are now brought to a rapid end.	Response is noted and will be brought to the attention of the relevant Portfolio Holder	No changes

Letter responses

The following table summarise the comments received via letters into the Council – please note that comments are NOT written verbatim.

Table 6.1. Letter responses		
Proposal 67. Cease provision of services at Lincoln House and Mountview (Revenue Savings)	Response from CEC	Changes to Pre-Budget Report based on feedback
Response received from a local resident & dementia champion. Concerned that the facility will be taken away or be reliant on local volunteer organisations - there is potentially an increasing need for a variety of provision inc. good quality care. Suggests the facility turn into a dementia hub for information and day care under one roof.	<p>The offer of respite, will be looked at as part of a wider review of respite for all residents across the Borough as presented to Cabinet in December 2017. CEC is looking to develop a wide range of alternative models of respite that gives people more choice and control. For those receiving day opportunities they will receive a full reassessment and more personalised service. All service users and their families will be consulted with.</p> <p>All eligible service users and cares will continue to receive care and support.</p>	No changes
Proposal 79. (83 & 84) Community Library Provision	Response from CEC	Changes to Pre-Budget Report based on feedback

Table 6.1. Letter responses

Response from David Rutley Macclesfield MP	<p>The Council acknowledges that the consultation has received a large number of objections to the proposal to close these libraries, particularly from residents of Disley. The Council invited proposals from local community organisations to deliver these libraries as community managed libraries as an alternative to closure. A community group has submitted a proposal to increase the level of financial support it already provides for the library in Prestbury. No proposals were received for Alderley Edge or Disley libraries, although a group in Alderley Edge has expressed a longer term aspiration in taking over the running of the library.</p>	<p>In light of the consultation responses these proposals have been reviewed. In Alderley Edge and Disley the libraries will achieve some budget savings from revised opening hours and staffing. In Prestbury a small budget saving will be achieved from the increased financial support from the community. Usage at libraries will continue to be monitored and closure may be reconsidered if usage declines significantly. We shall also engage with the communities during the year with a view to developing alternative models for the delivery of libraries.</p> <p>The revised proposal will achieve a saving of £0.046m.</p>
Speaking on behalf of a number of residents who have raised concerns about the proposal to close Disley Library. Community hub, alternative too far away. Fully in support of the maintenance of the library service.		
Response from a local resident		
Local library is Disley - request for details of alternatives that have been considered.		
Response from Disley Primary School		
Have strong links to Disley Library – have class visits to the library and visits from library staff to the school to promote the reading challenge. Helps with academic & social development.		
Response from Disley School House Surgery Patient Participation Group		
Oppose Disley Library closure. Brings the community together – adding to the social value and wellbeing of the residents. Clubs/ events are well attended. Alternative CE library too far away. Hesitant with a volunteer led approach.		
Response from Disley Parish Council		
Oppose Disley Library closure. Closure works against Outcome 5. A small budget should be retained and recognised as investment prevention against reactive care services. Would support increase in volunteer involvement but not complete running. Essential service for the young and elderly. Closure would increase social isolation. The location at the boundary of Cheshire East compounds the situation given the bus network. Alternatives are not accessible and would potentially worsen air quality due to increase in traffic. New housing developments increases need. Parish offices have recently relocated form a 'Disley community hub.' The Library provides many events and is central to the community. Closure would put the community centre at risk.		

Table 6.1. Letter responses		
Response from Prestbury Parish Council		
Library is well used and hosts many community events. Helps to combat social isolation – closure would be felt by the most vulnerable. Anne Whitacker Trust has played active part in supporting the library – cost to CEC is minimal compared to the value it has to the community.		
Mixed comment response from Macclesfield Town Council	Response from CEC	Changes to Pre-Budget Report based on feedback
Review funding statement for Silk Heritage Museums as there is no demonstration of a managed transition – feel that cuts would put museum into critical risk of financial collapse. Concerned with cuts to community library services – please revise to find alternative saving option.	Response is noted and will be brought to the attention of the relevant Portfolio Holder	No changes

Table 6.1. Letter responses

Mixed comment response from Alsager Town Council	Response from CEC	Changes to Pre-Budget Report based on feedback
<p>Supportive of: the increase in community grants/ the food waste recycling initiative/ reduction in agency and consultancy costs/increase in care placements budget.</p> <p>Object/ oppose to any reduction in: environmental enforcement/ cuts to the bus service/ cuts which will effect vulnerable people/ cuts to 8-11 year old school transport/ cuts in children's services/ cuts to provision of services at Lincoln House and Mountview/ end of early intervention short term funding allowance/ parking strategy savings (suggests changes will be made before review has taken place).</p> <p>Concerns with: cuts in highway service/ potential cost saving received by charging for replacement household bins be wiped out by residents refusing to purchase & potentially stop recycling altogether/ operational/ pathway design – seems has been pre-determined before approval/ closure of libraries/ who will be effected by cuts to the local welfare safety net – most vulnerable?/ whoever takes over commissioning services must be reliable with high standards of car – should be no reduction/ disappointed that only now is the New Homes Bonus being shared with communities – those who have taken bulk of new homes should have preferential treatment – should be back dated or put into place quickly/ still awaiting meeting for transfer of Alsager offices.</p>	<p>Please see previous responses concerning proposal 67, 31, 33, 79.</p> <p>The offer of respite, will be looked at as part of a wider review of respite for all residents across the Borough as presented to Cabinet in December 2017. CEC is looking to develop a wide range of alternative models of respite that gives people more choice and control. For those receiving day opportunities they will receive a full reassessment and more personalised service. All service users and their families will be consulted with.</p> <p>The Council acknowledges that the consultation has received a large number of objections to the proposal to close these libraries, particularly from residents of Disley. The Council invited proposals from local community organisations to deliver these libraries as community managed libraries as an alternative to closure. A community group has submitted a proposal to increase the level of financial support it already provides for the library in Prestbury. No proposals were received for Alderley Edge or Disley libraries, although a group in Alderley Edge has expressed a longer term aspiration in taking over the running of the library.</p> <p>It is recognised that the consultation responses do not support reductions in the</p>	<p>In light of the consultation responses these proposals have been reviewed. In Alderley Edge and Disley the libraries will achieve some budget savings from revised opening hours and staffing. In Prestbury a small budget saving will be achieved from the increased financial support from the community. Usage at libraries will continue to be monitored and closure may be reconsidered if usage declines significantly. We shall also engage with the communities during the year with a view to developing alternative models for the delivery of libraries. The revised proposal will achieve a saving of £0.046m.</p> <p>Highways Contract Savings (Proposal 31) are going to be reduced from an initial saving of £500k to only £150k £5m of expenditure in the Highways Investment Programme will be moved from the Capital Addendum and funded as part of the main programme</p>

Table 6.1. Letter responses		
	<p>Highway Service with majority of comments requesting greater service levels. The Council has therefore reviewed the savings proposals.</p> <p>The Council is also in the process of procuring the next Highway Services Contract, as part of this procurement exercise differing delivery methods are being explored to provide improved value for money</p> <p>Other comments have been noted and will be brought to the attention of the relevant Portfolio Holders</p>	
Mixed comment response from Councillor David Marren	Response from CEC	Changes to Pre-Budget Report based on feedback
<p>Should have listed 500+ services against their relative budget so consultees could comment on whether this should be continued or expanded. Some of the proposals difficult to understand & unclear. Concerned that the consultation is just an exercise to achieve 'our duty'. In house services should be justified in term of staff costings and efficiency. Review staff & costs of staff Inc. interims, consultants & councillors.</p> <p>Supportive of proposals: 5, 84, 79 & 83 - providing town council managed.</p> <p>Object to proposals: 3,4,7,8,15,16,27,28,31,39,40,42,43,44,47,51,72,78,81, 89, 91, 93,95, 96</p> <p>Proposals that are vague/ unclear or needing more detail: 1, 9,12,18 - 20,24,26,32,33,48,60 – 67, 75, 80, 90.</p> <p>Suggest that: markets are handed over to their respective town councils/ proposal 73 – target should be doubled or put to tender/ 74 – target saving of 1m should be demanded/ proposal 77 – target reduction doubled – all interims & consultants banned/ proposal 92 – redundancy multiplier to high.</p>	<p>Response is noted and will be brought to the attention of the relevant Portfolio Holders</p>	<p>No changes</p>

Table 6.1. Letter responses		
Response from Prestbury Parish Council (continued letter from Library comments)	Response from CEC	Changes to Pre-Budget Report based on feedback
Items 8, 31, 34 and 76. Consultation light on detail but supportive of efficiencies that can achieve these proposals as long as implemented without a reduction in the level and frequency of service.	Response is noted and will be brought to the attention of the relevant Portfolio Holder	No changes
Response from Information & Advice Cheshire East (IACE)	Response from CEC	Changes to Pre-Budget Report based on feedback
In relation to outcome 5. Proposal 60 – support of volunteers is good but not free - have to pay for training, expenses & provide supervision – it all adds up. Without continued funding VCFS will be in a less likely position to support volunteering to deliver previously commissioned services as the proposal intends. In relation to proposal 65 - How can 'Live Well', a website that only provides details of services available, mainly by VCFS organisations and many currently funded by Cheshire East Council, hope to replace services should contracts cease? Many people will seek face to face or telephone help direct from CEC or health services with associated implications for their resources.	See responses above. Response is noted and will be brought to the attention of the relevant Portfolio Holder	No changes
Response from UNISON	Response from CEC	Changes to Pre-Budget Report based on feedback
Concerned with estimated savings on matters affecting staff reductions, terms and conditions changes, reductions in key local service provision, and potential outsourcing of services. Concerned report does not provide enough detail for trade unions or staff to comment fully.	Response is noted and will be brought to the attention of the relevant Portfolio Holder	No changes

Table 6.1. Letter responses		
Response concerning the Bridgend centre	Response from CEC	Changes to Pre-Budget Report based on feedback
Concerned that CE is considering allowing the Bridgend Centre's contract for Early Intervention & Prevention services to expire as believe it had been a valuable lifeline for Cheshire East vulnerable people. A website can never replace one- to – one support please look more critically at the impact this will have. Backed up by MP David Rutley who supports an extension of the contract until alternative funding arrangements can be reached by the Centre.	There are a number of contracts that are classed as Early Intervention and Prevention and they are due to come to the end of their contracted period in March 2018. The organisations involved will have been aware of this when they were originally awarded the contracts. If Council agrees the proposal in the budget a 3 month notice period will be served. There will be opportunity for funding which will be made available through the Early Help Framework which will be online by October 2018 which will be more outcome focused on 3 tiers – universal, targeted and specialist.	No Change

Petitions

The following table summarise the petitions started as a result of the budget consultation.

Subject	Details	Method	Number of Signatures
Save Disley Library From Closure	We the undersigned petition the council to cancel the plan to permanently close Disley Library Justification: The library is an important resource for our community and we will feel its loss if it closes. It is important to many different groups of people in the village: - children who are just learning to read and to love books. Not all parents can afford to buy enough books to keep up with voracious young readers. - older people who may need help using online resources or find it difficult to travel to the next nearest library. - anyone who doesn't have a computer and whose only access to the internet is in the library. - everyone who loves books and reading. If Disley library closes, residents would have to travel the 6 miles to Poynton to access Cheshire East Library services. It is not easy or quick to get to Poynton from Disley - it means a minimum 15 minute drive or taking two different buses.	Online	152
Save Disley Library From Closure	Same main contact as above - however apart from originator signatures differ	Paper	151
CEC intention to withdraw commissioning on Groups for vulnerable adults	We the undersigned petition the council to Reconsider the intention of Cheshire east council to withdraw the commissioning for groups involving adults with health and learning difficulties after 31/3/2018 run by Cheshire centre go independent living in Crewe, Handforth and Macclesfield. Titled "Good Company. " Involving 102+ adults over 19 years of age. Justification: Good company was set up as an early intervention and prevention group in adult services, to promote self-worth and wellbeing in vulnerable adults with numerous disabilities. Meeting to socialise, craft, arts, organised trips, meals, cinema etc. Legislation promotes access for all adults with learning difficulties in order to prevent more expensive services to be called into action. To cancel these groups is causing trauma and denying their respect and dignity in forming friendship groups and the right as an adult to socialise independently within a safe environment whilst gaining confidence and life's experiences.	On-line	On-going until 19/02/2018

Key Engagement Events

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

Event	Date	Comments
Corporate Leadership Team / Cabinet Away Day (1)	6 th June 2017	First consideration of budget changes being proposed.
Cabinet	13 th June 2017	Revenue 2016/17 Outturn.
Cabinet	12 th September 2017	Receive First Quarter Review of Performance.
Corporate Leadership Team / Cabinet Away Day (2)	19 th September 2017	Further update on the process and revisiting of the proposals being considered for consultation.
Corporate Leadership Team / Cabinet Away Day (3)	9 th October 2017	Further update on the process and revisiting of the proposals being considered for consultation.
Corporate Leadership Team / Cabinet Away Day (4)	1 st November 2017	Further update on the process and revisiting of the proposals being considered for consultation.
Cheshire East Council website	7 th November 2017	Pre-Budget Consultation placed on Council's website and Centranet to launch consultation exercise.
Team Voice	15 th November 2017	Issued to all staff and Members to headline release of Pre-Budget Consultation.
Corporate Overview and Scrutiny Committee	15th November 2017	Received Pre-Budget Consultation and Mid-Year Review of Performance Report.
Cabinet	7 th November 2017	Received the Mid-Year Review of Performance Report.
Trades Unions	7 th November 2017	Considered Pre-Budget Consultation.
All Member Briefing (1)	28 th November 2017	Considered Pre-Budget Consultation.
Cabinet	5 th December 2017	Consider the Domestic and Non-Domestic Tax Base for recommendation to

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Event	Date	Comments
		Council.
Schools Forum	7 th December 2017	Considered Pre-Budget Consultation .
Council	14 th December 2017	Agree the Domestic and Non-Domestic Tax Bases .
Provisional Funding announcements	19 th December 2017	From Central Government
All Member Briefing (2)	11 th December 2017	Considered Pre-Budget Consultation .
Third Quarter Review of Performance – Challenge sessions	11 th to 21 st December 2017	Provided updated baseline spending calculations for services and potential impact on calculations proposed within the MTFS.
South Cheshire Chambers of Commerce Business Event	11 th January 2018	Considered Pre-Budget Consultation .
Children & Families Overview and Scrutiny Committee	15th January 2018	Considered Pre-Budget Consultation (relevant budget areas)
Environment & Regeneration Overview and Scrutiny Committee	23rd January 2018	Considered Pre-Budget Consultation (relevant budget areas)
Macclesfield Chamber of Commerce Business Event	24 th January 2018	Considered Pre-Budget Consultation .
Corporate Overview and Scrutiny Committee	1st February 2018	Receive MTFS Report / Review Final Budget Proposals
Cabinet	6th February 2018	Received the Third Quarter Review of Performance Report. Consider MTFS Report and recommend proposals to Council
Town and Parish Council Conference	20 th February 2018	Engagement event with local parish and town councils
Council	22nd February 2018	Debate and approval of 2018/19 budget

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Appendices

Appendix One – Social Media Statistics

#CECbudget17 – Consultation Social Media Snapshot

Over the time period of the consultation, monitoring of social media was undertaken to gain insight into the conversations that were taking place. This summary is not the complete conversation, but more a snapshot of the type of engagement and discussion that took place during the consultation time frame. Those conversations that were directed '@CheshireEast' form the majority of this snapshot, although effort has been made to capture some of the outside conversations that would otherwise be missing from this narrative.

Twitter

Searches were undertaken throughout the consultation period regarding '#CECbudget17' and 'Cheshire East' with those tweets made in relation to the budget consultation captured. Overall approximately 40 tweets were made from the Cheshire East account with 30 replies to those tweets and 55 tweets from other accounts.

Tweets were classified as the following:

- Sharing and promotion of the consultation (45 tweets)
- Complaints (35 tweets)
- Fact sharing and general comments (36 tweets)
- Off topic responses (2 tweets)

The breakdown of the content of the tweets was as follows:

- Library provision (28 tweets)
- Review/ Assess suspended staff (13 tweets)
- Council tax increases (13 tweets)
- Potential cost savings (9 tweets)
- Adult care services (7 tweets)
- Consultation process (5 tweets)
- Leisure centre provision (3 tweets)

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Facebook

Approximately 30 posts were made by Cheshire East on the subject of the budget on Facebook. A total of 86 comments across these posts were captured for analysis.

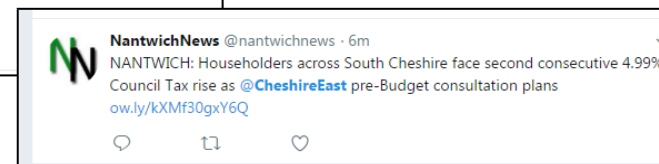
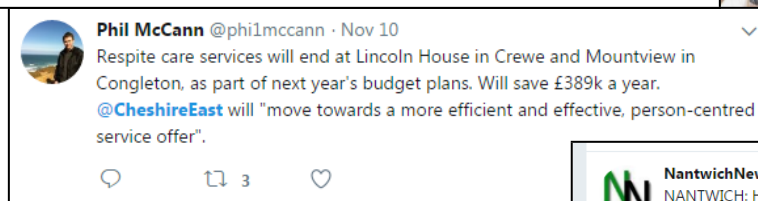
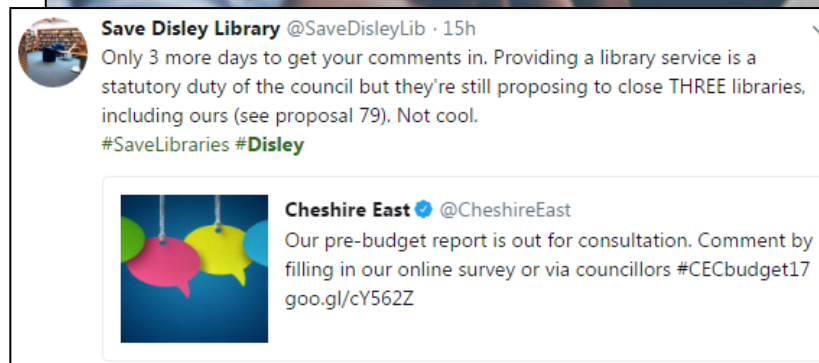
Responses were classified as the following:

- Complaints (52 comments)
- General comments and fact sharing (16 comments)
- Off topic responses (15 comments)
- Sharing and promotion of the consultation (3 comments)

The breakdown of the content of the posts was as follows:

- Infrastructure - including road maintenance (23 comments)
- Review/ Assess staff and suspended staff (18 comments)
- Potential cost savings (12 comments)
- Council tax increases (6 comments)
- Consultation process (4 comments)
- Social and health care (3 comments)
- Town centres (1 comment)

From these two platforms we can see that with library provision being the top issue on Twitter, on Facebook. On both platforms review/assessment commonly referred to. Posts on twitter were more promotion of the consultation compared to complaints.



respondents had different priorities and infrastructure being the top issue of staffing and suspended staff were likely to be about sharing and Facebook, which were more likely to

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***Cheshire East Council
Medium Term Financial Strategy
2018/21
Executive Summary
February 2018***

This document is available to download on the [Cheshire East Council](#) website. It will form part of the 6th February 2018 Cabinet Agenda and the recommended version will be distributed to all Members as part of the 22nd February 2018 Council Agenda.

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

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

shapingourservices@cheshireeast.gov.uk

Executive Summary – Delivering Our Corporate Plan

A Great Place to Live

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

Source: Cheshire East Corporate Plan 2017-20

The Council's Corporate Plan 2017 to 2020 highlights how the Council is striving to create sustainable growth in the local economy that will support the health and economic wellbeing of residents. Developing the skills of our local population helps to secure meaningful long-term employment as well as supporting our local businesses to grow. In Cheshire East, Gross Value Added (GVA) per head, which measures the volume of economic output per head of population, has exceeded the UK average each year for at least the last two decades*

Strong economic performance, backed with high growth in housing, has helped attract Government funding for infrastructure, and continues to push the local authority in to a position where the cost of local authority services could be funded by local people and businesses. Reforms to business rates, which are currently being considered by Government, could in fact make this position a reality in the medium term.

*Sources: [1] Regional Gross Value Added (Income Approach) 1997-2016 data, ONS, Dec 2017. [2] Time series dataset released as part of the 'Quarterly National Accountants: Quarter 3 (July to Sept) 2017'

ONS statistical release, Dec 2017.

Cheshire East is the third largest council in the Northwest of England, responsible for over 500 services and with a population of over 370,000. Our annual turnover exceeds £700m and our resources are well-managed through our budgetary framework. The Council engages with the communities of this beautiful part of the Northwest of England in delivering much needed services to people who need them.

Achieving Objectives

The Council is achieving outcomes for local people that secures well-being and good health. Education achievement rates for pupils in Cheshire East remain as one of the highest levels in the country, and social care for children and adults are receiving higher levels of investment in the medium term. Life expectancy for Cheshire East residents is higher than both regional and national averages.

A Vision for Cheshire East

Cheshire East Council operates in a dynamic environment and new opportunities and challenges are a constant. The Council plans well to meet these demands and has established corporate outcomes that have real longevity and remain relevant even as the world changes around us. Equally, the Council has a set of core values, our FIRST values, which we use to shape our approach to decision making and service delivery. These remain just as important and relevant as ever.

Our vision continues to evolve as these new opportunities and challenges are met and ambition for the borough grows. The Council will share a new vision in a refresh of its Corporate Plan in 2018. So, while the core priorities in the Corporate Plan remain the same, our vision develops over time.

Financial Pressure

The costs associated with maintaining quality in our services and environment is very challenging. 60% of the Council's net budget is spent on providing support for People based services, such as social care, and yet the public sector finances are under severe financial pressure, particularly in health services. In addition to this pressure as the area grows there is growing need to empty more bins and maintain an expanding highways network.

The Council was able to freeze Council Tax levels for five consecutive years from 2011/12 to 2015/16 inclusive, with some Government support, saving local taxpayers a total of nearly £50m in that period. But, by 2019/20, there will be no general Government grant support to the revenue budget of Cheshire East Council. Growth in demand for services must therefore be funded locally, and this creates a requirement to increase Council Tax levels in line with Government expectations.

Financial stability

To manage the ambitions of the area with the accessible resources the Council has created a medium term financial strategy that balances the 2018/19 budget, but must continue to develop in order to balance the medium term financial challenges.

In **2018/19** the headlines of the financial strategy are:

- Targeting cost effective service provision for residents whilst responding to the change in the Government's strategy for local authority funding. Council Tax will increase by 5.99% to offset the severity of Government grant reductions and provide additional investment in Social Care for Adults (see below) and Children.
- 3% (£5.7m) of the overall Council Tax increase will be solely utilised to fund increasing care costs within Adult Social Care.

- Dealing with a reduction in grants from Central Government of £12.8m.
- Managing inflation pressures relating to pay, contracts and demand for services of £19.5m.
- Increasing expenditure in our front line services (Outcomes 1 – 5) and decreasing expenditure through efficiency in our back office functions (Outcome 6).
- Boosting local economic prosperity through continued investment on capital projects, such as roads maintenance, infrastructure, education and regeneration.

**Table 1: Running costs (Revenue) are being managed.
Investment in assets (Capital) is increasing**

Table 1	2017/18*	2018/19 Budget	Change
Revenue Budget	£263.8m	£267.9m	£4.1m
Capital Budget	£116.3m	£127.1m	£10.8m

* Approved Permanent Budget as at Quarter 3

Net Revenue Budget 2018/19

- Income is estimated to vary from 2017/18 as follows:
 - Revenue Support Grant (-£8.0m)
 - Increase in New Homes Bonus (+£0.3m)
 - Other Specific grants (-£5.2m)
 - Growth in Council Tax Base (+£3.9m)
 - Increase in Council Tax levels (+£11.5m)
 - Council Tax Collection Fund Contribution change (-£0.4m)
 - Business Rates Retained (+£2.0)
- Net expenditure is estimated to increase by £4.1m from 2017/18 as set out in **Table 2**:

Table 2	Change from 2017/18 Budget £m	2018/19 Budget £m
Outcome 1 – Communities	+0.5	24.8
Outcome 2 – Economy	+2.1	26.9
Outcome 3 – Education	+3.1	46.9
Outcome 4 – Environment	+1.0	30.5
Outcome 5 – Health	+5.5	99.2
Outcome 6 – Efficient	-2.3	30.3
Contribution from Earmarked Reserves (change from 2017/18)	-0.9	-1.0
Central Budgets	-4.9	10.3
Total	+4.1	267.9

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

Capital Budget 2018/19 to 2020/21

The three year capital programme includes investment plans of over £0.3bn. 67% of the funding for this ambitious programme will come from Government grants or contributions from other external partners. In addition, 6% will come from the Council's work to maximise the value of assets sales to support development in the local area.

- The main forecasted income sources are:
 - Government Grants (£170m / 52%)
 - Other external contributions (£50m / 15%)

- Receipts from Council Assets (£18m / 6%)
- Expenditure is estimated in the following areas:
 - Highways (£197m)
 - Education (£35m)
 - Economic Growth and Visitor Economy (£29m)
 - Other schemes, such as health and wellbeing, environmental, estate management and IT (£65m)

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

Reserves

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

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

Table 3	Forecast Closing Balance		
	2017/18	2018/19	Change
General Reserves	£10.3m	£10.2m	£-0.1m
Earmarked Reserves*	£32.5m	£27.9m	£-4.6m
Total Revenue Reserves	£42.8m	£38.1m	£-4.7m

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

The Council's Reserves Strategy (**Annex 12**) provides the reasons for holding General or Earmarked Reserves at current levels.

Achieving Outcomes for Residents

Outcome 1

The Council will deliver a net increase of £0.5m for services to **local communities** including:

- Review Environmental Enforcement Services and fly-tipping pilot
- Increase in Community grants

Outcome 2

Cheshire East Council will increase budgets by £2.1m and continue to help ensure it has a **strong and resilient economy** through:

- Reviewing the way the Council commissions and designs the subsidised bus network
- The creation of a new investment portfolio
- Investment in our HS2 Strategy

Outcome 3

Increasing budgets by £3.1m and ensuring people have the **life skills and education** they need to thrive through:

- Children's services transport policy review
- Growth in Care placements

Outcome 4

Increasing budgets by £1.0m to help ensure Cheshire East is a **green and sustainable place** through:

- Review of the Highways contract

- Household Waste recycling Centre income generation and efficiencies
- Implementing a car parking strategy for the Borough

Outcome 5

Redesigning services to ensure People **live well and for longer** and investing an extra £5.5m through:

- Investment in Adult Social Care
- Commissioning all services currently provided by our in-house provider, Care4CE
- Operational Pathway Redesign
- Review and structure services to create efficiencies

The Council also has a sixth underpinning outcome to ensure we continue to improve and be a **responsible, effective and efficient organisation**. Net cost reductions of £2.3m will be delivered by maximising productivity, enhancing returns from investments, maximising value for money on contracts, streamlining processes and rationalising assets in order to focus as much investment as possible towards front line services.

A listening Council

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

The stakeholder engagement process included:

- An appropriate timescale that supported the development and sharing of draft Budget ideas.
- Regular elected Member involvement through scrutiny, briefings and planning and licensing processes.

- Wide ranging stakeholder engagement via open meetings, consultation and for the second year running, an online survey tool to gather stakeholder feedback.
- Ongoing development of effective internal challenge processes including staff and union briefings.
- Inclusion of proposals that are not currently proposed for implementation to help stakeholders understand the options that were considered as part of the overall process.
- Continued improvement and transparency in reports.
- Listening to and meeting stakeholders to discuss important issues and future considerations.

During the consultation process the Council received notification of the Government funding settlement. The Council entered into a multi-year agreement, along with 97% of English Local Authorities that fixed certain grants up to 2019/20. The settlement included changes to way the Adult Social Care Precept could be charged, as well as reductions in New Homes Bonus that transferred funds to a new Adult Social Care Grant in 2017/18.

In addition to stakeholder feedback and the Government settlement the Council also reviewed the impact of its Third Quarter financial forecasts.

Based on the feedback, and revised information, changes have been made to adjust expenditure in a number of areas compared to the Pre-Budget Consultation Report.

The Council initially proposed an option to close its three smallest libraries, but invited proposals from local community organisations to deliver the libraries as community managed libraries as an alternative to closure. In light of the consultation responses, this proposal has been significantly changed and all libraries will remain open. Alderley Edge and Disley libraries will achieve some budget savings from revised opening hours and staffing. In Prestbury a

small budget saving will be achieved from increased financial support from the community. It will of course be important to continue to monitor these revised ways of working in case the proposal to close these libraries has to be reconsidered if usage declines significantly.

Changes have also been made to increase the level of funding provided for Highways. £5m of expenditure in the Highways Investment Programme will be moved from the Capital Addendum and funded as part of the main programme. In addition the contract savings from Highways are being reduced from a target of £0.5m to a lower target of only £0.15m.

These changes have become affordable following the financial settlement where the Secretary of State increased the Council Tax referendum threshold by 1%. Although previous Council Tax freezes have been welcomed the consultation feedback in 2017/18 supported Council Tax increases over further service changes. Council Tax is therefore increasing by 5.99% overall.

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

Changing the way we work

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

to innovative Alternative Service Delivery Vehicles. Wherever possible, retention of front line staff has been given priority.

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

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

Privately owned contractors:

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

Delivery vehicles wholly owned by the Council:

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

Charitable organisations:

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

Collaborative Arrangements:

- Regional Adoption Agency
- Cross Cheshire Youth Offending Team

In-House Council Services:

- Cheshire East libraries
- Planning
- Children's Social Care
- Safeguarding
- Early Help and Prevention
- Schools Support Services (82 Local Authority maintained schools)

The Council is undertaking a review of the arrangements for service providers, particularly in relation to the Council's wholly owned companies. It is the right time to do this as each company has now had time to set-up, operate and reflect on market conditions as well as review the opportunities available from being a separate legal entity to the Council. Results of the review will be addressed throughout the 2018/19 Financial Year and reported to members and other stakeholders as appropriate.

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

The Medium Term Financial Strategy (Full Report)

As the Finance Portfolio Holder, I have developed the medium term strategy, with the professional support of Jan Willis (Interim Executive Director of Corporate Services) and her team.

This comprehensive report provides further information on the issues facing the Council in the medium term and shows how these are being addressed to present a balanced financial position for the 2018/19 financial year. The report also includes medium term estimates showing financial challenges from 2018 through to 2021.

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

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

Cllr Paul Bates

Portfolio Holder for Finance & Communication,
Cheshire East Council
February 2018



Annex 1

Estimated Budget and funding for Cheshire East Council 2017/18 to 2020/21 (excluding ring-fenced grants).

Summary position for 2018/19 to 2020/21	Budget Book 2017/18 (revised at TQR)	Estimated Net Budget 2018/19	Estimated Net Budget 2019/20	Estimated Net Budget 2020/21
	£m	£m	£m	£m
Outcome 1 - Our Local Communities are strong and supportive	24.3	24.8	25.3	25.8
Outcome 2 - Cheshire East has a strong and resilient economy	24.8	26.9	27.2	27.6
Outcome 3 - People have the life skills and education they need in order to thrive	43.8	46.9	48.3	49.8
Outcome 4 - Cheshire East is a green and sustainable place	29.5	30.5	29.2	29.6
Outcome 5 - People live well and for longer	93.7	99.2	104.8	111.0
Outcome 6 - Efficiency	32.6	30.3	29.9	30.9
Total Outcomes	248.7	258.6	264.7	274.7
<i>CENTRAL BUDGETS:</i>				
Capital Financing	14.0	10.0	12.0	12.0
Past Pensions Adjustment	1.2	0.3	0.2	1.2
Income from Capital Receipts	0.0	-2.0	-1.0	-1.0
Contingency	0.0	1.0	1.0	1.0
New Homes Bonus Community Fund	0.0	1.0	1.0	0.0
Use of / Contribution to Earmarked Reserve	-0.1	-1.0	0.0	0.0
Additional changes to balance future years	0.0	0.0	0.0	-10.0
TOTAL: CENTRAL BUDGETS	263.8	267.9	277.9	277.9
<i>FUNDED BY:</i>				
Council Tax	-191.1	-206.4	-212.7	-219.2
Business Rate Retention Scheme	-41.0	-43.0	-41.8	-42.3
Revenue Support Grant	-13.4	-5.4	0.0	0.0
Specific Grants	-16.9	-12.1	-12.4	-11.2
Sourced from Collection Fund	-1.4	-1.0	-1.0	0.0
TOTAL: FUNDED BY	-263.8	-267.9	-267.9	-272.7
Funding Deficit	0.0	0.0	10.0	5.2

Cheshire East Council Medium Term Financial Strategy 2018/21

February 2018

Foreword from the Finance and Communication Portfolio Holder

A great place to live

Cheshire East is a great place to live, work and visit. Our residents enjoy good living standards and when they need help from the Council we are consistently recognised, through surveys and national awards, as providing good services.

Dealing with financial Challenges

Central Government support is reducing, so understanding the level of services needing to be funded by local people and businesses is more important than ever. Cheshire East has been dealing with this issue for a long time due to the large numbers of households and businesses in the area. But, although the area is experiencing high growth, the increase in demand for services is also increasing. Funding expensive care packages requires an important balance between the finances of individuals, the NHS and Cheshire East Council's resources – and the current balance isn't sustainable.

In Cheshire East the number of residents receiving care and support from Adult Social Care is increasing by 4% year-on-year, and costs can range from very low needs up to individual packages costing over £4,000 per week, where a person has complex needs and nursing care is essential. In addition, over the last 12 months, the number of children and young people in care has increased by 17%. There have been similar levels of increase experienced both regionally and nationally.

The level of growth in the area also brings growth in other key Council Services, such as waste and highways. 1,800 new properties means a lot more bins to empty and more waste to manage and more cars on the road means more maintenance of potholes and additional highways and junctions to relieve congestion and improve safety.

Local Services, engaging local people

The Council is one year closer to 2020 when it is expected to have no reliance at all on general funding from Central Government. To put this into context £40m of funding was received in 2015/16.

The Executive of the Council has been working throughout the summer to produce a set of proposals that can support residents and balance the finances of the Council for the period 1st April 2018 through to 31st March 2021.

The Council's Pre-Budget Consultation document, released in November 2017, received more responses than ever and a number of proposals have been changed in response to the feedback we have received. The largest increase in spending is still in Adult Social Care, but proposals relating to Highways and Libraries where reductions were proposed, have been amended to reduce the impact.

The proposals also include an increase in Council Tax by up to 5.99% for the 2018/19 financial year. This reflects current inflation levels running at c.3% and an additional 3% specifically to fund increasing costs in Adult Social Care. This approach will add £1.39 per week to the average household Council Tax bill each year.

Community funding from New Homes Bonus

I have been encouraged once again by the level of engagement from local people, and I am very aware that local areas sometimes have different priorities. When setting out the Pre-Budget position a proposal was included to set aside £2m and allow local communities to determine how this money will be spent. This

reflected guidance from the Ministry of Housing, Communities and Local Government about locally allocating funding received from the New Homes Bonus and had been made affordable through changes to the Council's approach to capital financing in 2017/18. Whilst the design of this scheme is still subject to approval, the funding has remained a part of the budget and I look forward to seeing how this money can be used to achieve local outcomes.

Achieving our plans

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

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

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

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

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

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

I believe this report provides a strong set of options that will be able to create a sustainable position in the medium term. Clearly there is more to do and I will be engaging with key people and organisations throughout 2018/19 to ensure we can create a position that matches local needs with local resources.

Paul Bates

Cllr Paul Bates, Finance and Communication Portfolio Holder

Comment from the Interim Executive Director of Corporate Services

Managing potentially large overspends whilst facing significant growth in costs has made the 2017/18 financial year very tough in financial terms. Levels of risk have been constantly reviewed and needed to be mitigated in setting the 2018/19 budget.

Reducing risk hasn't been made easy by the uncertainty surrounding key income sources such as business rates and Government grants. Forecasts contained within this Medium Term Financial Strategy rely on input from Government around future planned changes to business rates as well as our local estimates on growth in the domestic and non-domestic tax bases compared to growth in demand for our key services around care, waste and infrastructure.

Cheshire East Council is a large local authority, and the Council's plans for services to local people are targeted at the achievement of the Council's six outcomes contained within the Corporate Plan 2017-20. There is a fine balance between making efficiencies in services and still enabling services to meet residents' needs.

In balancing the financial risks to the medium term finances it has been important to reflect on the level of services required to achieve outcomes compared to the growing demand for services. To this end this budget highlights a shift of resources between service areas, and with Central Budgets:

- The People Directorate is where staff work with health and community based partners to support and keep safe our most vulnerable residents, and spending in this area, is set to increase by £9.0m based on the proposals in this budget.

- There is an overall increase of £0.9m within Place & Corporate Services which cover the following areas:
 - o The Place Directorate delivers and commissions a range of services including highways, waste management, leisure services, planning, environmental health and countryside management. It also delivers major infrastructure and regeneration projects across the Borough
 - o The Corporate Directorate provides services that help the Council function, such as Finance, ICT and HR.

In my role as S.151 Officer I constantly review ways to balance the medium term expenditure with the latest income forecasts, as well as targeting the most efficient ways to fund the long term costs of spending on large assets. Changes to central budgets linked to managing long term debt and current pension liabilities are detailed in this report to present a balanced overall position for 2018/19 based on robust business cases and supported by adequate reserves.

Jan Willis

Jan Willis MBA IPFA

Interim Executive Director of Corporate Services

(Section 151 Officer)

Table 1 – Three Year Summary Position

Estimated Budget and funding for Cheshire East Council 2017/18 to 2020/21 (excluding ring-fenced grants)

Summary position for 2018/19 to 2020/21	Budget Book 2017/18 (revised at TQR)	Estimated Net Budget 2018/19	Estimated Net Budget 2019/20	Estimated Net Budget 2020/21
	£m	£m	£m	£m
Outcome 1 - Our Local Communities are strong and supportive	24.3	24.8	25.3	25.8
Outcome 2 - Cheshire East has a strong and resilient economy	24.8	26.9	27.2	27.6
Outcome 3 - People have the life skills and education they need in order to thrive	43.8	46.9	48.3	49.8
Outcome 4 - Cheshire East is a green and sustainable place	29.5	30.5	29.2	29.6
Outcome 5 - People live well and for longer	93.7	99.2	104.8	111.0
Outcome 6 - Efficiency	32.6	30.3	29.9	30.9
Total Outcomes	248.7	258.6	264.7	274.7
<i>CENTRAL BUDGETS:</i>				
Capital Financing	14.0	10.0	12.0	12.0
Past Pensions Adjustment	1.2	0.3	0.2	1.2
Income from Capital Receipts	0.0	-2.0	-1.0	-1.0
Contingency	0.0	1.0	1.0	1.0
New Homes Bonus Community Fund	0.0	1.0	1.0	0.0
Use of / Contribution to Earmarked Reserve	-0.1	-1.0	0.0	0.0
Additional changes to balance future years	0.0	0.0	0.0	-10.0
TOTAL: CENTRAL BUDGETS	263.8	267.9	277.9	277.9
<i>FUNDED BY:</i>				
Council Tax	-191.1	-206.4	-212.7	-219.2
Business Rate Retention Scheme	-41.0	-43.0	-41.8	-42.3
Revenue Support Grant	-13.4	-5.4	0.0	0.0
Specific Grants	-16.9	-12.1	-12.4	-11.2
Sourced from Collection Fund	-1.4	-1.0	-1.0	0.0
TOTAL: FUNDED BY	-263.8	-267.9	-267.9	-272.7
Funding Deficit	0.0	0.0	10.0	5.2

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Section 1 - Achieving Outcomes

Cheshire East Council is responsible for providing in the region of 500 local public services across an area of over 1,100km² for over 370,000 residents. The total amount of spending to deliver these services in the period April 2017 to March 2018 will be in the region of £720m, which is funded from a combination of local taxes, national taxes (in the form of Government grants) and payments direct from service users and other organisations.

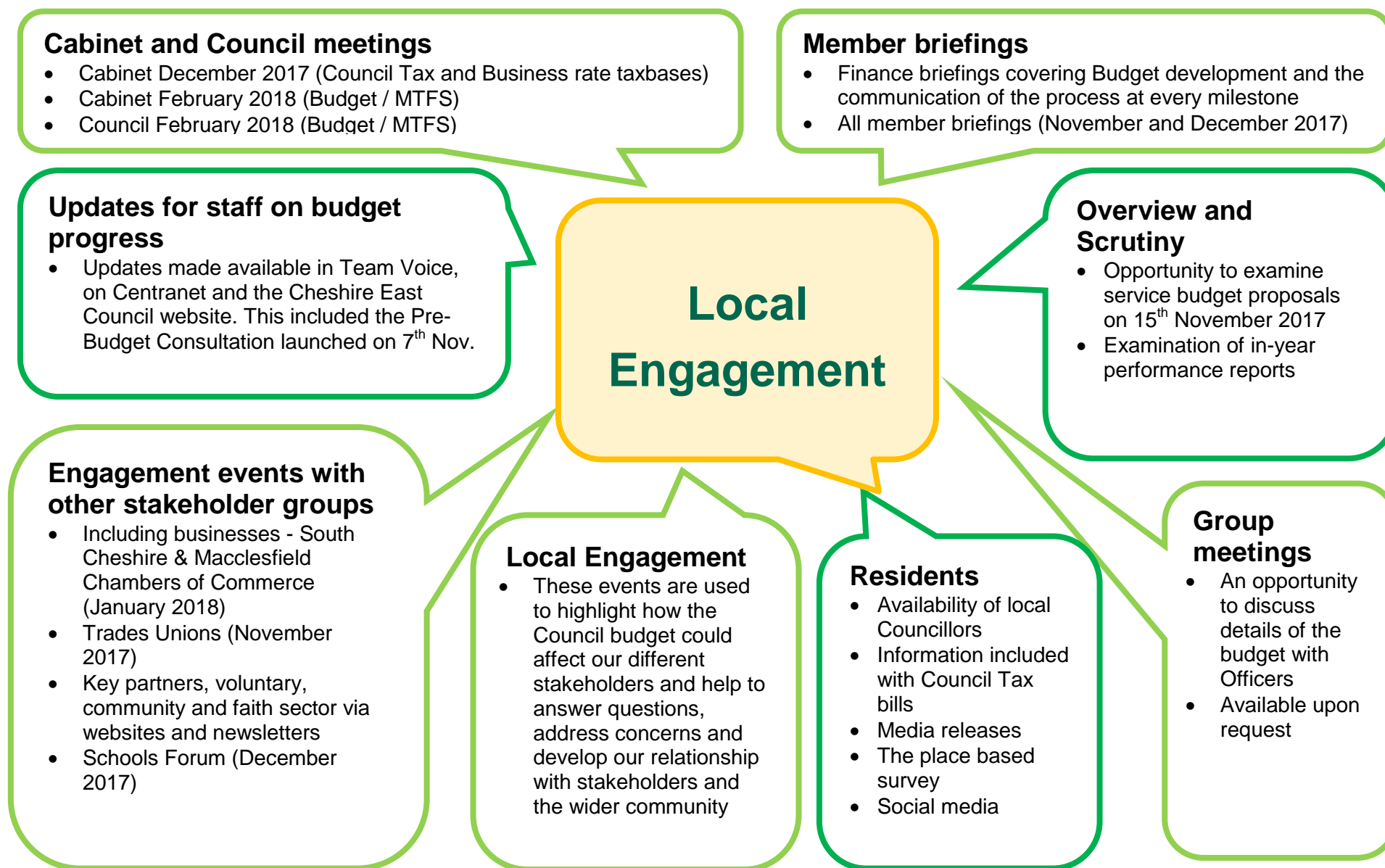
As a place we have a fantastic mix of rural and urban environments. However the most important element of Cheshire East is its people and we will strive to make sure we have a Council that serves its diverse community well and delivers value for money. We want to see Cheshire East Council build a national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

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

Each of the Council's Priority outcomes is set out on the following pages along with budget changes that will achieve a balanced position for 2018/19.

The following pages set out:

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



Understanding the financial tables in this document

Potential budget changes in this document are expressed in cash terms compared to the Council's Approved Budget for 2017/18.

Some items may affect services that cut across several outcomes but for ease of understanding proposals are only listed under the most relevant outcome within this section of the report. Each proposed change is included in a table as described below:

Theme of the Potential Change(s) (such as "Changing the way we work" or "Income Generation")	2018/19 £m*	2019/20 £m*	2020/21 £m*
X. Number and title of Proposed changes (either Revenue or Capital) A narrative to describe what the proposal is			
Impact on Services Budget =	-x.xxx	-x.xxx	-x,xxx
<p>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18. Values are not cumulative</p>			

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

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

Figures represent an increase or decrease in spending compared to the 2017/18 Approved Budget.

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

If spending will vary across the three years each figure still represents the change from the existing 2017/18 Budget

Outcome 1 – Our local communities are strong and supportive

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

Evidence of Achievement

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

1. Working to increase overall satisfaction with the local area (which is currently at 81%).
2. Increasing the percentage of people who feel safe when they are outside in their local area at night (which is currently at 67%).
3. Operating a 24/7 CCTV service, with a financial contribution from Town & Parish Councils, to monitor the Borough and alert Police, Fire and other public body colleagues of incidents and issues as they take place. (On average the service responds to around 1,300 incidents each month.)
4. Working in partnership to continue making early interventions on incidences of Anti-Social Behaviour. Activities in Cheshire East between 2014 and 2016 resulted in high levels of successful interventions; 98.1% of young people receiving interventions never returned to the system to receive an Acceptable Behaviour Contract.
5. Increasing the annual number of Countryside Volunteer days (which stood at 1,294 days in 2016/17), and the annual number of Leisure Services volunteer hours (6,675 hours in 2016/17).
6. Continuing to award Community Grants to contribute towards community activities (in 2016/17 the Scheme granted over £170,000 of funding to 94 organisations, contributing towards over £2.8m worth of projects and community activities).
7. Increasing the number of residents who feel that the Council keeps them informed about the services and benefits it provides (currently at 50%).

Key Priorities

We have listened to what is important to our residents and communities. Throughout 2017/18 we have undertaken coproduction events with service users, communities and the voluntary sector to understand what you want to see. We recognise that working with communities will help us achieve this really important outcome about safe, strong and supportive communities. We want to be much more pro-active in agreeing what our deal is with you, so that we use our fantastic assets which are people, money and buildings in the ways to get the best outcomes we can.

Cheshire East Council along with many other local authorities across the country is facing unprecedented challenges to meet the needs of its residents alongside having to make large scale savings. Only by involving local residents and key stakeholders in how we face these challenges will we truly achieve the best outcomes for all parties. The Council is committed to developing strong and supportive communities, and this approach clearly demonstrates that commitment by putting our residents at the heart of the decision making process wherever possible.

Our community development work uses an asset based approach to develop strength based community initiatives. It builds social capital, recognising the importance of relationships, by developing local networks and connections, including targeted interventions to build social relationships amongst isolated groups. We also deliver interventions that encourage social connections between people with similar experiences to provide peer support, helping residents to confront and cope with life's challenges, so that they maintain their wellbeing in the face of adversity. We are keen to take this approach with our Adult Social Care services too.

All our communities, social networks, and individuals have assets that can help to create community capital and generate local benefits. We want to unleash the full value of our community capital, unlocking any reserves, to maximise our shared potential, bringing about greater social, economic and personal benefits for everyone in Cheshire East. Our journey looks to increase our support to communities by providing information, infrastructure, networks and skills to help local groups and social enterprise grow and overcome any hurdles they identify. This will enable our communities to become more enterprising, reducing dependency and enabling people in more deprived areas to address the inequalities which impact on their lives. We know that a one-size fits all approach will not work; instead we will develop evidence based, community-led interventions, which develop participatory engagement and co-production across our communities.

We want to focus on individuals, supported by families and friends within their local communities. All resources and assets in places must be used to support the wider determinants of health and improve health and wellbeing outcomes. There needs to be a shift towards more prevention and early intervention which will require services to organise and professionals to behave in very different ways.

Challenges

- There is significant demand on services, high costs to the system and local demographic pressures which, coupled with the impact of preventable premature morbidity and mortality and reduced funding, will continue to put pressure on the Cheshire East health and care system.
- Addressing some stark differences across Cheshire East. For life expectancy there is a noticeable difference of around 13 years between the lowest rates in Crewe Central and the highest in Gawsorth for females. For males, there is an 11 year gap between the lowest rate, again in Crewe Central, and the highest in Wilmslow East.
- In 2015 there were 18 small areas in the most deprived 20% nationally; this is an increase from 16 areas in 2010. Of these 18 areas, six areas were in the most deprived 10% of areas nationally. Five of these were also in the most deprived 10% in 2010, and all are areas of Crewe. The sixth and new area includes part of St Johns, again in Crewe.

Opportunities

- A new vision for place-based health and wellbeing is emerging and people must be empowered to take greater control over their own lives, to influence personalised services and to take greater responsibility for their health outcomes.
- Strengthening our approach to Community Engagement and Communications to help shape our commissioning intentions, our services and to create sustainable communities.
- Reshaping our approach to Adult Social Care and Communities work to empower local residents and Connect People, helping people in communities to become more connected to others, to reduce inequalities and improve life chances.
- Strengthen local networks and partnerships, developing Connected Neighbourhoods which work collaboratively and provide mechanisms for collaboration to improve health and wellbeing.
- Connecting local people to local decision making.

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

Changing the way we work <i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Review Environmental Enforcement Service based on outcomes (Summer 17) of Fly-tipping pilot and procurement of patrol company pilot (Revenue Savings) (1) Two pilot projects are underway to improve environmental enforcement. These will be reviewed by the end of Summer 2017, with a plan to redesign the delivery of the service and deliver savings from April 2018 onwards. <i>Impact on Community Safety Delivery Team Service Budget =</i>	-0.118	-0.118	-0.118
<i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18. Values are not cumulative</i>			

Working with the community <i>Services and financial forecasts will be adjusted to react to trends in the way residents interact with key services.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Increase Community Grants (Revenue Investment) (2) <p>The Community Grants scheme is highly valued by community and voluntary groups and demand for support increases annually, and is now four times oversubscribed. For every £1 invested in this scheme it is worth £9 to the community, contributing towards over £1.6m worth of activities and projects in the Borough in 2015/16. The proposal is to increase the Community Grant budget, to deliver even greater impact from investment.</p> <p style="text-align: right;"><i>Impact on Partnerships & Communities Service Budget =</i></p>	+0.040	+0.040	+0.040
New Homes Bonus Community Fund (Revenue Investment) (97) <p>Funding has been made available in line with Central Government's New Homes Bonus guidance for community projects, to be allocated in accordance with local priorities. Design of the final scheme is subject to further review.</p> <p style="text-align: right;"><i>Impact on Central Budget (Not included in OC1 total on Table 1) =</i></p>	+1.000	+1.000	0.000
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.</i></p> <p style="text-align: right;"><i>Values are not cumulative</i></p>			

Outcome 2 - Cheshire East has a strong and resilient economy

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

Evidence of Achievement

Performance of Outcome 2 will be measured through the use of performance indicators such as the examples below:

1. Continuing to grow Cheshire East's economic output (Gross Added Value). Latest (2016) estimates suggest that the Borough's GVA stands at £11.59bn; a growth averaging 2.9% per annum since 2012.
2. Increasing Cheshire East's visitor economy, now worth £895m to the local economy. According to latest (2016) figures, 17.66 million visitor days are spent in the Borough per year, an increase of over 34% since Cheshire East Council was formed in 2009.
3. Increasing the average level of customer satisfaction (50% in 2016/17) with our Highways service via targeted performance improvements across a range of measures including reduced insurance claims against highways (590 in 2016/17) and resolving 98.5% of Category 1 Defects within timescales.
4. Maintaining low numbers of young people who are NEET (not in education, employment or training), which stood at 2.4% at the end of 2016/17.

Key Priorities

Cheshire East has one of the strongest economies in the country which is made up of a vibrant mix of businesses across a wide range of sectors. The challenge is how we maintain our position to create sustainable growth that will support the wellbeing of our residents and the economy to grow.

With this in mind the Council is prioritising investment from both its capital and revenue budget to support growth through major infrastructure projects such as HS2 and support for regeneration.

Furthermore the Council has completed a review of the subsidised bus network with the action of prioritising the Council's budget to support access to essential services e.g. health, education and employment. The proposals would ensure the Council maintains 97% of the subsidised network.

Therefore these proposals seek to prioritise spending on economic development and regeneration and seeking efficiency through the major contracts we commission.

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

Changing the way we work <i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Addressing Budget Shortfall in the Asset Management Service (Revenue Investment) (3) There is a shortfall in income being achieved from the asset portfolio and as such income targets for the service will need to be permanently adjusted. This will partially be addressed by driving efficiencies however a growth bid is still necessary. <i>Impact on Assets Service Budget =</i>	+0.327	+0.249	+0.184
Visitor Economy (Revenue Investment) (4) Addressing operational issues of Cheshire East's Visitor Information Centres (VICs). Cheshire East Council (CEC) has signed a Service Level Agreement (SLA) with Macclesfield Town Council (TC) to provide financial contributions and discussions are ongoing with Congleton TC around financial contributions whilst maintaining provision of a sustainable visitor information service. This will allow tourism assets to be actively promoted. There are also a number of long standing underlying budget pressures totalling £35,000 associated with the management & operation of the VICs relating to an ongoing inherited shortfall. This supports Council outcomes 1, 2, 3, & 5. <i>Impact on Visitor Economy Service Budget =</i>	+0.032	0.000	-0.012
*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18 . Values are not cumulative			

Changing the way we work <i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Removal of Fairerpower payment (Revenue Saving) (5) <p>As the Fairerpower scheme nears its self-sustaining position the contract is being novated over to Skills and Growth Company (SAGC) so they can implement their growth strategy of approaching other Authorities to buy in to the scheme. The annual payment that CEC made to SAGC to manage the contract can now cease.</p> <p style="text-align: right;"><i>Impact on Skills & Growth Service Budget =</i></p>	<p style="text-align: center;">-0.140</p>	<p style="text-align: center;">-0.140</p>	<p style="text-align: center;">-0.140</p>
Contract Savings and Place Directorate restructuring (Revenue Savings) (32) <p>The Place Directorate manages contracts of an estimated annual value of £90m and will aim to achieve reductions in contract expenditure through targeted actions such as:</p> <ul style="list-style-type: none"> - More consistent standards of contract management - Improved alignment of commissioning activity - Challenging the benefits of existing provider markets - Smarter negotiation to achieve outcomes at best value <p>The staffing structure of the Directorate must also change to reflect new ways of working that deliver place based services that achieve outcomes, in the most efficient way. This will require re-alignment of services and reviews of management responsibilities that reduce overall costs. The combination of changes to contract management and management structures can realise reductions of up to £370k per annum.</p> <p style="text-align: right;"><i>Impact on Cross Service Budget =</i></p>	<p style="text-align: center;">-0.370</p>	<p style="text-align: center;">-0.370</p>	<p style="text-align: center;">-0.370</p>
<p style="text-align: center;"><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.</i></p> <p style="text-align: center;"><i>Values are not cumulative</i></p>			

Investment in services <i>Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Cheshire East Reflects (Revenue Investment & Savings) (6) Continued delivery of Cheshire East Reflects four year programme of commemorative activities to mark centenary of World War 1. In particular, continuation of education programme and delivery of major, public events in 2018. The programme of events end in 2018 so no further funding will be required in 2019/20. Supports Council's Outcomes 1, 2, 3, and 5 <i>Impact on Cultural Economy Service Budget =</i>	+0.020	-0.030	-0.030
Shortfall in salary budgets and establishment costs (Revenue Investment) (7) A base budget review of the department has highlighted historic shortfalls in salary budgets, this regularises the situation but will be addressed as part of a wider review of the management structure. <i>Impact on Directorate Service Budget =</i>	+0.105	+0.105	+0.105
<i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18. Values are not cumulative</i>			

Investment in services <i>Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Facilities Management budget shortfalls (Revenue Investment) (8) Recent additions to the Council's estate to improve facilities for residents have resulted in pressures on budgets. For example, the creation of improved leisure and environmental facilities, the retention of empty buildings and the revaluation of properties for business rates has resulted in higher business rates being payable, are contributing to the budget pressure. <i>Impact on Facilities Management Service Budget =</i>	+0.836	+0.926	+1.016
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.</i></p> <p><i>Values are not cumulative</i></p>			

Income generation <i>Charging strategies for each service area to increase income where appropriate based on market rates and considering the price elasticity of demand for services.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Create a new Investment Portfolio (Revenue Savings) (9) <p>The objective of this proposal is to deliver a long term and sustainable income to the Council through investment in commercial property. The general approach will be to consider the level of investment, risk and potential rate of return prior to considering acquiring the specific investment.</p> <p style="text-align: right;"><i>Impact on Assets Service Budget =</i></p>	0.000	-0.250	-0.500
Increase Public Rights of Way Fees & Charges (Revenue Savings) (10) <p>Changes in fees and charges associated with the legal processes in dealing with making alterations to public rights of way. These changes are driven by increased demands for alterations to public rights of way associated with development throughout Cheshire East which requires a far greater input of officer time to adequately manage. The fees and charges need to accurately reflect this in order to ensure the Council is recovering its full costs and there are no additional financial burdens on the council tax payer. Supports Council's Outcomes 1, 2, 3, and 5.</p> <p style="text-align: right;"><i>Impact on Public Rights of Way Service Budget =</i></p>	0.000	-0.015	-0.015
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.</i></p> <p style="text-align: right;"><i>Values are not cumulative</i></p>			

Reducing subsidy <i>Ensure limited resources are redirected to the areas with the most critical need.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Changes to subsidised Bus Service (Revenue Savings) (11) <p>The Council gives revenue support to local bus services to enable services to be provided which would not otherwise be provided by commercial operators.</p> <p>The proposed review will also rationalise the existing network by combining routes, changing the hours of operation and in some cases by stopping the provision of services altogether.</p> <p>This has been subject to a thorough and detailed consultation exercise. In particular the impact on rural communities and protected groups has been reviewed before a final decision was made.</p> <p style="text-align: right;"><i>Impact on Public Transport Commissioning Service Budget =</i></p>	<p style="text-align: right;">-1.176</p>	<p style="text-align: right;">-1.176</p>	<p style="text-align: right;">-1.176</p>
Tatton Vision Phase 1 (Revenue Savings) (12) <p>A five year capital programme, Tatton Vision Phase 1 is investment in facilities, services and experience for visitors and residents to the park. It aims to improve indoor event spaces, catering and retail sites, encouraging increasing visitor numbers, greater spend and longer dwell time. This improves the overall financial return, reducing the cost of Tatton to the Council. Supports all the Council's Outcomes.</p> <p style="text-align: right;"><i>Impact on Tatton Park Service Budget =</i></p>	<p style="text-align: right;">-0.045</p>	<p style="text-align: right;">-0.045</p>	<p style="text-align: right;">-0.045</p>
<p style="text-align: center;"><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.</i></p> <p style="text-align: center;"><i>Values are not cumulative</i></p>			

Reducing subsidy <i>Ensure limited resources are redirected to the areas with the most critical need.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Reduce funding to Macclesfield Silk Heritage Trust (Revenue Savings) (13) Managed transition of support funding to Macclesfield Silk Heritage Trust resulting from the revised business plan. Supports Council's Outcomes 1, 2, 3, and 5. <i>Impact on Cultural Economy Service Budget =</i>	-0.010	-0.010	-0.010
Marketing Cheshire (Revenue Savings) (14) Cheshire and Warrington Tourism Board operating as Marketing Cheshire provide a company vehicle for Cheshire East Council to deliver agreed sub-regional and local activities in relation to the growth agenda and delivery of its visitor economy strategy. By reducing the payments in 2018/19 and 2019/20, this will have negligible impact on current visitor economy projects and funding schemes already in place and currently being implemented in Cheshire East. It allows Marketing Cheshire time to source additional external revenue outside of the public purse, sustaining its contribution to delivery of the Visitor Economy Strategy. Supports Council's Outcomes 2 and 6. <i>Impact on Visitor Economy Service Budget =</i>	-0.020	-0.020	-0.020
<i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18. Values are not cumulative</i>			

Regeneration <i>Investment in the infrastructure and towns in Cheshire East.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
HS2 Strategy (Revenue Investment) (16) <p>The arrival of HS2 to Crewe in 2027 provides a once in a generation opportunity for Crewe, Cheshire East and the wider Constellation Partnership to deliver economic and transformational changes to Crewe and the Constellation area. However, these benefits can only be realised with investment in the right hub station at Crewe. This proposal will cover the programme of work needed to influence decisions for the Crewe hub and development and implementation work needed to capture the local benefits of HS2 to Cheshire East.</p> <p style="text-align: right;"><i>Impact on Strategic Infrastructure Service Budget =</i></p>	<p style="text-align: right;">+0.500</p>	<p style="text-align: right;">+0.500</p>	<p style="text-align: right;">+0.500</p>
<p style="text-align: center;">*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18. Values are not cumulative</p>			

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

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

Evidence of Achievement

Performance of Outcome 3 will be measured through the use of performance indicators such as the examples below:

1. Maintaining a high percentage of Cheshire East schools rated 'good' or 'outstanding' based on their most recent inspection. As at March 2017, 94% of Cheshire East schools were rated as 'good' or 'outstanding', higher than for the North West region (90%) and England (89%).
2. Pupils will be supported to achieve their academic potential. Provisional Summer 2017 results of the new reformed GCSEs show 83% of Cheshire East pupils gaining the standard pass or better in English, compared to 65% nationally. In Maths, 74% of Cheshire East pupils gained the standard pass or better, compared to 69% nationally.
3. Cheshire East's A-Level students will be supported to maintain excellent pass rates. The provisional pass rate of 99% in summer 2017 was above the national average of 98%.
4. Maintaining a high percentage of learners achieving high overall achievement rates. National Achievement Rates Tables (NARTs) published by the Skills Funding Agency, highlighting key indicators of performance in education and training at 19 years and over, show learners supported and monitored through the Cheshire East Lifelong Learning Team achieved the highest overall achievement rate (94%) across the Cheshire and Warrington areas, exceeding the regional average of 78% and the national average of 84%.
5. Improve the percentage of individuals achieving a good level of development from 72% (in 2016/17) and maintain performance above the national average of 71%.
6. Better educational outcomes for children and young people from disadvantaged groups, including those with special educational needs (SEN) and those cared for by the local authority.
7. Improved sufficiency of school places within Cheshire East, including for those with SEN.
8. Successful collaboration with schools leads to sustainable sector led approach to education and skills.

Key Priorities

Ensuring that our children and young people get a good start in life, have the education and skills to meet the needs of local businesses and are prepared for the world of work and adulthood is a key priority for the Council. This means having high quality places to learn, with well trained staff, who can support all children and young people, in particular our most vulnerable learners. We will continue to work with early years, schools, colleges and other settings to improve educational performance.

The 'Parenting Journey', our universal offer of parenting support from pre-birth to starting school, has been established to ensure that all young people get a good start in life. It integrates and joins up our support for families in the early years across education, health and care. In 2018-19 we will evaluate the impact of the Parenting Journey and review our way of working so that we can ensure our services have maximum impact, particularly for our most vulnerable children and their families.

Having sufficient, good quality, school places in the right areas of Cheshire East to meet need is essential for learning; delivering on our schools capital programme continues to be a priority for 2018-19. Cheshire East Council was one of 19 local authorities whose expression of interest to develop a free school was recently approved by the Department for Education (DfE). We intend to provide 40 additional places for local children with social, emotional and mental health needs in Crewe from 2018. A plan has also been developed to add 270 additional SEND places over the next three years.

We continue to work on improving educational outcomes for disadvantaged pupils, including children in the care of the local authority. We will use the new vulnerable schools policy framework

and categorisation process in challenging all schools in monitoring pupil outcomes. This also includes those children and young people with special educational needs and disabilities (SEND). The 0-25 SEND partnership has made good progress over the past year in championing the needs of this vulnerable group of young people to improve the performance and practice in this area. The priorities for the next year include embedding the SEND toolkit, aligning multi-agency referral and assessment pathways and increasing participation with children and young people.

During 2017/18, we integrated the Lifelong Learning Team into children's services to ensure a greater strategic community and employer approach. The next step is to consider whether a locality approach would be beneficial to move this agenda forward.

Challenges

- Implement the capital strategy to deliver the school places required as a consequence of housing developments and demographic growth in Cheshire East.
- Improve outcomes for disadvantaged pupils; continue to ensure high standards in all schools and effective support for those children not in school, ensuring that every child fulfils their educational potential.
- Ensure that activity, governance and accountability of the 0-25 Special Educational Needs and Disabilities (SEND) partnership is effective in delivering improved outcomes for SEND children and young people, including meeting the 20 week timescale for completion of education, health and care plans (EHCPs).
- Develop a stronger focus on support for the children and young people most vulnerable to the poorest outcomes.
- Ensure children and young people have the skills to meet the needs of local employers.

Opportunities

- Further develop the 'Parenting Journey' so it has maximum impact on giving young children the best start in life.
- Continue to collaborate with schools on joint focus areas, including developing a sustainable sector led approach to education and skills.
- Work with parents, carers and children and young people to co-produce services, particularly in relation to children with SEND.
- Maintain current positive dialogue with schools regarding future pupil place planning.

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

Changing the way we work <i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Transport - parental subsidy for Available Walking Routes phase 2 (Revenue Investment) (17) Subsidies to parent / carer to support implementation of proposed phase 2 available walking routes. <i>Impact on Education and Skills Service Budget =</i>	+0.070	0.000	0.000
Children & Families Transport Policy review (Revenue Savings) (18) Review of transport policies and delivery arrangements to achieve efficiencies. Work with the current school transport provider, Transport Service Solutions, to explore all options to provide a more cost effective solution. <i>Impact on Education and Skills Service Budget =</i>	-0.410	-0.570	-0.570
*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18 . Values are not cumulative			

Looking after children and young people <i>Review of current service offers to ensure high standards are maintained and demand is managed.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Reduction in Children's commissioned services (Revenue Saving) (19) <p>The cyclical review of the wide variety of commissioned services that support the Council to deliver effective children's services will look to identify efficiencies as contracts come to an end and will also ensure a continuing fit with the internal capacity within Children's Services.</p> <p style="text-align: right;"><i>Impact on Children's Social Care Service Budget =</i></p>	<p style="text-align: center;">-0.050</p>	<p style="text-align: center;">-0.050</p>	<p style="text-align: center;">-0.050</p>
Review of service provision for children with disabilities (Revenue Saving) (20) <p>In 2016/17 a review was completed to identify improvements to the provision and co-ordination of the short break local offer for children with a disability and their families. Consequently, in consultation with parents and carers, a number of positive changes were made to the service in 2017/18 which put in place a whole system that is transparent, equitable and provides value for money, using advanced technology, to sustain a good offer to children, young people and their families. These changes result in efficiency savings which were achieved in 2017/18 and are set out in this report.</p> <p style="text-align: right;"><i>Impact on Children's Social Care Service Budget =</i></p>	<p style="text-align: center;">-0.200</p>	<p style="text-align: center;">-0.200</p>	<p style="text-align: center;">-0.200</p>
<p style="text-align: center;"><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.</i></p> <p style="text-align: center;"><i>Values are not cumulative</i></p>			

Looking after children and young people <i>Review of current service offers to ensure high standards are maintained and demand is managed.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Care Placements (Revenue Investment) (21) <p>There has been a 17% increase in the numbers of cared for children in Cheshire East over the last year, which is a situation being experienced elsewhere, both regionally and nationally. Although we are still below national and local comparators, admissions to care have continued to exceed the number of discharges and the complexity of needs of individuals are increasing due to improved assessments and effective prevention arrangements. This increase in numbers and complexity has resulted in the need for additional placement purchases, including high cost placements, and additional staffing to support children, young people and care leavers.</p> <p style="text-align: right;"><i>Impact on Children's Social Care Service Budget =</i></p>	+3.000	+4.000	+5.000
Revise Interagency Income Budget (Revenue Investment) (22) <p>Interagency income has been significantly reduced due to the collaboration with Adoption Counts across the sub region. Therefore, growth is required to offset this loss of income.</p> <p style="text-align: right;"><i>Impact on Children's Social Care Service Budget =</i></p>	+0.500	+0.500	+0.500
<p style="text-align: center;">*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18. Values are not cumulative</p>			

Looking after children and young people <i>Review of current service offers to ensure high standards are maintained and demand is managed.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Housing related accommodation and support facilities (Revenue Investment) (23) Permanent funding will ensure the important accommodation and support for cared for children and care leavers at Watermill House can continue. <i>Impact on Children's Social Care Service Budget =</i>	+0.040	+0.040	+0.040
Children and Families Staffing Gap (Revenue Investment) (24) The completion of the needs led staffing budget review across children and families has highlighted some additional costs due to increased pay levels. There is a planned increased cost of ICT licenses and maintenance across children and families. <i>Impact on People Directorate Service Budget =</i>	+0.260	+0.260	+0.260
Childcare Sufficiency Programme (Capital Investment) (25) To increase the capacity of early years places to enable all children to access their free entitlement. <i>New Capital Investment 2018/19 =</i>	+0.234	0.000	0.000
<i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18. Values are not cumulative</i>			

Reducing subsidy <i>Ensure limited resources are redirected to the areas with the most critical need.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
End of Early Intervention short-term funding allocation (non Public Health element) (Revenue Savings) (26) End of investment in early help and prevention services that were used to reduce the demand for higher cost services in the longer term. <i>Impact on Children and Families Directorate Budget =</i>	-1.000	-1.000	-1.000
Children and Families Transport (Revenue Investment) (27) Establish key posts with responsibility for school transport and ensure efficiency of future and ongoing arrangements. <i>Impact on Children and Families Directorate Budget =</i>	+0.134	+0.075	+0.075
*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18 . Values are not cumulative			

Income generation <i>Charging strategies for each service area to increase income where appropriate based on market rates and considering the price elasticity of demand for services.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Provide Schools Meal Subsidy (Revenue Investment) (28) Expectation of income targets from school meals to be removed due to increased food prices and competition from other providers. <i>Impact on Education and Skills Service Budget =</i>	+0.200	+0.410	+0.410
<i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18. Values are not cumulative</i>			

Outcome 4 – Cheshire East is a green and sustainable place

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

Evidence of Achievement

Performance of Outcome 4 will be measured through the use of performance indicators such as the examples below:

1. Maintaining Green Flag awards for our parks and open spaces; eight were awarded in 2017 and Tatton Park in Knutsford and Queens Park in Crewe also received 'Green Heritage' status.
2. Targeting a further 20% reduction in total tonnage of CO2 Emissions from authority buildings by 2020.
3. Maintaining Cheshire East Council's recycling rate, currently in the top 10% of all local authorities, and increasing the tonnage of materials re-used by 2% per year (over 1,400 tonnes in 2016/17).
4. Increasing the number of customers signing up to Fairerpower (currently at over 7,500 customers).
5. Processing 85% of major planning applications and 90% of all other types of planning applications within timescales in one of the highest volume authorities in the country.

Key Priorities

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

Protecting and enhancing the 'Quality of Place' in the Borough is essential in respect of both rural and urban areas. We must provide an effective framework for well-designed development projects. The adoption of the Local Plan is the basis for this and we will work on providing an effective planning framework and continue to invest in the planning service but will ensure that we set appropriate fee levels to enable the Council to continue its investment.

We understand that the maintenance of highways is an important element to 'quality of place' and we have looked at how we deliver an effective and efficient service for example the introduction of LED street lights will deliver savings and the way we procure our highway services will also deliver savings and efficiencies. We are committed to our residents and one area that we know affects everyone in our Borough is parking – we are therefore developing a Parking Strategy linked to the Local Transport Plan to inform the future parking provision and charging mechanisms across the Borough.

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

Changing the way we work <i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Markets Income (Revenue Foregone) (29) Temporary suspension of the Crewe indoor market target for 2018/19 to reflect planned imminent changes, as part of the Crewe Town Centre Regeneration Programme, agreed by Cabinet in September 2017. Income targets for Crewe outdoor market and Macclesfield markets are adjusted to 2017/18 estimated outturns. <i>Impact on Client Commissioning - Environmental Service Budget =</i>	+0.250	+0.091	+0.091
<i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18. Values are not cumulative</i>			

Changing the way we work <i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Street Lighting Improvements (Revenue Savings) (30) Following approval to fund a three year programme (2016/17, 2017/18 and 2018/19) of LED street light conversions, this project will allow for a reduction in the reactive revenue maintenance budget due to reduced maintenance requirements and extended life guarantees on the lanterns. <i>Impact on Highways Service Budget =</i>	-0.050	-0.100	-0.100
Highways Contract (Revenue Savings) (31) The Council operates its Highways operations through an integrated contract. This enables our contractor to determine the most efficient way to deliver a range of activities to manage and maintain our road network within an overall budget set by the Council. The Council is in the process of procuring a new contract from October 2018 and so this provides a point in time to review the amount of revenue funding to be put through this contract to carry out winter gritting, gully emptying, verge maintenance, weed spraying, tree maintenance, frontline staff, community teams and fees and charges. <i>Impact on Highways Service Budget =</i>	-0.150	-0.150	-0.150
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.</i></p> <p><i>Values are not cumulative</i></p>			

Changing the way we work <i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Highways Procurement (Revenue Savings) (33) This is a target saving that is dependent on the outcome of a successful procurement of the next highways services contract. <i>Impact on Highways Service Budget =</i>	-0.100	-0.200	-0.200
<p>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18. Values are not cumulative</p>			

Investment in services <i>Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Planning Reserve (Revenue Investment) (35) This will support the additional work necessary to ensure that we have an effective planning framework in the Borough including – Community Infrastructure Levy, Allocations Development Plan Document, Minerals and Waste Plan. Each one will require an evidence base to be developed, public engagement and a series of hearings. <i>Impact on Planning Service Budget =</i>	+0.425	-0.375	-0.575
Lead Local Flood Authority Grant Funding (Revenue Funding) (36) The Council as the Lead Local Flood Authority contributes an annual sum to the Regional Flood and Coastal Committee. This money is then available as a source of funding in addition to allowing access to wider Flood Defence Grant in Aid funds. <i>Impact on Highways Service Budget =</i>	+0.001	+0.002	+0.002
<i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18. Values are not cumulative</i>			

Managing waste <i>Reviewing our current Waste offer to ensure value for money is achieved.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Household Waste Recycling Centre income generation & efficiencies (Revenue Savings) (37) Continuing improvements and efficiencies to the Household Waste Recycling Centre service, including investment to improve our sites and allow the acceptance of trade waste, the closure of Arclid Household Waste Recycling Centre, the introduction of a charge for rubble waste and the reduction in opening hours. Proposals were publically consulted on in 2016/17. <i>Impact on Client Commissioning - Environmental Service Budget =</i>	-0.576	-0.576	-0.576
Ansa income generation & efficiencies (Revenue Savings) (38) Income generation through Ansa commercial approach to service delivery, benefit to the commissioner from Ansa's subsidiary joint venture (with two neighbouring authorities) and further efficiency savings including route optimisation, negotiation of contracts from third party suppliers. <i>Impact on Client Commissioning - Environmental Service Budget =</i>	-0.090	-1.230	-1.665
Housing Growth , Waste Contract Inflation and Tonnage Growth (Revenue Investment) (39) Housing growth to date and projected will see a corresponding increase in collection costs and recycling and waste per household. In addition annual contract inflation and a rise in the quantity of waste per household is increasing waste handling and disposal costs. <i>Impact on Client Commissioning - Environmental Service Budget =</i>	+0.588	+0.938	+1.288
*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18 . Values are not cumulative			

Managing waste	2018/19	2019/20	2020/21
<i>Reviewing our current Waste offer to ensure value for money is achieved.</i>	£m*	£m*	£m*
Food Waste Recycling (Composting Plant) (Revenue Investment) (40) <p>This project enables the development of a composting plant to allow food waste recycling in 2019. Household food waste recycling is a key aim of the Council's Municipal Waste Strategy. The Council is seeking to expand its recycling service by enabling household food waste to be recycled within the garden waste bin. To achieve this, a new green waste processing solution is required through the construction of a composting plant. This is a major opportunity for the Council to deal more sustainably with household food waste currently going for disposal. While the plant will operate within the existing contract budget there is a collection cost increase associated with the ending of the annual garden bin winter waste shut down.</p> <p><i>Impact on Client Commissioning - Environmental Service Budget =</i></p>			
	0.000	+0.440	+0.150
Supply of Household Recycling & Waste Bins - Cost Avoidance (Revenue Savings) (41) <p>The demand for new and replacement bins has been greater than the budgeted capital provision for the last three years. This proposal will introduce a bin supply charge for new and replacement bins in line with other local authority charging schemes and as such reduce costs to the Council in the supply of bins to new and existing properties.</p> <p><i>Revenue Income - Impact on Client Commissioning - Environmental Service Budget =</i></p> <p><i>Capital Contribution =</i></p>			
	-0.148	-0.148	-0.148
	+0.148	+0.148	+0.148
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.</i></p> <p><i>Values are not cumulative</i></p>			

Managing waste <i>Reviewing our current Waste offer to ensure value for money is achieved.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Congleton Household Waste Recycling Centre (Capital Investment) (42) Consideration of options to secure the long-term provision of a household waste recycling centre in the Congleton area, including possible site relocation. <i>New Capital Investment 2018/19 =</i>	+0.050	+2.000	+2.000
Environmental Services base budget (Revenue Investment) (43) Additions to the base budget to cover tree survey costs and base budget adjustment. <i>Impact on Client Commissioning - Environmental Service Budget =</i>	+0.152	+0.152	+0.152
<i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18. Values are not cumulative</i>			

Income generation <i>Charging strategies for each service area to increase income where appropriate based on market rates and considering the price elasticity of demand for services.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Parking Strategy (Revenue Savings) (44) <p>The target income the Council receives from parking charges is used to manage the delivery of its parking and related transport and traffic services. The development of a Parking Strategy linked to the Council's Local Transport Plan refresh will inform the level of future provision and charging. Early implementation of practical initiatives will be prioritised.</p> <p style="text-align: right;"><i>Impact on Parking Service Budget =</i></p>	<p style="text-align: center;">-0.355</p>	<p style="text-align: center;">-1.142</p>	<p style="text-align: center;">-1.142</p>
Increase planning fees – White Paper proposals (Revenue Saving) (45) <p>Application fees are due to increase by 20% however the timing of this remains uncertain with an announcement now expected at the end of November.</p> <p style="text-align: right;"><i>Impact on Planning Service Budget =</i></p>	<p style="text-align: center;">-0.100</p>	<p style="text-align: center;">-0.100</p>	<p style="text-align: center;">-0.100</p>
<p style="text-align: center;"><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.</i></p> <p style="text-align: center;"><i>Values are not cumulative</i></p>			

Outcome 5 – People live well and for longer

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

Evidence of Achievement

Performance of Outcome 5 will be measured through the use of performance indicators such as the examples below:

1. Increasing take-up of NHS Health Checks, a health-based screening for residents aged 40-74 aimed at reducing the prevalence of cardiovascular disease (such as heart disease and strokes) amongst the population through lifestyle advice and treatment.
2. Providing home adaptations to enable older and/or disabled residents to stay in their home – over 1,400 minor adaptations and over 400 major adaptations were made to homes in 2016/17.
3. Increasing attendance figures at Council-owned leisure facilities by 1% per year (There were over 3 million visits during 2016/17).
4. Maintaining the number of long-term empty homes in Cheshire East at less than 1%.
5. Sustaining performance of adults receiving self-directed support at above 90% against the latest national average of 86.9% (2016/17 year-end performance stood at 93.2%).
6. Increase the number of social care users who have as much social contact as they want from 33.4% in 2016/17 (National Average 35.5%).
7. Reduce the delayed transfers of care from hospital days attributable to adult social care from 207 per 100,000 population (2016/17) to 160 per 100,000 population.
8. A developed market place for both care homes and domiciliary care.
9. More personalised services available for longer term and short term care and support.
10. Preventative services have reduced the need for long term care.

Key Priorities

Introduction

The Council has experienced a significant increase in the number of children entering care in Cheshire East. Whilst this rise is reflected locally and nationally, it continues to put pressure on budgets within Children's Social Care, both in terms of placement and staffing costs. A number of measures have been put in place in 2017/18 and these have started to impact; children in care numbers have started to stabilise.

Increasing pressures on the budget have led to a number of service reviews and changes in commissioned services. The focus of these has been to maintain frontline capacity and target our resources more effectively on those services that make an impact. Project Crewe has been extended to Macclesfield, to provide this key service across the Borough and our Participation Service has been brought in-house to be delivered from within our Youth Service. We are having to reshape the market to meet the change in demand and refocus our early help offer.

We are increasingly working on a sub-regional footprint. On 3rd July 2017 Cheshire East, in partnership with Manchester, Salford, Trafford and Stockport councils, became part of only the second regional adoption agency to be formed in the UK. The service, called 'Adoption Counts' has been awarded £500,000 over two years to develop a centre of excellence for adoption support. Work also continues on developing sub-regional collaborative arrangements around fostering services. We are also in the process of developing a shared fostering service for Cheshire East alongside Warrington, Halton and Cheshire West and Chester. Increasingly work is taking place pan-Cheshire around safeguarding

children and work is underway to establish future arrangements for the four Local Safeguarding Children's Boards (LSCB).

Significant work has taken place over the past year to prepare for the implementation of Signs of Safety (SoS) as a new way of working across Cheshire East. Working closely with North Yorkshire County Council as part of the DfE Partners in Practice (PiP) Programme, Cheshire East has benefitted from the advice and guidance from an authority who is successfully using the model to achieve positive results for children, young people and staff. Staff have participated from the outset to help to shape and prepare for Signs of Safety within their services, embracing change. We believe that this is already starting to change the culture across the service and partnership; recruitment and retention of social care staff has significantly improved over the past year. Embedding this model across all areas of our work with children, young people and families is a priority for 2018/19.

During 2017 feasibility work has been underway around developing a locality model of working for frontline children's services. This has looked at a range of factors to determine whether it would be more effective and improve services for children, young people and their families based on a number of geographical areas across the Borough. This year we implemented the findings from a review of our 'front door' that resulted in a change of location for the service to better accommodate and integrate partners. Next steps will be to improve integrated working across the agency partnership within the 'front door'.

Improving the outcomes for our cared for children and young people continues to be a priority. Improving their experiences around education, health and care services is a priority for the coming year.

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

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

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

In addition to the changes the Council is facing there are significant changes taking place across the NHS nationally and locally. Sustainability and Transformation Plans are being submitted by NHS colleagues to NHS England and these reflect the Local Delivery Systems which for us in Cheshire East are “Connecting

Care” in the South and “Caring Together” in the North of the Borough. These changes will inevitably have a significant impact on social care both in children’s and adults but the full impact of these are not yet known. We remain committed to working with our NHS colleagues locally and sub-regionally but the savings the NHS are looking to make and their current budget constraints suggests that this will put social care under further financial pressures.

Challenges

- Continuing to manage the increase in numbers of children and young people in care and affordability of residential and external placements.
- Managing the market to ensure that there is a range of services, care and support available to support cared for children and young people in their local area, many of whom have complex needs, including working sub-regionally to broaden the range and effectiveness of our services.
- Reshaping early help services across the Borough to ensure that they are targeted to those most in need.
- Strengthening partnerships to deliver integrated, value for money services that ensure the voice of children and young people and better meet their needs.
- Ageing demography – by 2027 the number of people in the Borough aged 65+ is estimated to rise to over 127,000 and those aged 85+ estimated to have increased to 18,800 by 2027.
- Young people in transition to adulthood – there are estimated to be 90 young people aged between 14 – 18 with a complex disability who will be transitioning to adult social care during the next three years, with an average care package ranging between £25,000 to £150,000 per year.
- Dementia – prevalence in Cheshire East is higher than the England average with 4.47% of the population aged 65+ recorded as having dementia.
- One in four people will experience some form of mental health in their lifetime and this is true across all ages and all socioeconomic groups. Improving health and wellbeing, especially mental wellbeing is key to ensuring people live full and independent lives.

- We know from the 2011 census that we have 40,000 residents who are 'unpaid carers', with over 8,000 providing at least 50 hours per week. Supporting carers to have breaks but also to maintain their caring role is very much at the heart of our local carers strategy and reflects the joined up approach of the Council and the NHS.

Opportunities

- Embed Signs of Safety as a way of working in Cheshire East to make our services more inclusive to support families to develop their own solutions leading to sustainable outcomes and more child-focused, putting the needs of children and young people first.
- Maximise sub-regional arrangements to improve collaborations, streamline and enhance good practice across all partnerships.
- Implement a locality working model that improves the way we work collaboratively and innovatively to make best use of the assets we have in our local area.
- The challenge to the directorate is to manage the demand and complexity whilst successfully managing the associated costs, therefore, the proposals below are focused on doing exactly that.

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

Changing the way we work <i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Commissioning all services currently provided by our in-house provider, Care4CE (Revenue Savings) (47) <p>Cheshire East Cabinet decided on the 8th December 2015 that the policy would be to move from in-house delivery to commission all care services from the broader care sector in order to facilitate the move to a more personalised system of care and support which facilitates the principle of choice and control for residents in the access and purchasing of care. This will require a review of in-house provision including potential outsourcing / recommissioning / closure / decommissioning of current provision.</p> <p>In order to ensure compliance with the Care Act 2014 this approach has been applied to services external to the Council and will now be applied to services currently provided by Care4CE. This is to ensure that the support and care provided to local people can be flexible and responsive to changing needs, promoting choice and maximising independence. This includes building on the current Shared Lives offering. As more detailed plans are developed discussion, engagement, co-production and consultation will take place with all service users, carers and staff.</p> <p style="text-align: right;"><i>Impact on Social Care & Health Integration Service Budget =</i></p>			
	-1.111	-2.611	-2.611
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.</i></p> <p style="text-align: right;"><i>Values are not cumulative</i></p>			

Changing the way we work <i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Operational Pathway Redesign (Revenue Savings) (48) <p>Adult Social Care is about maximising independence, connecting local people to their communities and helping people live well and for longer. This will be achieved by enabling people to live in their own homes for longer using existing community networks, new technologies and reviewing our approach to bed based care.</p> <p>To achieve this, and to be Care Act compliant, we intend to establish a first point of contact for residents offering advice and information when you contact the Council with suitably trained staff able to answer questions and sign post without the need to always refer on. We will integrate our assessments with the NHS as our workforce become closer aligned working around GP's surgeries. These budgets will be joined up and will focus on reducing the risk of admission to hospital. We will focus on outcomes for people and encourage more people to take up a direct payment to fund their own tailored care and support. We will also promote prevention including extra care, telecare and support at home.</p> <p style="text-align: right;"><i>Impact on Social Care & Health Integration Service Budget =</i></p>	<p style="text-align: right;">-0.440</p>	<p style="text-align: right;">-0.440</p>	<p style="text-align: right;">-0.440</p>
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.</i></p> <p style="text-align: right;"><i>Values are not cumulative</i></p>			

Changing the way we work <i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Independent Living Fund – Attrition Factor Reductions (Revenue Savings) (49) Cheshire East Council receives annual funding from central Government to support individuals previously in receipt of funding from the Independent Living Fund which closed in June 2015. Funding available to the Council reduces annually and although the Council has ring-fenced the money to Adult Social Care the demand for ongoing care and support continues. <i>Impact on Social Care & Health Integration Service Budget =</i>	-0.029	-0.056	-0.056
Operational and Commissioning Restructure (Revenue Savings) (50) To meet the demands of an increasing demographic growth, expectation and integration, the adult social care offer must change to remain sustainable. Therefore, restructure of management to meet these needs is essential. <i>Impact on Adults Operations and Commissioning Service Budget =</i>	-0.900	-0.900	-0.900
Reducing Agency Spend (Revenue Investment) (51) The reversal of 2017/18 one off savings. The successful recruitment of permanent Social Workers and Social Care Assessors throughout 2016 and 2017 will lead to a reduction in agency workers in 2017 and, in turn, reduced expenditure in the staffing budget. <i>Impact on Social Care Staffing Service Budget =</i>	+0.100	+0.100	+0.100
<i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18. Values are not cumulative</i>			

Changing the way we work <i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Restructure Prevention and Support (Revenue Savings) (52) Integrate the Prevention Service into the wider Cheshire East Family Support (CEFS) service, and redesign the new service across a continuum of support needs. <i>Impact on Prevention and Support Service Budget =</i>	-0.937	-0.937	-0.937
Review Safeguarding Children in Education Settings Team (Revenue Savings) (53) Charge schools for non-statutory activity carried out by the Safeguarding Children in Education Settings Team (SCIES). <i>Impact on Education and Skills Service Budget =</i>	-0.050	-0.050	-0.050
Review Early Help Commissioned Services (Revenue Savings) (54) This proposal is to not re-commission Early Help services (Family Support and Youth Support) when the current group of contracts come to an end on the 31 st March 2018. <i>Impact on Children's Social Care Service Budget =</i>	-0.252	-0.252	-0.252
<i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18. Values are not cumulative</i>			

Changing the way we work <i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Review Social Care Commissioning (Revenue Savings) (55) Reduce existing contracts across Children's Social Care, reduce the use of a call-off contract and a move away from spot purchasing to a framework contract. <i>Impact on Children's Social Care Service Budget =</i>	-0.085	-0.085	-0.085
Youth Support Service Restructure (Revenue Savings) (56) As the number of young people not in education, employment and training (NEET) in Cheshire East has reduced this has resulted in a smaller group of young people supported into EET. These young people have more complex needs which means the skills set will need to be addressed to respond to the changing demands for work with young people who are NEET. <i>Impact on Prevention and Support Service Budget =</i>	-0.263	-0.263	-0.263
Alignment of teams to create a People's Commissioning Service (Revenue Savings) (57) Align the functions of the children and adult commissioning services to generate savings. Initial savings would be met by not recruiting to duplicated vacancies within the People Directorate. <i>Impact on People Directorate Service Budget =</i>	-0.030	-0.030	-0.030
<i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18. Values are not cumulative</i>			

Changing the way we work <i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Realignment of Children's Social Care Management and Staffing (Revenue Savings) (58) <p>Children's Social Care (CSC) teams have been on a significant improvement journey since April 2013, following an 'inadequate' inspection judgment by Ofsted. At that time there was a need to provide a high level of management and support to drive improvements in social work practice. The service is no longer judged inadequate by Ofsted following an inspection in July 2015. CSC has more recently moved away from improvement planning to a 'business as usual' model of working. This targets the service to delivering the statutory requirement to protect and support vulnerable children, young people and families, including cared for children and care leavers. Increasingly CSC is working sub-regionally to collaborate on delivering key services, including adoption and fostering. This has led to the opportunity to reshape and realign remaining services to ensure a better and more targeted use of resources. This includes maximising and targeting which services are commissioned externally.</p> <p style="text-align: right;"><i>Impact on Children's Social Care Service Budget =</i></p>	<p style="text-align: center;">-0.335</p>	<p style="text-align: center;">-0.335</p>	<p style="text-align: center;">-0.335</p>
Restructure to create "front gate", across communities (Revenue Savings) (59) <p>Despite recent funding for Adult Social Care (Precept, BCF and Improved iBCF) the current system is unsustainable and a transformational response requires a wholesale shift of investment and energy into a joined up approach with Adult Social Care to ensure wellbeing, prevention, and early intervention; as well as an integrated approach to health and care service provision are at the centre of all our transformation plans.</p> <p style="text-align: right;"><i>Impact on Adults Operations and Communities Service Budget =</i></p>	<p style="text-align: center;">-0.227</p>	<p style="text-align: center;">-0.227</p>	<p style="text-align: center;">-0.227</p>
<p style="text-align: center;">*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18. Values are not cumulative</p>			

Changing the way we work <i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Review all funding and shift to "asset-based" model (Revenue Savings) (60) It is intended to explore a number of options relating to the current cost of Early Intervention and Prevention (EIP) contracts and the need to shift emphasis toward an asset-based model of community support. Within this, the term 'assets' does not solely refer to financial assets; it refers to skills, strengths, buildings, talents and relationships. <i>Impact on Adults Commissioning Service Budget =</i>	-0.723	-0.723	-0.723
Reshape commissioning framework (Revenue Savings) (61) It is intended to explore a number of options relating to the commissioning of high quality, personalised care at home that is flexible, delivers the agreed outcomes and is enabling in its approach. Each option explores the potential to deliver improved value for money through more effective commissioning and enhanced engagement with providers. <i>Impact on Adults Commissioning Service Budget =</i>	-0.714	-0.714	-0.714
New assessment and review framework (Revenue Savings) (62) It is intended to explore a number of options relating to a fundamental shift in the way that care and support is commissioned for adults and older people in receipt of adult social care services. This will be underpinned by the enhancement of the assessment and review, focusing on empowerment, independence and choice, enabling people to live the best life that they can. <i>Impact on Adults Commissioning Service Budget =</i>	-0.787	-0.787	-0.787
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.</i></p> <p><i>Values are not cumulative</i></p>			

Changing the way we work <i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Implement more flexible and responsive commissioning (Revenue Savings) (63) To explore a number of options relating to the commissioning of respite to be more person-centred for those who require short-term care. This will include looking at other locations for respite in addition to the current traditional model of bed-based respite. <i>Impact on Adults Commissioning Service Budget =</i>	-0.170	-0.170	-0.170
Review of Public Health contracts (Revenue Savings) (64) It is intended to cease paying performance payments which do not affect the core delivery of services. On a review of the contracts we have found a number of areas of underperformance and, as a consequence, we have an opportunity to redesign the commission. <i>Impact on Adults Commissioning Service Budget =</i>	-0.762	-0.762	-0.762
<i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18. Values are not cumulative</i>			

Changing the way we work <i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Further saving to go against reversed Cross-Cuttings (Productivity and Contracts) (Revenue Savings) (65) To consider ceasing non statutory contracts, look to promoting channel shift and the use of the Live Well website and also increase the use of assistive technology. <i>Impact on Adults Commissioning Service Budget =</i>	-0.425	-0.425	-0.425
Efficiency Savings in Children's Social Care (Revenue Savings) (66) Continue to explore the possibility of improved efficiency of existing safeguarding services by collaborating with a number of other local authority areas to pool resources, share good practice and reduce duplication. <i>Impact on Children's Social Care Service Budget =</i>	-0.125	-0.125	-0.125
Cease provision of services at Lincoln House and Mountview (Revenue Savings) (67) It is intended to explore a number of options relating to the delivery of respite in years (2018/19) which align to the opportunity to enhance short-term bed-based care and the move towards a more efficient and effective, person-centred service offer. <i>Impact on Children and Families Directorate Budget =</i>	-0.389	-0.389	-0.389
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.</i></p> <p><i>Values are not cumulative</i></p>			

Working with the community <i>Services and financial forecasts will be adjusted to react to trends in the way residents interact with key services.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Macclesfield Leisure Centre Improvement Programme (Capital Investment) (81) Facility in need of major investment to refurbish reception, extend gym, upgrade all changing facilities, improve accessibility and café offer. <i>New Capital Investment 2018/19 =</i>	+4.000	0.000	0.000
<i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18. Values are not cumulative</i>			

Investment in services <i>Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Growth in Demand for Adult Social Care (Revenue Investment) (68) <p>The Adults Social Care budget both here in Cheshire East, and across the country, remains under pressure as a result of a number of factors. These include young people transitioning into adulthood, care fee levels paid to external care providers, the rising demand generally and our older population requiring much more complex care. To ensure the Council is well placed to meet this demand it will invest in services that will deliver high quality support to our most vulnerable residents.</p> <p style="text-align: right;"><i>Impact on Adults Commissioning Service Budget =</i></p>	+10.900	+16.900	+21.900
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.</i></p> <p style="text-align: right;"><i>Values are not cumulative</i></p>			

Income generation <i>Charging strategies for each service area to increase income where appropriate based on market rates and considering the price elasticity of demand for services.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Increase Income (Revenue Savings) (70) <p>The proposal is to conduct a review of individuals who have historically been assessed with a low or no financial contribution towards their care and support services, to support these individuals to access their full welfare benefit entitlement, address any changes in individual circumstances and to ensure consistent application of the Council's charging policies.</p> <p style="text-align: right;"><i>Impact on Social Care & Health Integration Service Budget =</i></p>	<p style="text-align: center;">-0.100</p>	<p style="text-align: center;">-0.200</p>	<p style="text-align: center;">-0.200</p>
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.</i></p> <p style="text-align: right;"><i>Values are not cumulative</i></p>			

Reducing subsidy <i>Ensure limited resources are redirected to the areas with the most critical need.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
3% reduction in Operational Management Fee (ESAR) (Revenue Savings) (87) The Operating Agreement between the Council and Everybody Sport & Recreation requires a minimum of a 3% cash reduction of the annual management fee based on the previous year's agreed figure. <i>Impact on Client Commissioning - Leisure Services Budget =</i>	-0.051	-0.100	-0.148
Changes to "Everybody Options" Scheme Investment (ESAR) (Revenue Savings) (88) The current management fee investment to Everybody Sport & Recreation allows the Trust to operate a concessionary "leisure card" scheme. The current options scheme gives 40% off the full adult peak rate for a range of leisure centre activities. The proposal is to retain the scheme but reduce this 40% to 30% across all categories. <i>Impact on Client Commissioning - Leisure Services Budget =</i>	-0.045	-0.108	-0.108
Car Park Refunds (Revenue Savings) (89) All leisure centre users currently receive free parking to attend activities. Where this requires the use of a public pay and display car park a refund of £1 is provided. The proposal is to remove the refund of car parking fee for the use of Snow Hill Nantwich and the former Library car park in Crewe. <i>Impact on Client Commissioning - Leisure Services Budget =</i>	-0.045	-0.045	-0.045
*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18 . Values are not cumulative			

Outcome 6 – A Responsible, Effective and Efficient Organisation

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

Evidence of Achievement

Performance of Outcome 6 will be measured through the use of performance indicators such as the examples below:

1. Targeting an average speed to answer customer phone calls within 60 seconds (latest 2016/17 performance of 88 seconds).
2. Completing 90% of Freedom of Information requests within 20 days (2017/18 to provide performance baseline).
3. Decreasing the average number of working days lost to staff sickness from 11.14 days in 2016/17 to 10 days.
4. Decreasing our total spend on agency staff and the proportion of agency assignments as a % of our total workforce.
5. Receiving awards and accreditations for delivery of excellent Council services.

Strategic Overview

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

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

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

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

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

Proposals to vary the Budget under Outcome 6 Services are focused on these areas:

Changing the way we work <i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Reduce costs of core processes (Oracle system review) (Revenue Savings) (71) The implementation of a new Enterprise Resource Platform (ERP) solution across Transactional Finance and Human Resources, and the associated business process transformation programme will result in streamlined processes and efficiency savings in future years. <i>Impact on Cross Service Budget =</i>	-0.250	-0.500	-0.500
Withdrawal of temporary reduction in funding for Universal Information and Advice service (Revenue Investment) (72) There was a temporary increase of £30,000 in the grant funding for this service in 2015/16 on the basis that the "loan" would be paid back over the following three years. This growth will restore the budget to its original value from 2019/20. <i>Impact on Benefits Budget =</i>	0.000	+0.010	+0.010
*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18 . Values are not cumulative			

Changing the way we work <i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Admin Review (Revenue Savings) (73) <p>Current structures and arrangements suggest that there are many roles that provide business or administration support across the Council. The Business Support Review aims to take a fresh look at existing ways of working and build on other parallel projects such as Best4Business. This proposal considers realigning structures; reviewing roles and responsibilities and establishing the required business support model that meet the needs of business whilst delivering financial and operational efficiencies.</p> <p style="text-align: right;"><i>Impact on Cross Service Budget =</i></p>	<p style="text-align: center;">-0.500</p>	<p style="text-align: center;">-0.500</p>	<p style="text-align: center;">-0.500</p>
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.</i></p> <p style="text-align: right;"><i>Values are not cumulative</i></p>			

Changing the way we work <i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Restructuring of Services (Revenue Savings) (74) Corporate Management - In support of the wider business transformation programme the Corporate Directorate Management structure is under review, consideration is being given to the alignment of functions and spans of control. An options appraisal will be carried out to determine a new delivery model that will deliver strategic and operational savings and efficiencies. Legal & Democratic - A review of the staffing establishment across the legal and democratic services is needed to ensure that the structure is fit for purpose and sustainable to meet the needs of the organisation. As a key enabler to the wider organisation the review will consider roles and responsibilities to create an agile workforce and reduce the use of agency staff. HR - A review of administration function and service delivery across the wider team will result in more efficient use of resources, reduce agency costs and allow more shared working across the Service to deliver more streamlined support to customers. Finance & Performance - The staffing establishment for the teams within Finance & Performance will be reduced to take account of improved ways of working and a restating of the service offering. This process will eliminate dual-processes, improve self-serve options for services, and aim to join up services where possible to increase productivity.			
<i>Impact on Corporate Service Budgets (as above) =</i>	-0.550	-0.550	-0.550

*Values represent a +/- variation to the Cheshire East Council approved budget for [2017/18](#).
Values are not cumulative

Changing the way we work <i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Digital Customer Services (Revenue Savings) (75) <p>The Council established the Digital Customer Services programme in 2015. Digital technology is changing all aspects of daily lives. As a customer-focused Council we want to provide a better experience when residents and businesses use Council services online – one that meets the raised expectations set by the many other digital services and tools they use every day. This business case updates the savings that will be delivered by the programme.</p> <p style="text-align: right;"><i>Impact on Cross Service Budget =</i></p>	<p style="text-align: center;">-0.510</p>	<p style="text-align: center;">-1.710</p>	<p style="text-align: center;">-1.710</p>
Contract Savings (Revenue Savings) (76) <p>The Corporate Directorate will target reductions, in 2018/19, of £750,000 in contract expenditure through targeted action such as:</p> <ul style="list-style-type: none"> - Proactive vendor and supplier management - Target reductions in both volumes and unit prices - Challenging the benefits of existing provider markets - Smarter negotiation practices to achieve outcomes at best value <p>The Directorate manages contracts of an estimated annual value of £90m per year. At October 2017, Corporate Services have live contracts on the Council's Corporate Contract Register with an estimated annual value totalling £7.1m listed due for renewal in 2018/19.</p> <p style="text-align: right;"><i>Impact on Corporate Service Budget =</i></p>	<p style="text-align: center;">-0.750</p>	<p style="text-align: center;">-0.750</p>	<p style="text-align: center;">-0.750</p>
<p style="text-align: center;"><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.</i></p> <p style="text-align: center;"><i>Values are not cumulative</i></p>			

Changing the way we work <i>Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Reduce Agency and Consultancy Costs (Revenue Savings) (77) <p>As the Council's workforce is a major component in delivering our Corporate Plan, we have to ensure our resources are sufficient to deliver our outcomes through increased productivity and workforce planning. While we will make every effort to save through improving productivity, we must seek to reduce agency staff costs and consultancy spend as these can occasionally have a premium cost associated with their engagement.</p> <p style="text-align: right;"><i>Impact on Corporate Service Budget =</i></p>	<p style="text-align: center;">-0.200</p>	<p style="text-align: center;">-0.200</p>	<p style="text-align: center;">-0.200</p>
<p style="text-align: center;"><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18. Values are not cumulative</i></p>			

Working with the community <i>Services and financial forecasts will be adjusted to react to trends in the way residents interact with key services.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Changes to Community Libraries (Revenue Savings) (79) <p>The Council initially proposed to close its three smallest libraries, also inviting proposals from local community organisations to deliver the libraries as community managed libraries as an alternative to closure. In light of the consultation responses, this proposal has been reviewed. In Alderley Edge and Disley the libraries will achieve some budget savings from revised opening hours and staffing. In Prestbury a small budget saving will be achieved from increased financial support from the community. Usage at libraries will continue to be monitored and closure may be reconsidered if usage declines significantly.</p> <p style="text-align: right;"><i>Impact on Libraries Service Budget =</i></p>	<p style="text-align: right;">-0.046</p>	<p style="text-align: right;">-0.046</p>	<p style="text-align: right;">-0.046</p>
<p style="text-align: center;"><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.</i></p> <p style="text-align: center;"><i>Values are not cumulative</i></p>			

Working with the community <i>Services and financial forecasts will be adjusted to react to trends in the way residents interact with key services.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
The Local Welfare Safety Net (Revenue Savings) (80) <p>The Council is committed to supporting residents facing financial hardship as a result of welfare reform through its Emergency Assistance scheme and approved growth of £0.3m in 2017/18 following the withdrawal of central Government funding for local welfare provision. The original business case provided an additional investment of £0.05m in the first year to establish a range of intervention and prevention activities to help reduce future demand. The funding for the scheme from 2018/19 reduces to £0.25m.</p> <p style="text-align: right;"><i>Impact on Benefits Budget =</i></p>	<p style="text-align: center;">-0.050</p>	<p style="text-align: center;">-0.050</p>	<p style="text-align: center;">-0.050</p>
<p style="text-align: center;"><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.</i></p> <p style="text-align: center;"><i>Values are not cumulative</i></p>			

Investment in services <i>Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
Childcare Team Costs (Transitional funding ends 2018/19) (Revenue Investment) (85) <p>The volume of instructions to issue care proceedings (a statutory duty where legal threshold is met), has increased year on year for Cheshire East over the last five years. This increase, 100% over the last five years, and approximately 30% in 2016/17 alone, reflects a national trend. The trajectory appears to be continuing for 2017/18. This has created an ongoing pressure on staffing costs and the cost of representation in court by counsel (barrister) if appropriate.</p> <p style="text-align: right;"><i>Impact on Legal Services Budget =</i></p>	<p style="text-align: right;">+0.490</p>	<p style="text-align: right;">+0.490</p>	<p style="text-align: right;">+0.490</p>
<p style="text-align: center;"><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18. Values are not cumulative</i></p>			

Income generation <i>Charging strategies for each service area to increase income where appropriate based on market rates and considering the price elasticity of demand for services.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
External income – Fees & Charges (Revenue Savings) (86) <p>Across a number of areas the Council receives external income for its delivery of services. A review of all fees and charges will be undertaken to ensure that our tariffs are commensurate with the commercial market place. We will benchmark performance against other local authorities and commercial providers and seek opportunity for further income.</p> <p style="text-align: right;"><i>Impact on Corporate Service Budget =</i></p>	<p style="text-align: center;">-0.100</p>	<p style="text-align: center;">-0.100</p>	<p style="text-align: center;">-0.100</p>
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.</i></p> <p style="text-align: right;"><i>Values are not cumulative</i></p>			

Cross Service Efficiency Targets	2017/18 Allocation	2017/18 Achieved in year	2018/19 £m*	2019/20 £m*	2020/21 £m*
Replace Former Cross-Cutting Savings with specific savings proposals (90) The 2017/18 Budget contained £9.050m of savings associated with Productivity and Contract Management as well as reductions in expenditure on mileage and post/print. To date, £5.2m of these challenging targets have been embedded within the base budgets of services within the People, Place & Corporate Directorates. Those changes have been reported in the Quarterly Reviews published during 2017/18. To improve overall clarity of the changes to budgets, that are being proposed to balance the 2018/19 position, the 'Cross-Cutting' savings should be deleted, and replaced with specific proposals that are highlighted in this report instead. The figures to the right indicate the financial impact of these changes.					
PEOPLE	+2.876	-1.157	+1.719	+1.719	+1.719
PLACE	+2.881	-1.537	+1.344	+1.344	+1.344
CORPORATE	+3.293	-2.548	+0.745	+0.745	+0.745
<i>Impact on Cross Service Budgets =</i>	+9.050	-5.242	+3.808	+3.808	+3.808
*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18 Values are not cumulative					

Section 2 - Financial Stability

Introduction

1. Local residents and businesses contribute to sustainable Council services through local taxation, contributions and charges; and Central Government provides grants funding mainly from national taxation. The Council manages these resources to achieve maximum efficiency and diverts as much funding as possible to front line services.
2. The Government's Autumn Statement for 2017 confirmed no change to the funding available for Local Government and therefore the continuing need to reduce the national public sector deficit and debt to secure economic recovery. Cheshire East Council is proposing to continue supporting this approach in a number of ways:
 - Maintain appropriate reserves levels that protect against risks.
 - React to increases in demand in key areas and develop budget proposals that can reduce net expenditure to compensate where possible.
 - Focusing on economic wellbeing for local residents by investing in local development and infrastructure.

3. The key areas being covered in this section include:

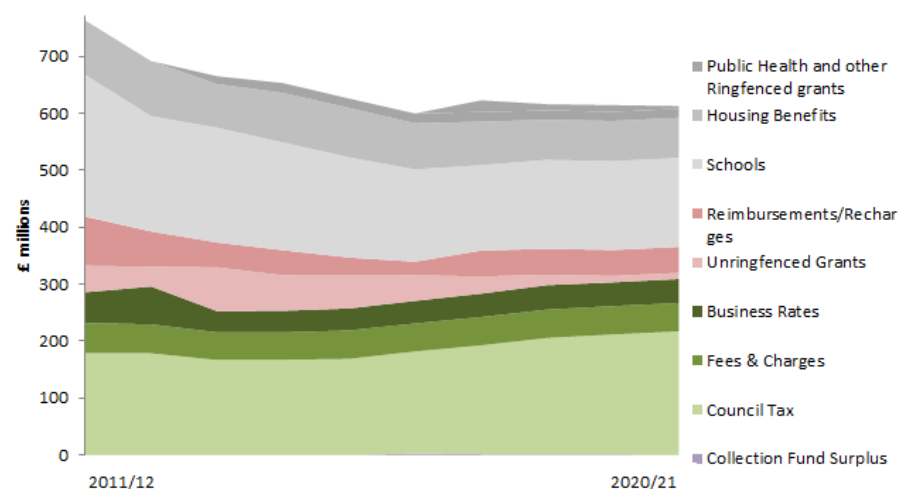
Source of Funding	Paragraphs
Balance of National vs Local Funding	4 to 11
Government Grant Funding of Local Expenditure	12 to 47
Collecting Local Taxes for Local Expenditure	48 to 79
Charges to Local Service Users	80 to 83
Income and expenditure are also influenced by decisions and estimates of the Council in relation to:	
Investment, Borrowing and the Capital Programme	84 to 112
Other Economic Factors	113 to 116
Managing the Reserves Position	117 to 118

Balance of National vs Local Funding

4. Cheshire East Council is becoming more reliant on local funding and less reliant on Central Government grant. The Provisional Local Government Settlement 2016/17 provided a shift in approach, where Government used potential Council Tax income to determine levels of Local Authority spending. This is highlighted by the fact that funding for Council services from Council Tax and Business Rates will have increased to over 90% of the total net funding for 2018/19.
5. The financial stability of the Council, which determines the amount of money available for service expenditure, should be exposed to less risk from further Government funding shortfalls in the medium term. This has been strengthened by the submission to Central Government of our 4-Year Efficiency Plan in October 2016. This confirmed our acceptance of the 2016/17 Finance Settlement funding levels which are now guaranteed up to the end of 2019/20. These were reconfirmed in the Provisional Finance Settlement released on 19th December 2017.
6. Financial planning for the Council must now reflect the potential for year on year increases in demand to fall on local funding sources such as Council Tax, business rates and fees and charges.
7. **Chart 1** illustrates how the balance between funding sources is changing over time placing emphasis on support from local funding sources.
8. The 2018/19 Budget Report is based on the Provisional Local Government Finance Settlement released on 19th December 2017. The final settlement is expected in early February 2018 with a debate in the House of Commons shortly after. Any

further information on funding will be reported to Members as soon as practical and may require management through reserves.

Chart 1: The Council is becoming more reliant on local funding sources



Source: Cheshire East Finance

9. **Table 2** sets out the revised funding forecast for Cheshire East Council for the period 2017/18 and 2018/19. This shows how Government Grants are reducing and how local funding sources are being increased to minimise the financial impact on services.

Table 2 – Funding available to services	2017/18 £m	2018/19 £m	Change £m	Change %
Council Tax	-191.1	-206.4	15.3	8.0%
Government Grants	-30.3	-17.5	-12.8	-42.2%
Business Rate Retention	-41.0	-43.0	2.0	4.9%
Collection Fund Contribution	-1.4	-1.0	-0.4	-28.6%
Funding Available to Services	-263.8	-267.9	4.1	1.6%

Sources: Cheshire East Finance
Ministry of Housing, Communities and Local Government

10. The Business Rates Retention funding system and control over Council Tax levels are placing greater responsibility on all councils to determine their own funding levels.
11. In Cheshire East the Council is meeting this challenge in a number of ways and focusing on longer term financial stability through the following actions:
 - **Growing the domestic tax base** - each new home brings additional Council Tax revenue, New Homes Bonus and potentially Community Infrastructure Levy together with additional costs, such as education, waste collection and highways. The Council ensures that any subsidy from its general funding sources is carefully managed to achieve maximum value.
 - **Promoting Economic Growth** - business growth can result in additional income being retained for local investment, subject to certain thresholds. Therefore, the Council is investing heavily in economic growth and infrastructure projects that will unlock development land and support inward investment.

- **Increasing employment opportunities** - through economic growth resulting in fewer people relying on welfare benefits from the Council which releases funding for further investment or for direct provision of front line services.
- **Maintaining strong collection rates and challenge of tax bases** - to ensure fairness to all involved and ensure the Council maximises local income for local use.

This approach is very important and is embedded in the Council's actions.

Government Grant Funding of Local Expenditure

12. The detailed funding settlement from Government impacts on longer term financial planning. Key dates for 2018/19 include:
 - The release of the Autumn Statement on 22nd November 2017.
 - The release of the Provisional Settlement on 19th December 2017 confirming the approach to grants, Council Tax and calculation of business rates estimates.
 - Final Settlement expected in early February 2018.
 - Late announcement of Specific Grants.

These have set out changes to:

- General funding levels – confirming a 60% reduction in Revenue Support Grant.
- Funding from Business Rates – use of CPI inflation to increase the multiplier (change from RPI).

13. The Council receives grant funding from the Government under several main headings:
- Revenue Support Grant (£5.4m in 2018/19)
 - Specific Grants (unring-fenced revenue) (£12.1m in 2018/19)
 - Specific Grants (ring-fenced revenue) (£254.1m in 2018/19)
 - Capital Grants (main programme) (£57.3m in 2018/19)

More detail is provided on each of these funding elements below.

Revenue Support Grant (RSG)

14. In addition to retained business rates the Government provides RSG which is not ring-fenced for specific purposes. Historically, RSG and retained business rates were allocated based on a complicated formula that reflected local characteristics such as deprivation, age profiles and road lengths. Links to this complex approach have been dropped in favour of promoting economic growth through named grants. The provisional settlement has confirmed previous indications that RSG will be phased out, and that no payments will be received in 2019/20.
15. The substantial reduction in RSG, from £13.4m to £5.4m remains a significant challenge and means that all grants rolled into RSG, including Social Care new burdens, and previous Council Tax Freeze Grants, have also been reduced and will also be nil in 2019/20.

Unring-fenced Specific Grants

16. A number of separately identified but unring-fenced Specific Grants have been retained totalling an estimated £12.1m in 2018/19. The detailed list is shown in **Annex 8** and summarised in **Table 3**. Note that Table 3 shows the original budget for 2017/18 and Annex 8 shows the revised in-year position including grants received after the budget was set.
17. Other than RSG, the list of Specific Grants mainly relates to funding for the New Homes Bonus and Social Care Grants. Together they equate to 59% of the total unring-fenced specific grants expected in 2018/19.
18. There is to be no additional support from the continuation of the Transition Grant or Adult Social Care Grant for 2018/19.

Table 3 - Specific grants and RSG have decreased by 42.2%	2017/18	2018/19	Overall Change	Overall Change
	£m	£m	£m	%
Revenue Support Grant	-13.4	-5.4	-	-
New Homes Bonus	-8.3	-8.6	-	-
Transitional Funding	-3.0	0.0	-	-
Social Care Grants	-2.3	-0.9	-	-
Independent Living Fund	-0.9	-0.9	-	-
Education Services Grant	-0.7	0.0	-	-
Other Grants	-1.7	-1.7	-	-
Total Specific Grants	-30.3	-17.5	-12.8	-42.2%

Sources: Cheshire East Finance

Ministry for Housing, Communities and Local Government

19. Increasing development in Cheshire East means New Homes Bonus (NHB) is expected to exceed recent expectations and income from this grant is expected to increase by £0.3m for 2018/19. This is despite changes to the number of years the grant is paid for down from 5 years to 4 years for 2018/19. The introduction of a threshold before growth is calculated remains at 0.4%.
20. There are to be no further changes, as consulted on, for 2018/19.
21. Education Support Grant (ESG) was previously allocated as an unring-fenced grant from the Department for Education (DfE) to local authorities and to academies proportionate to the number of pupils for which they are responsible. In recent

years the grant has been split between a retained duties element and a general rate element.

22. For 2017/18 the general rate was removed as part of national austerity savings and the retained rate was transferred into the ring-fenced Dedicated Schools Grant (DSG). Transitional Funding was available to reflect the intended start date of September 2017. As part of that process the Council reviewed the services funded through ESG and funded them through DSG during 2017/18.
23. For 2018/19 the ESG funding is within DSG and has been transferred into a new Central Schools Services Block. Further details are shown within the ring-fenced specific grants section.

Ring-fenced Specific Grants

Dedicated Schools Grant (DSG)

24. The Government announced the indicative allocations of DSG for 2017/18 on 19th December 2016. DSG is a ring-fenced grant provided to the Council to meet certain educational costs. Following national funding reforms several years ago DSG continues to be allocated in notional funding blocks, namely the Schools Block, Early Years Block and High Needs Block.
25. From 2018/19 a fourth block has been added called the Central Schools Services Block. This has been created through grouping together funding previously top-sliced from the schools block by all authorities to fund certain activities such as capital financing and ICT costs.

26. The Government have undertaken a series of consultation exercises to establish a national funding formula (NFF) to determine how each of the funding blocks provided to local authorities are calculated. Early Years was determined for 2017/18 while schools, high needs and central schools services blocks all formed part of the DfE announcements in September 2017 and three new NFFs apply from 2018/19.
27. The Schools Block allocation to the Council is now based on schools block NFF. This takes the October 2017 pupil data and provides a basic per pupil amount plus additional funding for deprivation, low attainment etc. The NFF also applies a minimum per pupil level of funding of £3,300 Primary, £4,600 Secondary in 2018/19 and £3,500 Primary, £4,800 Secondary in 2019/20.
28. Pupils who are in Resource Provision have transferred into the schools block (but will continue to receive additional funding from the high needs block).
29. Local authorities can continue to provide funding through local formula for 2018/19 and 2019/20.
30. The Early Years Block is mainly comprised of:
 - Funding for the universal 15-hour entitlement for all three- and four-year-olds.
 - Funding for the additional 15 hours for three- and four-year-old children of eligible working parents.
 - Funding for the Early Years pupil premium plus a few other areas.
31. The High Needs Block is a single block for local authorities' high needs pupils / students aged 0-24. The block includes place funding for pre-16 and post-16 places in appropriate establishments such as maintained mainstream schools, maintained special schools and pupil referral units. The block includes top-up funding for pupils and students occupying places in such settings.
32. For 2018/19 the high needs block is calculated through the high needs NFF. This is made up of a range of factors and weightings including:
 - A basic entitlement
 - An historic spend factor
 - A population factor
 - Measures relating to low attainment and deprivation
 - A funding floor
 - An area cost adjustment
33. The new Central Schools Services Block is based on a NFF that includes:
 - Historic commitments
 - Ongoing responsibilities
 - An area cost adjustment
34. **Table 4** shows the actual DSG received for 2017/18, the indicative DSG for 2018/19, and per pupil funding levels. (This excludes the adjustment for Academy recoupment).
35. For 2018/19 the Schools Forum have agreed to transfer 0.5% of the Schools Block to High Needs to recognise pressures in that area.
36. Other than that adjustment all the schools block funding is passported directly through to schools.

Table 4 - Dedicated Schools Grant are allocated in four notional blocks from 2018/19	Actual 2017/18 £m	Provisional 2018/19 £m	Change £m	Change %
Total Dedicated Schools Grant	257.5	265.5	8.0	3.1%
Comprising:				
Schools Block (notional)	205.5	207.7	2.2	1.1%
Central School Services Block	0.0	2.9	2.9	n/a
Early Years Block (notional)	18.8	21.1	2.3	12.2%
High Needs Block (notional)	33.2	33.8	0.7	2.0%
Per Pupil Funding	£ / pupil 2017/18	£ / pupil 2018/19		
Dedicated Schools Grant:				
Schools Block (notional)				
Primary	} 4,340	3,842		
Secondary		4,909		
Central Schools Block per pupil	0.00	30.55		
Early Years Block 3&4 hourly rate	4.30	4.30		
2 Year old hourly rate	5.28	5.28		
Figures quoted are before the Academy recoupment and before any High Needs Deductions.				
Primary and Secondary per pupil figs not provided in 2017/18				

Sources: Cheshire East Finance
Education and Skills Funding Agency

Dedicated Schools Grant (DSG) ~ Academy Funding

37. The DfE are clear that becoming an academy should not bring about a financial advantage or disadvantage to a school but rather, enable academies to have greater freedom over how they use their budgets.

38. The Schools Block funding receivable for the 69 academies which opened before or during 2017/18 has not been removed from the total DSG award to be received (as reflected in **Table 4**). The funding for these academies of approximately £121.6m will be deducted from the Authority's DSG as part of the academy recoupment process (see **Annex 8**).

Sixth Form Funding

39. Total sixth form funding of £4.1m is receivable for maintained schools (this is an estimated figure to be confirmed when actual sixth form pupil numbers are known). In 2017/18 a balance of £12m was allocated directly to academies by the Education and Skills Funding Agency. The allocation for 2018/19 is not yet known.

Pupil Premium Grant & Pupil Premium Plus

40. The indicator for eligibility will be Free School Meals received in any of the prior six years by any pupil. The allocations for 2018/19 are expected to be the same as in 2017/18 at £1,320 for primary-aged pupils and £935 for secondary-aged pupils for every eligible child in both maintained schools and academies. All looked after children, adopted children and children with guardians will attract funding of £1,900 and children whose parents are in the armed forces continue to attract £300 per annum. It is estimated that Cheshire East Council will receive £4.3m in relation to the Pupil Premium for 2018/19.

Physical Education Grant

41. The Council expects to receive £1.1m for 2018/19. This is an estimate after any reduction for academies.

Universal Infant Free School Meals (UIFSM)

42. The Council expects to receive £2.6m for 2018/19. This is an estimate for maintained schools. The figure is normally based on a set amount per eligible pupil. The grant is paid directly to local authorities or academies. The Council will comply with the requirement to pass on the grant to maintained schools in full.

School Improvement Monitoring and Brokering Grant

43. This is a new grant from September 2017 for local authorities to continue to monitor and broker school improvement provision for low-performing maintained schools and intervene in certain cases, nationally £50m is being allocated with the first £30m allocated in September 2017. The Council expects to receive £0.2m for 2017/18 based on 89 maintained schools. This will be adjusted for any further conversions prior to being paid. It is not yet certain if this grant will continue into 2018/19.

SEND Implementation Grant

44. The Council received £0.2m for 2017/18. This was to assist the conversion of all eligible children to an Education, Health and Care Plan. The amount for 2018/19 is not yet known.

Public Health Grant

45. Central Government transferred the responsibility of commissioning and delivering public health services from Health to local authorities in April 2013.
46. Public Health responsibilities cover a wide range of services including: Sexual Health services; Children's 0-19 services; NHS Health Check programmes; Substance Misuse services and One You services.

47. Public Health grant has been ring-fenced from 2013 and will continue to be so during 2018/19 to ensure expenditure is incurred in line with the public health framework.

Funding from Public Health England (PHE) is shown below:

- 2013/14 – originally £12.7m subsequently revised to £13.8m.
- 2014/15 - £14.3m.
- 2015/16 – originally £14.3m then increased by £2.4m for 0-5 year olds new responsibility (half year funding) and reduced by £1.1m in year. Total £15.6m.
- 2016/17 – Originally £15.6m then increased by £2.4m for the remaining six months of 0-5 year old funding, reduced by £0.4m in year and reduced by £0.3m transfer of base funding to EC CCG for Community special school nursing. Total £17.3m
- 2017/18 - original funding £17.3m then reduced by £0.5m. Total £16.8m.
- A reduction of 2.6% as per forecasts for 2018/19 taking the grant funding down to £16.4m.
- Provisional allocations for 2019/20 estimate the grant to be £16m. This has been prudently reduced by a further 2.6% for 2020/21 taking the grant forecast to £15.6m.
- In 2020/21 the grant is likely to be one of the funding streams that will be rolled into the Business Rates Retention Scheme when it moves to 75% retention by local authorities.

Collecting Local Taxes for Local Expenditure

Business Rate Retention Scheme (BRRS)

48. The Council anticipates collection of approximately £139m (before accounting adjustments) in business rates in 2017/18, based on the Council's NNDR1 return to the Central Government on 31st January 2017. Under the BRRS arrangements 50% of this funding is paid to Government with 49% being retained specifically to support Cheshire East Council services. 1% is paid to the Fire Authority. In addition to this reduction a tariff of £23.4m must be paid to Government which is used to top-up funding allocations to other local authorities.
49. Up to and including 2016/17, the Council continued to use the nationally set Business Rates baseline figures, plus levy savings as a result of being in the Greater Manchester Pool, for budget setting purposes. This was slightly below the NNDR 1 level reflecting a prudent approach to business rates growth. For 2017/18, a growth estimate of £0.5m in retained rates for the authority was also budgeted for to take account of the steady rise in business rate growth in recent years.
50. For 2018/19 this approach has been maintained. Therefore, in addition to the forecast £0.75m levy saving (as a result of being in the Pool), a further £0.8m in retained business rate growth income is being forecast (see **Table 5**). This is in addition to the baseline increase for 2018/19.

Table 5 - Business Rates Retention	2017/18 £m	2018/19 £m	Change £m	Change %
Business Rate Retention Scheme	-41.0	-43.0	2.0	4.9%

Source: Cheshire East Finance

51. Growth in business rates can increase local funding, but this does take time and recent trends in rateable values have slowly increased. The Council continues to promote inward investment to the area. There are positive signs of investment and **Annex 6** sets out the forecasts for business rate growth over the medium term.
52. During 2017/18, the Council continued to be part of a BRRS Pool with Greater Manchester authorities and Cheshire West and Chester. This allows the authorities included within the pool to be treated as one entity for the purposes of tariff / top up and levy / safety net payments potentially reducing the amounts to be paid over to Central Government.
53. The Pool continues to be a pilot for the 100% growth retention scheme. This will allow growth above 0.5% to be retained in full if achieved. Further information on business rates growth is set out in **Annex 6**.
54. The Impact Assessment at **Annex 3** (Page 122) identifies how changes in business rates could affect local business.

Council Tax

55. Locally collected domestic taxes that are directly retained by the Council will provide approximately 80% of the Council's net funding in 2018/19. The Council therefore takes a very careful approach to managing the domestic and commercial

taxbases in a way that reflects local growth ambitions and supports sustainable services in the medium term.

56. The Council froze Council Tax levels for five consecutive years from 2011/12 to 2015/16 inclusive, with some Government support, saving local taxpayers a total of nearly £50m in that period, and yet continued to provide services that met the needs of local residents. Growth in the local taxbase (for houses and businesses) supports the ambition in the Corporate Plan of creating economic independence from Government grant. In 2019/20, there will be no general Government grant support to the revenue budget of Cheshire East Council. The speed of this change is a major challenge and when increases in demand related to protecting vulnerable people and inflation in costs are taken into account, then this creates a requirement to increase Council Tax levels in line with Government expectations.
57. The ability to raise additional Council Tax for use solely on Adult Social Care (ASC) was accepted in 2017/18. Local authorities could raise up to 3% in any year from 2017/18 to 2019/20, but subject to a maximum of 6% over the three year period. Cheshire East proposed to apply half of this increase in 2017/18, and a further 3% in 2018/19. The provisional local government finance settlement announced the referendum limit on base increases was to be increased to 3% in line with inflation. As such, it is proposed that base Council Tax is increased by 2.99% giving a total increase for 2018/19 of 5.99% (including the 3% rise for ASC) to give a Band D charge of £1,404.28 for 2018/19.
58. The proposed increase for 2019/20 is currently 1.99% and a further 1.99% for 2020/21 at this time.

The calculation of the Council Tax for 2018/19 is shown in **Table 6**.

Table 6 - The calculation of the Cheshire East Council Band D Council Tax		2018/19 £m	2018/19 £m
Total Net Revenue Budget 2018/19			267.9
Specific Grants			-12.1
Revenue Budget recommended to Council on 22nd February 2018			255.8
Less:			
Business Rates Retention Scheme	-16.8% ¹	-43.0	
Revenue Support Grant	-2.1% ¹	-5.4	-48.4
Surplus on Council Tax	-0.4% ¹		-1.0
Amount to be Raised from Council Tax	80.7% ¹		206.4
No. of Band D Equivalent Properties			147,003.80
Band D Council Tax			£1,404.28

¹. Percentage of Cheshire East net budget
Source: Cheshire East Finance

The impact on each Council Tax Band and the number of dwellings in each band is shown in **Table 7**.

Table 7 – Impact of Council Tax on each Band

Band	A	B	C	D
Council Tax £	936.19	1,092.22	1,248.25	1,404.28
No of Dwellings	30,430	35,950	33,839	25,541
Band	E	F	G	H
Council Tax £	1,716.34	2,028.41	2,340.47	2,808.56
No of Dwellings	19,795	13,574	12,142	1,816

Source: Cheshire East Finance

Council Tax Base

59. The Council Tax Base quantifies the number of properties from which the Council is able to collect Council Tax. The tax base is presented as an equivalent number of domestic properties in Council Tax Band D terms after adjusting for relevant discounts and exemptions (for example a Band H property counts as two Band D properties, whereas a Band A property counts as two thirds of a Band D). The level of Council Tax multiplied by the tax base equals the expected income from local taxation.
60. The gross tax base for 2018/19 (before making an allowance for non-collection) is calculated as 148,488.68. After taking into account current high collection rates, the non-collection rate has been maintained at 1.00% for 2018/19. This results in a final tax base of **147,003.80** Band D equivalent domestic properties.
61. The tax base for 2018/19 reflects an increase of 1.9% on the 2017/18 equivalent position. This reflects the overall increase in properties in Cheshire East after allowing for the impact of

Council Tax Support. The Council Tax Base was approved by [Council on 14th December 2017](#).

62. Cheshire East has a relatively high Council Tax Base compared to its nearest neighbours. This is partly due to the much higher proportion of properties in Bands F to H in the Cheshire East area (16% in Cheshire East compared to the England average of 9%).

The impact of the Council Tax Support Scheme

63. From 1st April 2013 the Council Tax Benefit system was replaced by a locally designed Council Tax Support Scheme. Claimants under this scheme receive appropriate discounts to their bills depending on their circumstances. It is important to note that pensioner claimants remain unaffected by this change.
64. The impact of Council Tax Support reductions is slowly decreasing in Cheshire East, reflecting a positive trend away from a dependence on support from the local authority. The local Council Tax Support Scheme was reviewed and consulted on during 2015 and a revised scheme was implemented from April 2016. The scheme is unchanged for 2018/19.

Collection Fund

65. Receipts from Council Tax payers and businesses are paid into the Collection Fund which is then distributed to all precepting organisations (Cheshire East Council, Fire Authority, Police and Crime Commissioner, Central Government and local Town and Parish Councils).
66. A predicted surplus in the Collection Fund can be drawn down to support revenue funding for the following annual budget,

and vice versa in the case of a deficit. This can happen if actual changes in the tax base vary from the predicted changes, or if collection rates exceed forecasts.

67. The estimated balance on the Council Tax Collection Fund has been forecast to be a £1.2m surplus at 31st March 2018. £1.0m of this surplus is retained by the Council and is factored in to the 2018/19 budget.
68. The year-end balance on the Business Rates Collection Fund is estimated to be a cumulative surplus position of £0.6m, of which £0.3m will be payable to Cheshire East. This estimated surplus equates to 0.4% of the net rates forecast to be collected for 2017/18 (£139m before accounting adjustments).
69. The fluctuations in the Business Rates Collection Fund will continue to be managed through the earmarked reserve and use of the reserve reflects a risk based approach to future BRRS income streams.

Council Tax on Second Homes

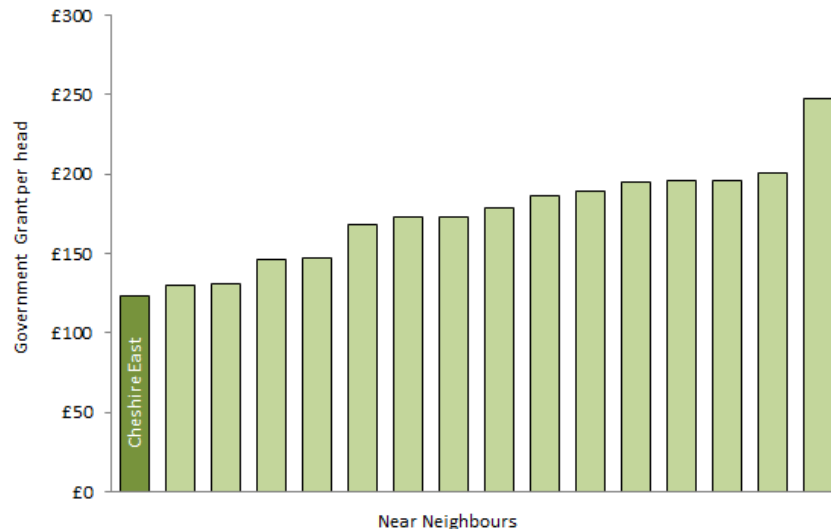
70. During 2006 the Cheshire Local Government Association (LGA) agreed to reduce the level of discount on Second Homes across Cheshire from 50% to 25% on the basis that the additional funds would be utilised as follows:-
 - 50% to be retained by local authorities.
 - The balance to be paid over to Local Crime and Disorder Reduction Partnerships (CDRPs) for local activities including the appointment of Community Support Officers.

71. The final figures cannot be calculated until each authority has set its 2018/19 Council Tax. Contributions under the Second Homes agreement to the CDRP from the Police and Crime Commissioner and Cheshire Fire and Rescue Authority will be made during 2018/19 by adjusting the precept payments to those authorities. The provisional contribution from Cheshire East Council is £221,000.
72. Any further changes to Second Homes discounts are not part of the local agreement and therefore the additional income from any change is not included in the figure shown.

Funding Comparisons to similar Councils

73. Comparisons, based on available data, add context to Cheshire East's funding position. For further analysis of the Council's financial position please refer to the [Council's Value for Money](#) document.

Chart 2: Cheshire East Council receives the lowest level of Government Grant per head compared to its Near Neighbours.



Sources: Cheshire East Finance
CIPFA Council Tax Demands and Precept Statistics 2017/18
Ministry for Housing, Communities and Local Government

What is the Council doing about it?

74. There are several areas where the Council is attempting to ensure its voice is heard. These are:

Responding to Key Consultations

75. 2017/18 has seen several consultations on changes to local government finance. The Council has had the opportunity to input into the relevant responses collated by the Society of County Treasurers and the Local Government Association (Cheshire East Council is a member of both) and therefore, in some cases, relied on their collective responses to make any

relevant comments. The Council also joined the Society of Unitary Treasurers in 2015 to assist with influencing collective messages. The consultations that have taken place so far in 2017/18 are as follows:

- Rates Retention and Formula Grant
 - 100% Business Rates Retention: Further consultation on the design of the reformed system (closed May 2017)
 - 2018/19 Local Government Finance settlement: technical consultation (closed October 2017)
 - 2018/19 Provisional Local Government Finance Settlement (closed Jan 2018)
 - Fair Funding Review – Needs and redistribution (closing March 2018)
- Schools and Academies
 - Changes to the criteria for agreeing loan schemes (closed April 2017)
- Local Taxation
 - Discretionary Business Rates Relief Scheme (closed April 2017)
- Accounting and Audit
 - Consultation on Proposed Changes to the Treasury Management Code (closed September 2017)
 - Proposed changes to the prudential framework of capital finance (closed December 2017)
- General
 - Unaccompanied Asylum-seeking Children (closed September 2017)

Membership of Collective Groups

76. The Council has membership of several collective groups which provide a stronger voice at a national level. They are:
- The Local Government Association
 - The Society of County Treasurers
 - The Society of Unitary Treasurers
 - The Sparse Rural Network
 - The F40 Group
77. The Council is also making use of the CIPFA / Pixel Financial Management Service to assist with financial forecasts and strategy.

Monitoring Developments

78. The Council is monitoring news alerts and public sector journals for any developments with Business Rates and grant funding arrangements. There are various authorities involved in the pilot scheme to trial the 100% business rates retention scheme early. The results of these pilots will be closely followed.

On-going briefing with Members of Parliament

79. The Council provides an update on key issues to local MPs on a regular basis, or when special updates are required. At certain times these focus on the Budget and funding issues.

Charges to Local Service Users

80. In some key service areas the Council makes a charge directly to the service user. The prices charged will sometimes be set nationally, but should always be related to recovering

some or preferably all of the Council's costs in delivering discretionary services.

81. Approximately 8% of the Council's gross income is received through Fees & Charges and the prices are reviewed at least annually.
82. The Cheshire East Council pricing structure has over 1,500 different charges. With the overall objective to reduce subsidy in charged for services some price rises may exceed inflation in the medium term. In such cases users are consulted and alternative service options are discussed.
83. To assist officers and Members to recover full cost, the Council has produced a Charging and Trading Strategy to provide the relevant guidance to be applied. This document is available on request.

Investment, Borrowing and the Capital Programme

84. The capital programme is intentionally aspirational, reflecting the Council's priority to promote local economic wellbeing. To support this ambition the Council actively pursues funding from private sector organisations and Government as well as attempting to maximise receipts from asset sales. Resources will be utilised accordingly to allow flexibility within the overall programme. Major highway infrastructure projects, for example, may require Council resources before capital receipts and developer contributions can be realised and therefore the funding requirement for future years will be updated as plans and funding streams are secured.

85. The Council applies an agreed Treasury Management Strategy to ensure capital financing is affordable in the medium term. During 2017/18 the S151 Officer explored options to revise the approach to calculating the Minimum Revenue Provision (MRP) to release revenue funding and mitigate overspending on services. Liaison with the Council's treasury management advisors, Arlingclose, has taken place and the proposal to use the annuity method under the Asset Life (Option 3) to calculate the Minimum Revenue Provision has resulted in the ability to take a MRP 'holiday'. A saving of £6m has been realised in 2017/18.
86. The capital financing budget for 2018/19 is shown in **Table 8**. This includes repayment of debt and interest payable on the Council's long-term loans. Costs are partly offset by the interest earned on the Council's investments. The Capital Financing budget reflects a further reduction of £4m in 2018/19, reducing the budget to £10m. This is for the 2018/19 financial year only and the capital financing budget will return to the level of £14m in future years.

Table 8 - Capital Financing Budget	2018/19
	£m
Repayment of Outstanding Debt	10.0
Contribution re: Schools Transforming Learning Communities Schemes	-0.9
Transfer from revenue reserve	-2.6
Interest on Loans	3.8
Less: Interest Receivable on Cash Balances	-0.3
Net Capital Financing Budget	10.0

Source: Cheshire East Finance

87. Charges for the amount borrowed are made to the Council's income and expenditure account and, for 2018/19, comprise of the following elements:
- **For borrowing incurred prior to April 2008:** Cost is calculated at a 2% annuity rate over a 50 year period.
 - **For borrowing incurred after April 2008:** Cost is calculated on an annuity basis over the anticipated life of the asset. These periods vary from five years to 50 years depending on the type of expenditure funded from the borrowing.
88. Details of the Council's Minimum Revenue Provision Policy are shown at **Annex 10**.
89. The Council currently has external borrowing of £145m of which £44m is temporary borrowing with other local authorities. The amount of interest paid on the Council's portfolio of loans is mainly at fixed rates of interest (c. 3.1%). Currently long term interest rates are around 2.6%.
90. The rate of interest to be earned on the Council's cash balances that are temporarily invested is budgeted to be £0.3m.
91. The Council sets out the approach to these issues in its Treasury Management Strategy which is also being reported to Cabinet and Council in February 2018.

Capital Programme Planning

92. The 2017/20 capital programme was approved by Council on 23rd February 2017. Updates have been provided via quarterly reports to Cabinet during 2017/18.

93. The Third Quarter Review of Performance and the revised profile of spend for 2018/20 onwards forms the base for the 2018/21 programme, which is detailed in **Annex 10**.
94. Capital commitments have been reviewed to identify the profile of expenditure. There is recognition that the complexities around planning applications, public consultation and dependencies on third parties for external funding can mean that projects are delayed from one year to the next.
95. Services are required to provide business cases in accordance with the HM Treasury five case model.
96. Spending plans are monitored to ensure a robust quality assurance framework is followed for each project. The governance arrangements safeguard against projects proceeding where costs may escalate beyond budgets. Potential variances from approved budgets may become subject to supplementary approval in accordance with financial regulations.

Capital Programme Financing

97. The level of resources required to fund capital investment in the medium term is set out in **Table 9** and is based on the level of borrowing that the Council can undertake on a prudential basis, the level of Government grant, the level of capital receipts and external contributions that can be generated over the period.

Table 9 - Capital Programme Summary	2018/19	2019/20	2020/21	Total 2018/21
	£m	£m	£m	£m
Committed Schemes	95.1	108.1	63.5	266.7
New Schemes	32.0	13.7	13.7	59.4
Total Capital Programme	127.1	121.8	77.2	326.1
Financing				
Prudential Borrowing	55.3	14.3	15.7	85.3
Government Grants	57.3	93.4	19.1	169.8
Capital Receipts	4.3	4.2	10.0	18.5
External Contributions	7.5	9.9	32.4	49.8
Other Revenue Contributions	2.7	0.0	0.0	2.7
Total Sources of Funding	127.1	121.8	77.2	326.1
Source: Cheshire East Finance				

Source: Cheshire East Finance

98. The Council will attempt to maximise external resources such as grants and external contributions in the first instance to fund the capital programme. Where the Council resources are required the preference will be to utilise capital receipts from asset disposals. The forecast for £18.5m capital receipts for the period 2018-21 assumes a prudent approach based on the work of the Asset Management team and their most recently updated Disposals Programme.
99. The schemes in the Capital Programme, both existing and new proposals, have been through a challenge process to ensure they represent value for money, attract external funding or alternatively are affordable within the capital

financing budget and do not commit the Council to additional debt repayments that are not affordable in the medium term.

100. Longer term proposals are included in an addendum to the programme for planning purposes. Detailed business cases will be developed for these schemes as precise details become known. Before work can commence, on schemes listed on the addendum, the business case will be required to provide significant certainty linked to:
 - Strategic impact of the scheme
 - Expenditure profiles
 - Funding sources or associated return on investment
101. The schemes separately identified on the Addendum to the capital programme are still submitted for approval; subject to them meeting the above requirements in the future. At the stage where the business cases are sufficiently robust and are deemed to be affordable the Portfolio Holder for Finance & Communication and the Section 151 Officer will provide the additional approval for these schemes to proceed and form part of the main capital programme. Updates on these schemes will be provided to Cabinet through the quarterly reporting process. As detailed in **Table 10**:

Table 10 - Capital Programme Summary - ADDENDUM	2018/19	2019/20	2020/21	Total 2018/21
	£m	£m	£m	£m
Directorate				
People	2.9	0.0	0.0	2.9
Place	78.0	114.3	63.4	255.7
Corporate	6.2	4.4	3.1	13.7
Total Capital Schemes	87.1	118.7	66.5	272.3

Source: Cheshire East Finance

Borrowing for Capital Expenditure

102. The Council's capital investment complies with the "Prudential Code for Capital Finance in Local Authorities". Under the Code, local authorities have greater discretion over the funding of capital expenditure especially with the freedom to determine, within the regulatory framework of the Code, the level of borrowing they wish to undertake to deliver their capital programmes.
103. The level of Prudential Borrowing required in 2018/19 and in future years is detailed in **Annex 10** Prudential Borrowing Indicators. The revenue consequences have been considered as part of the medium term strategy to ensure they can be afforded in future years.

Government Capital Grants

104. Government capital grants are generally allocated by specific Government departments to fund projects either as part of a block allocation or following a specific application process. The Council must therefore allocate such funding to support

the spending programmes for which they are specifically approved.

105. The Council seeks to maximise allocations of grant, developing appropriate projects and programmes which reflect Government-led initiatives and agendas but address priority needs for local residents. Overall Government funding has reduced in recent years but the Council still receives external support towards a number of projects such as school improvements and major highways infrastructure. Over the medium term these resources equate to £170m, which is 52% of the total Capital Programme. **Annex 9** provides a list of Government Grants that are supporting the Cheshire East capital programme.

Capital Receipts

106. A capital receipt is an amount of money which is generated from the sale of an asset. The asset rationalisation process is managed by the Asset Management Service and continues to explore opportunities to generate capital receipts by disposing of surplus property assets after considering potential development opportunities. An asset disposal schedule is maintained to indicate the timing and estimated values of future receipts.
107. Capital receipts are pooled in the Council's capital reserve and are allocated each year in line with corporate priorities. Asset disposals also have revenue benefits by reducing the costs relating to retaining assets, such as business rates, insurance and utility costs.
108. The guidance on the Flexible Use of Capital Receipts, states that authorities may treat expenditure which is incurred in the design of projects that will generate ongoing 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. The Council has reviewed the guidance and expects to identify potential expenditure that meets the eligibility criteria within each financial year.

External Contributions to Capital Expenditure

109. The Council receives contributions from developers towards the provision of public assets or facilities, such as Section 106 contributions to mitigate the impact of their developments.
110. Section 106 agreements are drawn up during the planning process which identifies and addresses the local needs of the community in relation to new developments. The agreement obligates the developer to provide a sum of money to enable the provision of facilities such as play areas and open spaces, increased education placements and road improvements.
111. As at 31st March 2017 the authority held Section 106 balances totalling £13.6m which is expected to increase to £17.6m as at 31st March 2018. The use of the funding is restricted by the terms of the original agreement and the timing of developer contributions is less predictable than other sources.

Other Revenue Contributions to Capital Expenditure

112. Capital expenditure may be funded directly from revenue, but not vice-versa. Overall financial pressure on the Council makes returns on capital investment a key element of the overall financial stability of the Medium Term Financial Strategy. Business cases for schemes with revenue returns will be monitored throughout the year to ensure revenue returns are realised.

Other Economic Factors

113. The Council makes an assessment of its financial position over the next three years by using a model known as the financial scenario. It is based on a series of planning assumptions which were published in the Pre-Budget Consultation 2018-21 issued in November 2017, and updated through the year via the Central Finance Group. Allowance will be made in the 2018/19 budget for other economic factors, such as pay inflation and pension costs, totalling £5.0m.
114. The Budget Report for 2018/19 continues the theme of not including any central allowance for non-pay inflationary pressures on the basis that this is being mitigated by service efficiency proposals, increased charges or specifically bid for as a separate policy proposal.

Employer Pensions Contributions

115. The Workforce Planning section (**Annex 4**) provides further details on the Pensions provision.
116. The decision was made to pay past service pension deficit contributions for the next three years in one advance payment of £45m in April 2017. The discount available from early payment more than offsets the costs of temporary borrowing where required. The forecast benefit over the three year period is around £2m which will support mitigation of future service costs as appropriate. £0.9m of this saving is being taken in 2018/19.

Managing the Reserves Position

117. The Council Reserves Strategy 2018/19 states that the Council will maintain reserves to protect against risk and support investment. The Strategy is updated each year and the latest update is provided in the MTFS 2018-21 Report at **Annex 12**.
118. The Strategy identifies two types of reserves:
- **General Reserves**
Balances in this category are not identified for specific purposes, but will be used to cushion against the impact of emerging events or genuine emergencies.
 - **Earmarked Reserves**
Balances in this category have been set aside for a specific purpose and will either be spent on that purpose or otherwise returned to General Reserves.
- Further details, such as opening and closing balances and protection against financial risks, are contained within the Strategy.

Summary of Financial Stability

119. **Table 11** summarises the position for 2017/18 to 2019/20.

Summary position for 2018/19 to 2020/21 Table 11	Estimated Net Budget 2018/19 £m	Estimated Net Budget 2019/20 £m	Estimated Net Budget 2020/21 £m
Outcome 1	24.8	25.3	25.8
Outcome 2	26.9	27.2	27.6
Outcome 3	46.9	48.3	49.8
Outcome 4	30.5	29.2	29.6
Outcome 5	99.2	104.8	111.0
Outcome 6	30.3	29.9	30.9
Total Outcomes	258.6	264.7	274.7
<i>CENTRAL BUDGETS:</i>			
Capital Financing	10.0	12.0	12.0
Past Pensions Adjustment	0.3	0.2	1.2
Income from Capital Receipts	-2.0	-1.0	-1.0
Contingency	1.0	1.0	1.0
New Homes Bonus Community Fund	1.0	1.0	0.0
Use of / Contribution to Earmarked Reserve	-1.0	0.0	0.0
Additional changes to balance future years	0.0	0.0	-10.0
TOTAL: CENTRAL BUDGETS	267.9	277.9	277.9
<i>FUNDED BY:</i>			
Council Tax	-206.4	-212.7	-219.2
Business Rate Retention Scheme	-43.0	-41.8	-42.3
Revenue Support Grant	-5.4	0.0	0.0
Specific Grants	-12.1	-12.4	-11.2
Sourced from Collection Fund	-1.0	-1.0	0.0
TOTAL: FUNDED BY	-267.9	-267.9	-272.7
Funding Deficit	0.0	10.0	5.2

120. Service expenditure for 2018/19 is shown as **£267.9m**. This represents an increase of £4.1m (1.6%) on the Budget at the [Three Quarter Year Review](#) position.

121. The Funding Available to Services in 2018/19 is estimated at **£267.9m** to give a balanced position.

122. Proposals were received in a Better Business Cases Five Case Model format, with associated Equality Impact Assessments, and were subject to detailed scrutiny by corporate enabling services through several iterations before being accepted into this budget; these business cases will be developed into the delivery phase.

Forecasting the Medium Term Budget 2018/19 to 2020/21

123. The Council has a track record of balancing the revenue budget, spending in-line with the forecasts and maintaining adequate reserves to protect against risk and provide necessary investment.

124. Work with other organisations, as detailed from Para 74 (the “What are we doing about it?” section), will primarily aim to lengthen the planning process. The overall approach to funding is sound, and has been for some time, in that local sources such as Council Tax and Business Rates will fund a greater share of local costs in the future so a pro-growth approach is appropriate.

125. Council funding is now guaranteed to reduce over the medium term and it is almost certain that inflationary pressure on services will continue to increase.

126. The Medium Term Financial Strategy reflects a balanced position for 2018/19 with a mix of specific policy proposals in each Service.
127. The position for 2019/20 and 2020/21 is still a challenge as per the estimates in this document. This position will continue to be addressed during 2018/19 as changes are bedded in and cost pressures are firmed up.
128. The Council adopts a standard five measures approach to balancing the budget and each measure is explored in relation to the medium term balancing of the MTFS. The measures are :

Measure	Description
Measure One ~ Challenge Financial Assumptions	Estimates related to Government funding and inflation in particular are checked against up to date indices and policies.
Measure Two ~ Review Local Taxation	Flexibility in Council Tax and Business Rates is explored in relation to emerging Government policy, demographic changes, local service ambitions and growth in the taxbase.
Measure Three ~ Manage Reserves	The impact of the Council's Reserves Strategy is analysed, particularly in relation to risk and investment.
Measure Four and Five ~ Manage Cost Drivers & Income	Options for future service delivery are challenged to ensure outcomes will be achieved in a cost effective and efficient way.

Options related to each of the five measures are set out below:

Measure	Table 12 – Forecasting the Medium Term Budget
<p>Measure One</p> <p>Challenge Financial Assumptions</p>	<ul style="list-style-type: none"> • In December 2017 the Government issued provisional Core Spending Power figures for the next two years (2018/19 to 2019/20). This confirmed the estimates set out in the 2016/17 Final Settlement released in February 2016 and, due to the submission of our 4-Year Efficiency Plan in October 2016, guarantee the central funding levels for the medium term. • The overall ambition, within the announcements from Government, is to maintain core spending over the life of the parliament in cash terms. • Core Spending Power includes: <ul style="list-style-type: none"> Business Rates <ul style="list-style-type: none"> - Business Rate income will rise with inflation (CPI from 2018/19 rather than RPI previously), as controlled by the Government set multiplier. Above inflation increases of £0.5m per annum (with an additional £0.3m in 2018/19) have been factored in to the Cheshire East medium term financial plans. The increase is prudent due to the current significant risk associated with business rates income. The national revaluation of non-domestic premises implemented in April 2017 may increase appeals levels further. - The Provisional Local Government Finance Settlement in December 2017 announced the Government's aim to increase the local share of business rates retention to 75% in 2020/21. This will be through incorporating existing grants into business rate retention including the Revenue Support Grant, and potentially the Public Health Grant. The remaining 25% central share will be returned to HM Treasury and recycled back to local government. This may increase the level of business rates retained, but makes no actual difference in the level of core funding for the Council. However, a greater share of the growth in business rates will be able to be retained after this time.

Measure	Table 12 – Forecasting the Medium Term Budget
<p>Measure One</p> <p>Challenge</p> <p>Financial</p> <p>Assumptions</p>	<p>Revenue Support Grant (RSG)</p> <ul style="list-style-type: none"> - RSG will reduce to nil by 2019/20 for Cheshire East Council. The Government settlement continues to assume authorities can replace an element of lost grant with Council Tax increases. However this is a local discretion and is subject to referendum limits (increased from 2% to a cap of 3% for 2018/19 before being subject to a local referendum). <p>New Homes Bonus (NHB)</p> <ul style="list-style-type: none"> - Increasing development in Cheshire East means NHB is expected to exceed recent expectations and income from this grant is expected to increase by £0.3m for 2018/19. This is despite changes to the number of years the grant is paid for down from 5 to 4 years for 2018/19. The threshold before growth is calculated remains at 0.4%. - There are to be no further changes, as consulted on, for 2018/19 and £8.6m is forecast for 2018/19. <p>Specific Grants</p> <ul style="list-style-type: none"> - These remain subject to ad-hoc information releases from Government departments. Where no information is available assumptions are used based on the reductions in general funding levels or past trends.

Measure	Table 12 – Forecasting the Medium Term Budget
Measure Two Review Local Taxation	<p>The Council retains the opportunity to review current funding assumptions:</p> <ul style="list-style-type: none"> • Council Tax will rise in line with Government policy and to support Adult Social Care (5.99% in total). • Increases for later years will be reviewed annually but current assumptions are for 1.99% and 1.99% increases per annum in 2019/20 and 2020/21 respectively. • The Council will continue to maximise its tax base through any further flexibility made available by legislation. The potential for development in the area, backed by the Council's continued support for economic growth, is also likely to increase the domestic and non-domestic tax bases over time. • Impacts from the continuation of the local Council Tax Support (CTS) Scheme will be reviewed and scrutinised during the medium term. The scheme may be amended where appropriate, but overall the ambition is to reduce claimant numbers in relation to out of work residents through the promotion of economic growth in the area. • Increasing employment opportunities – through economic growth, resulting in fewer people relying on welfare benefits from the Council and releasing funding for further improvements. • As the potential benefits of investment in local infrastructure are realised local business may engage with the Council to consider the introduction of a Business Rate Supplement to raise funds for specific local purposes. For example, if businesses opted to pay an additional rate of 1p on the rating multiplier they could raise as much over £2m each year, this level of funding could support a 15% increase in the Council's Capital funding costs for an agreed scheme. • There is potential to work with local businesses to introduce business improvement districts for specific purposes. • Continued high collection rates may result in a surplus that can be released to support investment in improved services in the local area.

Measure	Table 12 – Forecasting the Medium Term Budget
Measure Three Manage Reserves	<ul style="list-style-type: none"> • The Council adopts a rigorous approach to managing in-year expenditure. Service heads will sign off their Budget allocations to endorse accountability. In-year reporting will identify variances to budget. • The robustness of the proposals in the budget will improve budget management, significantly reducing the risks of unforeseen budget pressure. A contingency of £1m per annum to mitigate demand pressures has also been introduced from 2018/19. • The Reserves Strategy for 2018-21 aims to maintain adequate reserve levels over the medium term, although emerging risks or opportunities may require short-term use of reserves.
Measures Four and Five Manage Cost Drivers and Income	<ul style="list-style-type: none"> • The Council's current proposals for change are contained within Section 1 of the Medium Term Financial Strategy. Although the financial implications focus on 2018/19, many of these programmes will deliver further savings through to 2020/21 as highlighted by further savings figures in the later two years. • Some of the financial areas being reviewed by budget holders and the Finance Team are: <ul style="list-style-type: none"> - Pay Inflation will be assumed at 2% in the medium term. - Reviewing management control and staffing structures. Expenditure on employees accounts for c.21% of the Council's revenue expenditure on services, and the reviews will look to ensure that the Council operates an effective commissioning model that focuses best fit service providers while achieving cost benefits and efficiency. - Ensuring Corporate back office Services, which account for c.11% of the Council's net budget, continue to reflect changes that are making the Council a smaller organisation. - Challenging discretionary services to ensure these meet priority needs, are paid for in the most effective way or are instead ceased or transferred to alternative providers. - Review and challenge of all Council contracts to ensure the most cost effective services are procured.

Measure	Table 12 – Forecasting the Medium Term Budget
<p>Measures Four and Five</p> <p>Manage Cost Drivers and Income</p>	<ul style="list-style-type: none"> • Maximising development opportunities from the increasing broadband coverage. Increasing commercial development located in Cheshire East would see returns from Business Rate Retention. For example a 1% increase in Business Rates would realise c.£0.4m of additional income per year. • Exploring opportunities to improve health and reduce dependency through integration of the local health programme with key partners. Net expenditure on Adult Services continues to account for c.40% of the Council's budget. This is the largest budget area so managing costs in this area is essential. • Engaging with voluntary, community and faith groups and local town and parish councils to explore ways of transforming service delivery at a local level. There are c.300 such groups already financially engaged with Cheshire East Council and 21% of our population volunteer. The third sector is a powerful economic partner, employing 2.5% of the workforce and generating an income of over £25m per annum, the vast proportion of which is invested back into our local communities and economies. Further opportunities will be explored as part of the Council's Corporate Plan. • Carrying out a further Capital Challenge to ensure the benefits of the ambitious programme are realised. • Promoting "Digital Customer Services" approach across the Council where suitable to improve access to services. • Continuing to rationalise the Council's assets to minimise costs associated with utilities and rates and maximise receipts that can support economic growth outcomes. • Making sure that ways of working maximise the technology we have within the organisation and helping staff to take advantage of expertise and development opportunities that can increase productivity.

Annexes to the Medium Term Financial Strategy Report 2018/21

February 2018

1. Corporate Plan 2018 to 2021



2. Business Planning Process - Engagement

Introduction

- 2.1 Cheshire East Council is conducting an engagement process on its Medium Term Financial Plans through a number of stages running from November 2017 to Council in February 2018, and beyond that as proposals are implemented.
- 2.2 The [Pre-Budget Consultation](#), published on the 7th November 2017, included details of the proposals from each service area for the next three years. This report was made available to various stakeholder groups and through a number of forums.
- 2.3 Where consultation with specific stakeholder groups is required in relation to specific proposals, this is being identified as part of the proposal's High Level Business Case. Therefore, some of the major proposals remain "subject to consultation", that is further targeted consultation activity will be undertaken in advance of those specific proposals being implemented.
- 2.4 The Council acknowledges that such consultation activity may alter the outcome of the final proposal and mean the expected financial impact included within the budget is subject to change. The Council deals with financial risk by factoring into its minimum level of reserves an allowance for negative changes to proposals arising from consultation or delayed implementation.

Background

- 2.5 Local authorities have a statutory duty to consult on their Budget with certain stakeholder groups including the Schools Forum and businesses. In addition, the Council chooses to consult with other stakeholder groups. The Council continues to carry out stakeholder analysis to identify the different groups involved in the budget setting process, what information they need from us, the information we currently provide these groups with, and where we can improve our engagement process.
- 2.6 This analysis helps to inform the consultation process for each Budget and continues to identify additional channels of communication which are used to facilitate consultation with more of our stakeholder groups.

Business Planning Process

- 2.7 The Business Planning Process for 2018-21 followed the standard timescale for consultation and allowed nearly four months for consultation on the [Pre-Budget Consultation](#). The engagement exercise used existing meetings, as well as specific events, to provide a briefing on the Council's Priorities, Outcomes, the Budget Setting Process, and updates on progress for various stakeholder groups. It was based around the proposals that were published in the Council's [Pre-Budget Consultation](#) 2018-21, issued on 7th November 2017 and shared with [Corporate Overview and Scrutiny Committee](#) on 15th November 2017. Two All Member

Finance Briefings were organised for the 28th November and 11th December 2017.

2.9 All the feedback received by the Council, including the use of an online survey, is set out in detail in **Appendix B** to The Councils Medium Term Financial Strategy 2018/21 Report.

2.8 The key events are outlined in **Table 1**.

Table 1 – Key Engagement Events

Event	Date	Comments
Corporate Leadership Team / Cabinet Away Day (1)	6 th June 2017	First consideration of budget changes being proposed.
Cabinet	13 th June 2017	Revenue 2016/17 Outturn.
Cabinet	12 th September 2017	Receive First Quarter Review of Performance.
Corporate Leadership Team / Cabinet Away Day (2)	19 th September 2017	Further update on the process and revisiting of the proposals being considered for consultation.
Corporate Leadership Team / Cabinet Away Day (3)	9 th October 2017	Further update on the process and revisiting of the proposals being considered for consultation.
Corporate Leadership Team / Cabinet Away Day (4)	1 st November 2017	Further update on the process and revisiting of the proposals being considered for consultation.
Cheshire East Council website	7 th November 2017	Pre-Budget Consultation placed on Council's website and Centranet to launch consultation exercise.
Team Voice	15 th November 2017	Issued to all staff and Members to headline release of Pre-Budget Consultation.

Event	Date	Comments
Corporate Overview and Scrutiny Committee	15th November 2017	Received Pre-Budget Consultation and Mid-Year Review of Performance Report.
Cabinet	7 th November 2017	Received the Mid-Year Review of Performance Report.
Trades Unions	7 th November 2017	Considered Pre-Budget Consultation .
All Member Briefing (1)	28 th November 2017	Considered Pre-Budget Consultation .
Cabinet	5 th December 2017	Consider the Domestic and Non-Domestic Tax Base for recommendation to Council.
Schools Forum	7 th December 2017	Considered Pre-Budget Consultation .
Council	14 th December 2017	Agree the Domestic and Non-Domestic Tax Bases .
Provisional Funding announcements	19 th December 2017	From Central Government
All Member Briefing (2)	11 th December 2017	Considered Pre-Budget Consultation .
Third Quarter Review of Performance – Challenge sessions	11 th to 21 st December 2017	Provided updated baseline spending calculations for services and potential impact on calculations proposed within the MTFS.
South Cheshire Chamber of Commerce Business Event	11 th January 2018	Considered Pre-Budget Consultation .

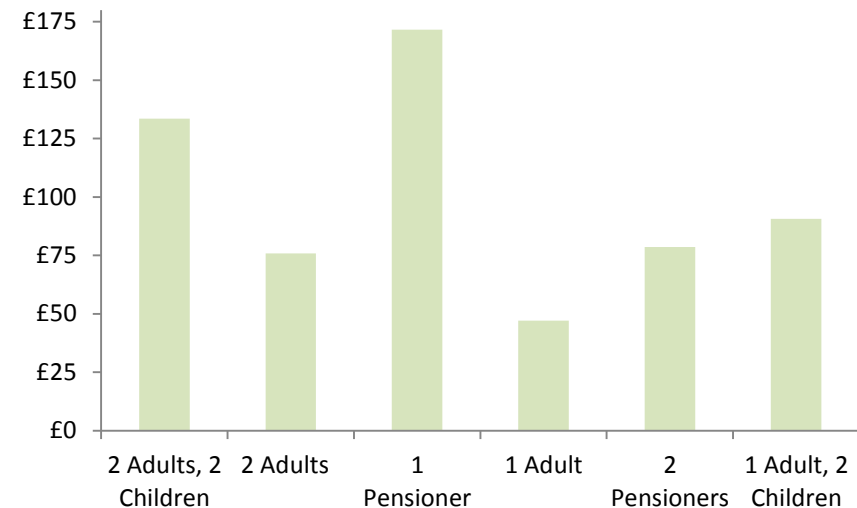
Event	Date	Comments
Children & Families Overview and Scrutiny Committee	15th January 2018	Considered Pre-Budget Consultation (relevant budget areas)
Environment & Regeneration Overview and Scrutiny Committee	23rd January 2018	Considered Pre-Budget Consultation (relevant budget areas)
Macclesfield Chamber of Commerce Business Event	24 th January 2018	Considered Pre-Budget Consultation .
Corporate Overview and Scrutiny Committee	1st February 2018	Receive MTFS Report / Review Final Budget Proposals
Cabinet	6th February 2018	Received the Third Quarter Review of Performance Report. Consider MTFS Report and recommend proposals to Council
Town and Parish Council Conference	20 th February 2018	Engagement event with local town and parish councils
Council	22nd February 2018	Debate and approval of 2018/19 budget

3. Impact Assessment

Household Calculator

- 3.1 The 2018/19 Budget is the result of a major process to set a balanced budget that can meet the needs of local people in the local environment. The details of the Budget have been set out in previous sections in terms of financial stability and allocation to services. This section considers the impact of the Budget on typical groups of service users in terms of the changes they may see and the charges they may pay.
- 3.2 A number of assumptions must be made in relation to property sizes and service usage. The Council uses existing data to inform this process.
- 3.3 **Chart 1** below illustrates the annual impact on six typical households accessing a variety of different services if a blanket increase in line with Retail Price Index (RPI), as at November 2017, were to be applied.

Chart 1: Without a strategic approach households could face £47 to £172 increases in costs if simple inflation was applied to charges

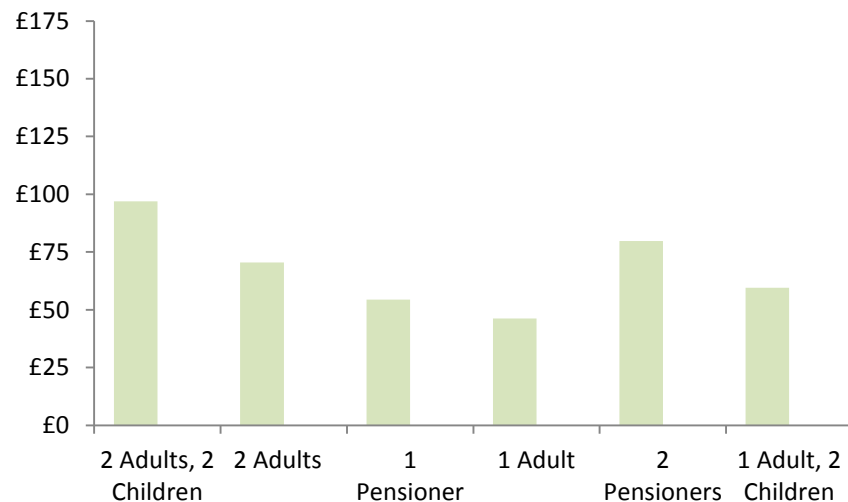


Source: Cheshire East Finance

- 3.4 Every service within the Authority is refining and updating a Charging and Trading Strategy which sets out the rationale for setting / changing fees and charges within that area.
- 3.5 The Strategies calculate full cost of the service being provided and therefore set out the resulting subsidy or surplus each time a charge is made. This will then be used to inform the setting of future levels of fees and charges to ensure fairness and that the Council meets any statutory obligations.

3.6 **Chart 2** below illustrates the anticipated annual increases per household when applied to the same variety of services.

Chart 2: Forecast increases in costs are split appropriately across all groups



Source: Cheshire East Finance

3.7 The anticipated average increase per household is £68. This is £32 lower than an average increase of £100 if RPI at 3.9% had been applied across all services. Fees and charges in these typical household examples are not forecast to rise for 2018/19 and council tax is forecast to rise by 5.99%.

Note:

Typical households are made up as follows:

- 2 Adults with 2 Children living in a Band E property
- 2 Adults no Children living in a Band C property
- 1 Pensioner living in a Band D property
- 1 Adult (not Pensioner) living in a Band B property
- 2 Pensioners living in a Band D property
- 1 Adult with 2 Children living in a Band D property.

Each household average is based on typical use of chargeable services expected for that category such as school meals, libraries and environmental, and leisure services.

3.8 Further details on the impact on businesses, communities and the environment are shown in **Table 1** on the following pages.

Table 1: Impact of the 2018/19 Budget Proposals on Businesses

Typical Facts:

- Non Domestic Rates are set by Government
- Supplementary Rates could be set by Cheshire East Council
- Businesses are liable to pay some Fees and Charges (for example licensing)



Working with Businesses

The Council takes a pro-active role in engaging with and supporting local businesses. They are the engines of our economy, and the Borough's future prosperity is driven by their capacity to thrive and grow.

Cheshire East Council established the Skills and Growth Company as a new 'arms-length' company in April 2016, to bring together existing skills and growth services under one structure. Their objective is to ensure the Council can deliver more for less, achieving greater innovation and benefits for businesses and residents. The company supports businesses to maximise growth, funding and investment opportunities; increase the availability and take-up of apprenticeships, support people into work, help to create jobs and stimulate economic growth and innovation.

In their first year they helped create 988 new jobs which in turn resulted in an increase in Gross Value Added of £84m and a projected business rate income of £470,000. The company supported 232 high growth businesses, large employers and inward investment enquiries which led to £15m of capital investment, £18m of revenue spend and an increase in floor space of 561,000 sq ft.

The Council has made significant commitments to the regeneration of Crewe town centre, acting as a catalyst for further private sector investment as the town prepares itself as a HS2 station location in 2027. Over the 2018-21 period, over £25m will be invested through the use of external funding, the Council's capital budget and the strategic use of its own land and property. By taking a mixed use approach that incorporate leisure, retail, public realm and event space, this will enhance the attractiveness of Crewe to its significantly growing resident base and increase confidence in the development and investment sectors.

In Macclesfield the Council also remains committed to town centre regeneration with plans to invest in the public realm of the town centre in addition to facilitating private development to widen the town centre leisure offer with the objectives of boosting the evening economy and enhancing the visitor experience to encourage higher footfall and additional private investment. Further regeneration initiatives over the 2018-21 period are also under consideration through the ongoing development of the Macclesfield Town Centre Revitalisation Strategy.



Government sets new Business Rates multipliers for 2018/19

- The multiplier for 2018/19 will increase by CPI following the Chancellor's announcement in the Autumn Budget on 22nd November 2017. The multiplier has previously increased by RPI and was due to change to CPI in 2020, but the Chancellor has brought this forward by two years. The provisional multiplier has been set as follows:-
 - Provisional 2018/19 Standard Multiplier at 49.3p* in the £.
 - Provisional Small Business Multiplier 48.0p** in the £.

* Includes supplement to fund small business relief.

** All occupied properties with a rateable value below £51,000 are charged using the lower multiplier – except for those ratepayers receiving mandatory rate relief.

New Transitional Scheme for 2017 rating list

- The transition scheme will continue to help businesses that would face a large increase or decrease in their rates payable following the revaluation. Any relief under the new transition scheme will be automatically calculated and will appear on rate demands issued from 1st April 2018.

Small Business Rate Relief (SBRR)

- The Government announced in the budget in March 2016 that SBRR will permanently double.
- Thresholds for relief for SBRR were amended following the revaluation in 2017. Properties with RV below 12,000 where the ratepayer meets the criteria will receive 100% relief and properties between 12,000 and 15,000 will receive tapered relief.
- Continuation of amended SBRR criteria to allow businesses in receipt of SBRR to keep it for one year when they take on an additional property that would currently cause them to lose SBRR, in order to help small businesses with expansion costs.

Rural Rate Relief

Mandatory relief for rural businesses will continue at 100% for qualifying properties.



Spring Budget Reliefs

In the Spring Budget the Chancellor announced 3 new reliefs for businesses affected by the revaluation of 2017. All reliefs are fully funded by the Government.

- Pub Relief - £1,000 in 2017/18 for pubs with RV below £100,000. This relief has been extended in the Autumn Budget to include 2018/19.
- Supporting Small Business (SSB) – Relief for those ratepayers who have lost SBRR or rural rate relief as a result of the revaluation. This relief limits the increase in rates to £600 pa.
- Discretionary Revaluation Relief – Cheshire East Council will receive £1.3m over four years to grant relief to ratepayers who have faced an increase in rates payable as a result of the revaluation. The relief will be available as shown in the table below:

Amount of discretionary revaluation relief awarded (£)				TOTAL £
Year 1 2017/18	Year 2 2018/19	Year 3 2019/20	Year 4 2020/21	
756,541	367,463	151,308	21,615	1,296,928

Relief will be provided to properties with a RV of up to and including £100,000. In 2017/18, the scheme will award all eligible ratepayers 70% of the increase in rates due to the revaluation from 2016 to 2017 (a de-minimus value of £50 will apply). In most cases the relief will be awarded automatically without the need for application. Ratepayers who may have state aid implications will be required to make an application for relief. The Council will review the percentage awarded for each new financial year to take account of the funding available from Central Government.

Supplementary Business Rates

There are no proposals for Cheshire East Council to charge supplementary rates in 2018/19.



Local Retention of Business Rates

From 1st April 2013 Cheshire East Council retains c.28% of any local growth in the rates generated through increased occupancy of commercial premises subject to certain tolerances. The Medium Term Financial Strategy (**Annex 6**) sets out the Council's ambition and forecast income from promoting economic development.

Local Discretionary Rate Relief

Cheshire East Council has the discretion to award rate relief to any ratepayer. Applications are considered on an individual basis. Relief would only be awarded where it was in the Council Tax payer's interest to do so.

Other measures to support local businesses with business rates

Continuation of the option to spread business rates bills over 12 months rather than 10 months.

Council Partners and Stakeholders



Councillor Arthur Moran was appointed as Mayor on 17th May 2017. He is Cheshire East's ninth Mayor and represents the Nantwich North and West Ward.

For Example:

Town and Parish Councils, Health, Fire, Police, Schools, Colleges, Universities, Community, Voluntary and Faith Organisations, Housing Providers, Community Partnerships.



The Council proactively works with partners to deliver services in Cheshire East. We seek to commission and deliver jointly with our partners, both across Cheshire East and at a local level. We are working with partners to focus our joint resources on early intervention and prevention, and supporting the development of resilient, self-reliant communities.

The Council will continue its work with Town and Parish Councils to develop local service delivery options including the transfer of assets and devolution of services where appropriate.

The Council is committed to further developing and managing collaborative partnership working in local areas to deliver services as locally as possible and to develop strong communities. We are leading activity to secure outcomes based on understanding the needs of the community through:

- Developing our strategic partnerships across Cheshire East to enable joint commissioning and improve integration of local services.
- Bringing local partners together to better share resources and redesigning public sector services across Cheshire East to better meet local needs.
- Connecting Communities through our new and ambitious approach agreed by Cabinet in December 2016.
- This connecting communities approach will enable us to:
 - Engage communities to identify and be involved in addressing their local issues.
 - Promote and support community networks, neighbourhood and town partnerships to further develop communities with a stronger sense of neighbourliness.
 - Deliver differently in neighbourhoods which provide services where local people will use them, so that services are delivered in the way which gives best value for local people.
 - Work collaboratively with partners to deliver against our joint rural priorities, and to rural proof key decisions.
 - Work with partners and communities to ensure that local people feel safe and are safe in their communities.
 - Develop positive relationships between the Council and the community, voluntary and faith sector, at both a local and strategic level, and supporting the sectors to become commissioning ready.
 - Invest in our Community Grants scheme to ensure communities can develop their initiatives.

The Local Environment



Cheshire East Council is committed to continuing to reduce its energy consumption and carbon emissions from its buildings and will continue to develop strategies during 2018/19, and beyond, to reduce the environmental impact of its activities.

The Council has achieved its Carbon Management Plan target of reducing carbon emissions by 25% by March 2016 - a full two years early. The target for reducing energy use in its corporate buildings was increased and by 2016 it had achieved a 43% reduction. The Council has embedded carbon reduction into its service delivery and is developing a 2020 vision that will aim to reduce carbon emissions by a further 20% across all corporate buildings. Improvements are planned undertaking a wide range of carbon reducing projects:

- Energy saving measures and property rationalisation in our own Council buildings to continue to reduce our carbon footprint including the major refurbishment of heating and ventilation equipment in two leisure centres.
- Reducing carbon emissions from its own vehicles by undertaking a fleet review that will include the trialling, where possible, of alternative refuse collection technologies including new fuel technology such as electric and hybrid variants and vehicles that can run on compressed natural gas.
- The Highway service carbon reduction programme set a target of a 27% reduction in carbon from street lighting by March 2016 supported by the Council's £5.2m capital investment in street lighting. The target was exceeded with 31% savings achieved from two completed initiatives:
 - a Borough wide replacement of traffic signal lamps with LEDs. Carbon reduction delivered - 6%.
 - the conversion of traditional street lights to LED on the Borough's inter urban routes. Carbon reduction delivered - 25%.
- The strategy continues to make good progress with a three year programme (2016 – 2019) to convert 24,000 street lights to LED in residential areas. Year 1 and 2 are complete with the final year commencing March 2018. Overall target is to deliver a further reduction in carbon of 27%.
- Reducing the impact of our staff travel through a number of measures including changes to staff travel rates and promotion of alternatives to single car occupancy.

Equality and Diversity



The Council recognises that promoting equality and diversity will improve public services for everyone. Cheshire East wants to be an area of equal opportunity, where everyone has a fair chance and people from all backgrounds take part in community life. The aim, therefore, is to make equality an integral part of the way the Council works by putting it at the centre of everything it does.

It is important to consider all individuals when carrying out day-to-day work. To ensure this, services provide equality analysis for everything carried out as a way of considering the effect on different groups protected from discrimination by the Equality Act 2010.

The Equality Impact Assessment (EIA) process helps to consider if there are any unintended consequences for each of the 'protected characteristics' of age, disability, gender reassignment, marriage and civil partnership, maternity and pregnancy, race, religion or belief, sex and sexual orientation.

An EIA is carried out on:

- new functions, policies, procedures and services as they are developed
- significantly altered functions, policies, procedures and services
- Overtime, on existing functions and policies.

For all of the budget proposals an EIA has been carried out where appropriate. For some of the proposals presented it is recognised that these are still very much at a concept stage, therefore for these an initial screening has been carried out with the expectation that a full and detailed EIA will be completed in due course.

4. Workforce Strategy

Complex world

- 4.1 We are living and working in a complex world where residents and communities have high expectations of both business and public services.
- 4.2 Greater resident and community choice and control is driving the shape of public services, with a growing public expectation that services will meet their needs, helping them achieve personal goals and aspirations. This becomes even more challenging within this era of austerity and the significant financial pressures that all public services face.
- 4.3 Doing more of the same won't work. Increasing demand, greater complexity, rising expectations and severe financial constraints mean that the current situation is not sustainable. Tomorrow's solutions will need to engage people as active participants, delivering accessible, responsive services of the highest quality. We don't have all of the answers to the challenges that we face. We need to work closely with other partners and providers in all sectors to find new ways to design and deliver services across the public sector and to seize the opportunities as they emerge.
- 4.4 As the rules of delivering public service are being re-written, making people and relationships the key to sustainable success is more important than ever. Only through deepened relationships with and between employees, partners, residents and communities will the Council innovate and adapt quickly enough whilst maintaining service delivery. Tomorrow's solutions will need to bring together the diverse

skills and talents and unlock the potential of people across the public sector.

Connected Council

- 4.5 Consciously building and strengthening connections in the way we lead, manage and work together within and across the Council, with members, partners and our communities is at the heart of our workforce strategy. We aim to build a more connected council and workforce through:
 - **Purpose and direction** – ensuring our workforce have a common understanding of why they exist as an entity, a clear sense of what they are trying to achieve and the strategy to get there around which people can unite and flourish.
 - **Authenticity** – leaders who act in a way that is in line with our FIRST values and who build relationships of trust and respect.
 - **Devolved decision making** – the sharing of power across the organisation with decisions being made as close to the customer as possible, whilst key strategic decisions are made centrally.
 - **Collaborative achievement** – close working within and across teams and organisations so that end to end processes work efficiently and effectively.
 - **Agility** – colleagues are encouraged to share what they learn and to operate in a culture that supports experimentation.

People Plan 2018/19

- 4.6 Placing the right people in the right places at the right times is at the heart of the Council's success. To support and enable the delivery of the Council's ambitious plans, eight workforce priorities come together to form the Council's Connected People Plan.
- 4.7 **Organisation Design** – to provide change management support to services, enabling our workforce to be flexible and adaptable in a rapidly changing local, regional and national environment.
- 4.8 **Recruitment, Resourcing and Retention** – to review the Council's recruitment process and undertake a strategic workforce assessment. Create career pathway plans including talent management planning across the Council.
- 4.9 **Connected Council** – to develop and implement a leadership and management model and development strategy which increases leadership impact and facilitates cultural change.
- 4.10 **Employee Development** – to continue to develop highly skilled and competent professionals who operate safe practice and risk awareness and can work effectively across internal and external boundaries as the structure and form of public service changes.
- 4.11 **Engagement and Wellbeing** – to continue to build employee engagement with particular focus on improving staff wellbeing, resilience and attendance management, to ensure our workforce are engaged and performing at the highest level.

- 4.12 **Pay and Rewards** – to monitor and review approaches to pay to meet business needs and further develop financial and non-financial rewards and employee benefits, whilst meeting equal pay and gender pay gap requirements.
- 4.13 **Service Delivery** – to further develop and clarify the HR offer to ensure a safe, healthy and supportive environment, which equips the workforce to contribute effectively and reach their potential.
- 4.14 **HR Business Development** – to ensure the Council's HR service is in the best position to fully support the delivery of business priorities and exploit further business opportunities.

Productivity

- 4.15 Further savings will be realised through a combination of a reduction in consultancy and agency requirements and core staffing costs alongside increased productivity and further workforce initiatives. Working closely with Members, Trade Unions and staff, consultation will take place to ensure that resources are maximised and service changes are based on resident and community need.

NJC Pay Spine Review

- 4.16 Local Government national negotiations for 2018/19 and 2019/20 are underway.
- 4.17 The national employers have made a final pay offer to the unions of a two year deal for the period 1st April 2018 to 31st March 2020. This will be an average pay increase on the

national pay bill of 2.7% in year 1 and 2.8% in year 2. This final offer is in response to the Unions claim for 5% this year and has yet to be agreed.

- **Year 1 (2018/19)**

The lowest spinal points 6-19 will be increased to meet the significant national living wage pay gap potentially making the lowest spinal point £8.50 per hour. Spinal point 20 and above will receive a 2.0% pay increase.

- **Year 2 (2019/20)**

In this year the offer looks to gain further headroom over the national living wage increase due in 2019. The bottom spinal point will become £9.00 per hour. In addition it is proposed that the bottom twelve pay scales will be merged into six new points starting at new point one. 2% increases will be applied from new spinal point 23 onwards.

Living Wage

- 4.18 The Council implemented a Local Living Wage on 1st November 2015 of £7.85 per hour. The National Living Wage is due to increase to £7.83 per hour on 1st April 2018, and is projected to rise to £9 per hour by 2020.
- 4.19 As outlined in the previous section regarding the NJC Pay Spine Review it is anticipated that the proposed changes to the spinal points will make the need for a Local Living Wage obsolete as the lowest NJC scale point will significantly exceed the Councils local living wage from 1st April 2018.

Apprenticeship levy

- 4.20 Through the Finance Act 2017, the payment of an apprenticeship levy became a statutory requirement from April 2017. The levy is paid by employers (including the public sector) on 0.5% of the pay bill. All employers receive an annual allowance of £15,000 to offset against their levy, meaning that the levy only applies to employers whose annual wage bill is £3m or above. The Council's total liability is forecast to be approximately £689,000 per year. The Government tops this fund up by 10% and it is then made available to employers through a digital account. This account is then accessed to fund the training costs of apprenticeships. If funds are not spent within 24 months, they revert to the Government.
- 4.21 From April 2017, a duty for public sector companies to have 2.3% of their workforce to be made up of apprentices was also introduced by the Government. Based on current headcount, this is estimated to be 180 apprenticeship new starts for the Council each year, including ASDVs and maintained schools. This can be made up of new apprentices or existing members of staff undertaking an apprenticeship qualification. Increasing the number of new apprentices to the organisation will increase salary costs as will releasing existing staff to undertake the off-the-job training required for an apprenticeship.

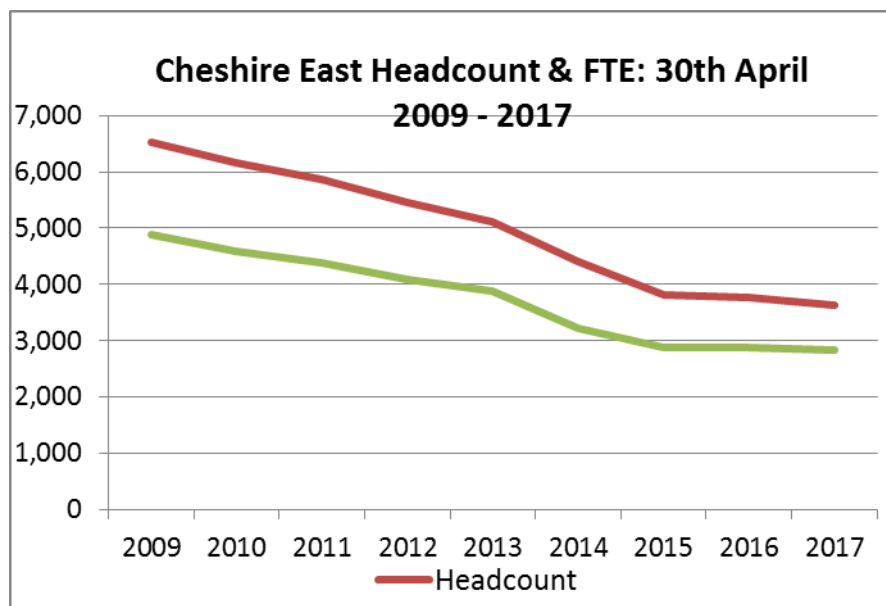
Pension – employer contribution review

4.22 A valuation of the Cheshire Pension Fund was undertaken to determine the employer contribution rates for the Local Government Pension Scheme which came into effect from 1st April 2017. An increase in employer contribution rates of 1.5% has been factored into the figures within this report.

4.23 Between April 2009 and September 2017 the Cheshire East Council employee headcount has reduced by 45%, and the overall number of full time equivalent (FTE) Cheshire East Council employees has decreased by 42%. Reductions of more than 10% between April 2013/14 and April 2014/15 are attributable to the restructuring of services and the TUPE transfer of staff to Alternative Service Delivery Vehicles.

Headcount analysis and trend

Chart 1: Cheshire East Headcount & FTE



Workforce <i>Increasing productivity through workforce planning whilst meeting our statutory obligations regarding pay inflation and ensuring non-essential staff travel and supplies are minimised.</i>		2018/19 £m*	2019/20 £m*	2020/21 £m*
Pay and Pensions Allocation (Revenue Investment) (91) Increases in employee related costs over the medium term. Items covered by this proposal include spinal point incremental increases for eligible staff, annual nationally negotiated pay awards, sleep in payments, holiday payments and annual employer pension contribution increases of 1.5%. An element of the increases will be offset by vacancy provisions therefore an overall increase of 2% on pay budgets has been provided for in each year.				
PEOPLE		+2.662	+4.727	+6.792
PLACE		+0.913	+1.759	+2.606
CORPORATE		+1.948	+4.029	+6.109
<i>Impact on Cross Service Budgets =</i>		+5.523	+10.515	+15.507
<i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18. Values are not cumulative</i>				

Workforce <i>Increasing productivity through workforce planning whilst meeting our statutory obligations regarding pay inflation and ensuring non-essential staff travel and supplies are minimised.</i>	2018/19 £m*	2019/20 £m*	2020/21 £m*
<p>Mutually Agreed Resignation Scheme (Revenue Savings) (92)</p> <p>Overall revenue budget savings, from reductions in post numbers, can be achieved through MARS. The principles for the MARS scheme were developed from the NHS Staff Council Section 20 national agreement and recommended as good practice for NHS Trusts to support them to alleviate the need for future redundancies and to reduce costs. It has also been used to increase flexibility for an employer to address rapid change and service redesign. Since then the scheme has become more widely utilised and now operates in Local Government and Education.</p> <p>The Council is developing a local MARS as reported to Staffing Committee (25th January 2018) and Cabinet (6th February 2018).</p> <p>As the scheme is mutual, and managed by application, the total ongoing savings are estimated in full as part of this proposal and will only be allocated to specific budgets once applications are completed and approved. Beneficial consequences of staff leaving the organisation through a MARS scheme include the creation of opportunities not always available under compulsory/voluntary redundancy arrangements, short term payback of any up-front costs, mutual agreement from employer and employee as well as associated productivity and moral benefits from this not being a competitive process.</p> <p style="text-align: right;"><i>Impact on Cross Service Budgets =</i></p>	<p style="text-align: right;">-1.500</p>	<p style="text-align: right;">-1.500</p>	<p style="text-align: right;">-1.500</p>
<p><i>*Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.</i></p> <p style="text-align: right;"><i>Values are not cumulative</i></p>			

Evidence of Achievement

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

1. Employee engagement index
2. Employee turnover
3. Sickness absence
4. Ratio of agency workers to employed staff
5. Number of staff with performance development plans and performance ratings

5. Risk Management

- 5.1 The Council recognises that there are risks involved in everything it does and that it has a duty to manage threats and opportunities in a balanced, structured and cost effective way. In doing this the Council is better placed to achieve its objectives and enhance the services it provides.
- 5.2 The Council is committed to the effective management of risks, both threats and opportunities. The aim is not to have risk eliminated completely from Council activities, but rather to ensure that every effort is made to maximise potential opportunities and minimise the adverse effects of risk.
- 5.3 In this constantly evolving environment; with a need to continually adapt internal organisation to meet legal requirements, economic challenges, urban changes, and demographic and social changes; decision makers need a strong risk management framework to anticipate risks that may arise suddenly or unexpectedly and to respond to changes in need.
- 5.4 The Council has a Risk Management Policy Statement and Strategy which gives the scope, direction and priorities for risk management activity across the Council.
- 5.5 Underpinning the strategy and policy are risk management procedures articulated in a framework document. Taken together, the documents provide practical guidance to assist Officers and Members in the identification, evaluation and control of risks that may impact upon the achievement of corporate and service level objectives and priorities. The Corporate Assurance Group (CAG) and Risk Management Sub Group (which include officer and portfolio holder representation) were involved in the development of the policy, strategy and procedures within the framework.
- 5.6 Risk management is integrated into service planning and decision making to ensure that:
 - Risks are recognised and responded to appropriately throughout business management and decision making lifecycles.
 - Risk activity is focused on the delivery of key organisational objectives.
 - Risk registers are critically examined and refreshed throughout the year.
- 5.7 Against the backdrop of continued fiscal austerity, the Council is looking to the future with a sense of confidence in its ability to deliver on an ambitious agenda. As we look to 2021, there will also be new threats and opportunities arising and so the Council's corporate risk register continues to be monitored and updated. The Corporate Leadership Team and Cabinet are included as part of the process to review existing and dying risks and to identify new and emerging risks.
- 5.8 A risk around financial resilience is included as a corporate risk and general reserves are focused on the Council's potential exposure to risk. In addition, where a particular area has been identified as specific risk or investment opportunity, then an amount will be earmarked for that specific purpose.
- 5.9 A contingency budget has been included in the revenue budget of £1m per annum from 2018/19 as per the table overleaf.

	2018/19 £m*	2019/20 £m*	2020/21 £m*
Contingency Revenue Budget (96) As the Council is facing significant uncertainty in the medium term it is appropriate to build in flexibility to the annual revenue budget. Inclusion of a £1m contingency, that can be reviewed annually, will alleviate pressure on general reserves, and can help with managing financial issues from one year to the next. Appropriate use of the contingency would be reported during the year as part of the Council's quarterly reporting process.			
<i>Impact on Central Budget =</i>	+1.000	+1.000	+1.000
* Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18 . Values are not cumulative			

6. Business Rates – Forecasting over the medium term

- 6.1 The Government introduced the Business Rates Retention Scheme on 1st April 2013. There has been much uncertainty around the scheme as a result of appeals to the local list. This has resulted in the need to create and build upon a specific earmarked reserve and provision for appeals to protect against large fluctuations in any given year. This Annex provides an illustration of how the scheme has worked over time and what changes are likely over the medium term including estimates of future income.
- 6.2 The basic concept is that a baseline position is established and an element of growth over and above that can be retained. Central Government set the baseline over which growth is measured but the Council can budget on locally set figures. This can be informed by the NNDR1 form which contains estimates that must be provided to Government at the end of January each year.
- 6.3 As part of the last two budget cycles, growth estimates above baseline were calculated and the taxbase has been monitored to assess the robustness of those estimates. This has proved to be reasonably accurate so far for 2018/19 and beyond, the methodology is continuing to be used to estimate growth and this income has been included in the funding assumptions contained within this document. The methodology has been set out below.
- 6.4 For 2017/18 the NNDR1 return is forecasting retained rates above the funding baseline (of £39.7m) for Cheshire East to be £1.3m giving a contribution to the revenue budget of £41.0m. This budget above the baseline is accounting for the growth projections plus levy savings that were forecast as part of the 2017-20 Medium Term Financial Strategy report.
- 6.5 A Non Domestic taxbase for 2018/19 was formally reported to Cabinet and Council in December 2017 which included current hereditaments valued at 2017 levels following the national revaluation in April 2017. Work has been carried out to estimate new business growth in the area and this was included in the calculation for the taxbase. More information on the Business Rates taxbase for 2018/19 and the background on the Business Rates Retention Scheme is available in the report that was approved at [Council](#) on 14th December 2017.
- 6.6 The use of the Collection Fund Management Earmarked Reserve, to hold differences between the NNDR1 and the outturn position, continues to provide an element of protection against future risks.
- ### Available Data
- 6.7 The Council has gathered information 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.

- Financial Strategy & Reporting knowledge of the BRRS calculations.

2019/20 and 2020/21 has been factored into the medium term budget forecast based on the information below.

Method

- 6.8 This available data has been reviewed to generate broad estimates of the potential increase in Rateable Value (RV) over the medium term.
- 6.9 An allowance has been made for the average impact of timing delays, on appeals, on other RV nearby (displacement) and likely loss of RV.
- 6.9 The end result has been converted to business rates and processed via a BRRS model developed and maintained by Strategy Finance.
- 6.10 This model also takes account of any impact of pooling.

Results

- 6.11 **Table 1** sets out the results.
- 6.12 Retained rates income forecast from growth in the taxbase for 2018/19 is forecast to be £2.1m. After the central share and levy payments have been made it results in a net increase for Cheshire East of £0.79m as per **Table 1**.
- 6.13 The mix of data sources and balance of results provides a good indication that this methodology is creating a reliable baseline for future estimates in this area. Therefore, the estimate of £0.8m growth in 2018/19 and a further £0.5m in

Table 1 - Estimated Increased Net Business Rates Income (incremental)		
Business Type	2018/19	2019/20
	£m	£m
Retail	0.81	0.85
Offices	0.70	0.00
Manufacturing	0.52	0.12
Leisure	0.02	0.01
Other	0.00	0.25
Total Net Growth	2.05	1.23
Total Retention for Cheshire East	0.79	0.47

Source: Cheshire East Finance

7. The Budget Setting Process

Set Parameters	Gather Evidence	Consult and refine	Approve																																																																								
May to June 2017	July 2017 to October 2017	November 2017 to January 2018	February 2018																																																																								
Assumptions reported to Cabinet / Council in Feb 2017: <table><tr><th>Revenue Budget 2018/19</th><th>£m</th><th></th></tr><tr><td>Cost of services</td><td>260.2</td><td>➔</td></tr><tr><td>Local Taxation</td><td>-245.0</td><td>➔</td></tr><tr><td>Government Funding</td><td>-15.2</td><td>➔</td></tr><tr><td>Council Tax Collection Fund</td><td>0.0</td><td>➔</td></tr><tr><td>Total</td><td>0.0</td><td></td></tr></table>	Revenue Budget 2018/19	£m		Cost of services	260.2	➔	Local Taxation	-245.0	➔	Government Funding	-15.2	➔	Council Tax Collection Fund	0.0	➔	Total	0.0		Develop Pre-Budget Consultation: <table><tr><th>Review Assumptions</th><th>£m</th><th></th></tr><tr><td>Additional growth pressures forecast (post Feb 2017)</td><td>+6.6</td><td>➔</td></tr><tr><td>Revise down draft savings proposals (post Feb 2017)</td><td>+5.0</td><td>➔</td></tr><tr><td>Further Local Tax Base increases</td><td>-2.5</td><td>➔</td></tr><tr><td>Minimum Revenue Provision policy change</td><td>-4.0</td><td>➔</td></tr><tr><td>Additional New Homes Bonus Forecast</td><td>-0.5</td><td>➔</td></tr><tr><td>Other Central Budget Changes</td><td>-4.6</td><td>➔</td></tr><tr><td>Total</td><td>0.0</td><td></td></tr></table>	Review Assumptions	£m		Additional growth pressures forecast (post Feb 2017)	+6.6	➔	Revise down draft savings proposals (post Feb 2017)	+5.0	➔	Further Local Tax Base increases	-2.5	➔	Minimum Revenue Provision policy change	-4.0	➔	Additional New Homes Bonus Forecast	-0.5	➔	Other Central Budget Changes	-4.6	➔	Total	0.0		Changes post Pre-Budget Consultation: <table><tr><th>Confirm Proposals</th><th>£m</th><th></th></tr><tr><td>Proposed changes following consultation period</td><td>+1.9</td><td>➔</td></tr><tr><td>Additional council tax increase (up to 5.99%)</td><td>-1.9</td><td>➔</td></tr><tr><td>Funding estimates further refined following Provisional Settlement</td><td>-1.8</td><td>➔</td></tr><tr><td>Reduction in use of reserves</td><td>+1.8</td><td>➔</td></tr><tr><td>Total</td><td>0.0</td><td></td></tr></table>	Confirm Proposals	£m		Proposed changes following consultation period	+1.9	➔	Additional council tax increase (up to 5.99%)	-1.9	➔	Funding estimates further refined following Provisional Settlement	-1.8	➔	Reduction in use of reserves	+1.8	➔	Total	0.0		Budget Report: <table><tr><th>Latest Position</th><th>£m</th></tr><tr><td>Cost of services</td><td>267.9</td></tr><tr><td>Local Taxation</td><td>-249.4</td></tr><tr><td>Government Funding</td><td>-17.5</td></tr><tr><td>Council Tax Collection Fund</td><td>-1.0</td></tr><tr><td>Total</td><td>0.0</td></tr></table>	Latest Position	£m	Cost of services	267.9	Local Taxation	-249.4	Government Funding	-17.5	Council Tax Collection Fund	-1.0	Total	0.0
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8. Revenue Grant Funding

Corporate Grants Register 2018/19	Revised Budget 2017/18 £000	Forecast 2018/19 £000	Forecast 2019/20 £000	Forecast 2020/21 £000
SPECIFIC USE (Held within Services)				
People				
Schools				
Dedicated Schools Grant	257,470	265,521	265,521	265,521
Less Academy Recoupment	120,283	121,550	121,550	121,550
Dedicated Schools Grant (Cheshire East)	137,187	143,971	143,971	143,971
Pupil Premium Grant (maintained schools only)	3,720	3,348	3,348	3,348
Pupil Premium Plus (maintained schools only)	928	927	927	927
Sixth Form Funding (maintained schools only)	4,098	4,098	4,098	4,098
Universal Infant Free School Meals	2,586	2,586	2,586	2,586
Physical PE Sports Grant	1,077	1,077	1,077	1,077
School Improvement Monitoring and Brokering Grant	165	283	283	283
SEND Implementation Grant	239	0	0	0
Milk Subsidy	32	32	32	32
Total Schools	150,032	156,322	156,322	156,322
Children & Families	603	498	498	498
Adult Social Care	9,022	10,244	11,222	4,185
Public Health	16,833	16,400	15,967	15,552
Total People	176,490	183,464	184,009	176,557
Place				
Growth and Regeneration	1,157	197	0	0
Planning and Sustainable Development	121	0	0	0
Directorate	787	0	0	0
Total Place	2,065	197	0	0
CORPORATE				
Customer Operations	76,425	70,391	70,391	70,391
Total	76,425	70,391	70,391	70,391
TOTAL SPECIFIC USE	254,980	254,052	254,400	246,948

Corporate Grants Register 2018/19	Revised Budget 2017/18 £000	Forecast 2018/19 £000	Forecast 2019/20 £000	Forecast 2020/21 £000
GENERAL PURPOSE (Held Corporately)				
Central Funding				
Revenue Support Grant	13,415	5,416	0	0
PEOPLE - Children and Families				
Troubled Families (including Coordinator)	654	195	195	0
Staying Put Implementation Grant	113	0	0	0
Remand Funding	7	0	0	0
Adult Skills (Lifelong Learning)	706	706	706	706
Extended Rights to Free Transport	123	0	0	0
PEOPLE - Adult Social Care and Independent Living				
Independent Living Fund	917	888	861	818
Local Reform and Community Voices	201	0	0	0
Social Care in Prisons	77	0	0	0
War Pension Scheme Disregard	64	0	0	0
Adult Social Care Support Grant	1,457	0	0	0
PLACE				
Lead Local Flood Authorities	14	15	16	0
Neighbourhood Planning Grant for Local Planning Authorities	60	0	0	0
Homelessness Reduction Act - new burdens	50	37	47	0

Corporate Grants Register 2018/19	Revised Budget 2017/18 £000	Forecast 2018/19 £000	Forecast 2019/20 £000	Forecast 2020/21 £000
GENERAL PURPOSE (Held Corporately)				
CORPORATE - Customer Operations				
Housing and Council Tax Benefit Administration	1,209	1,073	1,073	1,073
NNDR Administration Grant	506	566	509	459
Universal Support Grant	62	0	0	0
Business Rates Relief Schemes: Payments of New Burdens 2017/18	12	0	0	0
Discretionary Funding for Business Rates Relief 2017/18	378	0	0	0
CORPORATE - Chief Operating Officer				
New Homes Bonus	8,254	8,563	9,080	8,194
New Homes Bonus: Returned Funding Grant 2017/18	96	0	0	0
Education Services Grant	641	0	0	0
Transitional Funding	2,974	0	0	0
Transition to Individual Electoral Registration 2017/18	64	0	0	0
TOTAL GENERAL PURPOSE	32,054	17,459	12,487	11,250
TOTAL GRANT FUNDING	287,034	271,511	266,887	258,198

9. Capital Grant Funding

	Prior Years Grant Received £000	Expected Receipt 2018/19 £000	Application of Grants in 2018/19 £000	Expected Receipt 2019/20 £000	Application of Grants in 2019/20 £000	Expected Receipt Future Years £000	Application of Grants in Future Years £000
SPECIFIC PURPOSE (Held Corporately)							
PEOPLE							
Education and 14-19 Skills							
School Condition Grant 2018/19	0	2,166	2,164	0	2	0	0
School Condition Grant 2019/20	0	0	0	1,862	1,862	0	0
School Condition Grant 2020/21	0	0	0	0	0	1,560	1,560
Capital Maintenance Grant	5,054	0	5,054	0	0	0	0
Devolved Formula Capital 2016/17	169	0	169	0	0	0	0
Devolved Formula Capital 2017/18	499	0	295	0	204	0	0
Devolved Formula Capital 2018/19	0	435	0	0	171	0	264
Devolved Formula Capital 2019/20	0	0	0	370	0	0	370
Basic Need Grant 2015/16	0	0	0	0	0	0	0
Basic Need Grant 2016/17	2,236	0	2,236	0	0	0	0
Basic Need Grant 2017/18	4,692	0	4,692	0	0	0	0
Basic Need Grant 2018/19	0	15,054	15,054	0	0	0	0
TOTAL PEOPLE	12,650	17,655	29,664	2,232	2,239	1,560	2,194

	Prior Years Grant Received £000	Expected Receipt 2018/19 £000	Application of Grants in 2018/19 £000	Expected Receipt 2019/20 £000	Application of Grants in 2019/20 £000	Expected Receipt Future Years £000	Application of Grants in Future Years £000
SPECIFIC PURPOSE (Held Corporately)							
PLACE							
Growth and Regeneration							
Disabled Facilities Grant 2017/18	350	0	350	0	0	0	0
Disabled Facilities Grant 2018/19	0	1,750	1,750	0	0	0	0
Disabled Facilities Grant 2019/20	0	0	0	1,750	1,750	0	0
Disabled Facilities Grant 2020/21	0	0	0	0	0	1,750	1,750
Crewe Town Centre Regeneration / Local Growth Fund	0	1,800	1,800	6,095	6,095	1,505	1,505
Rural and Green Infrastructure							
Rights of Way Improvement Plan Cycle/Walking Schemes	251	0	251	0	0	0	0
Tatton Vision / Heritage Lottery Funding	33	0	33	0	0	0	0
Client Commissioning							
Connecting Cheshire Digital 2020 - Super Fast Broadband	0	4,094	4,094	2,515	2,515	0	0

	Prior Years Grant Received £000	Expected Receipt 2018/19 £000	Application of Grants in 2018/19 £000	Expected Receipt 2019/20 £000	Application of Grants in 2019/20 £000	Expected Receipt Future Years £000	Application of Grants in Future Years £000
SPECIFIC PURPOSE (Held Corporately)							
PLACE							
Infrastructure and Highways							
A51/A500 Corridor Nantwich	0	0	-131	0	0	0	0
A6 MARR CMM / Department for Transport	0	7	7	0	0	0	0
Congleton Relief Road / Local Growth Fund	0	0	0	45,000	45,000	0	0
Crewe Green Roundabout / Local Growth Fund	0	2,046	2,046	0	0	0	0
Hibel Road Junction	0	0	0	3,500	3,500	0	0
Incentive Fund 2018/19 / Department for Transport	0	1,751	1,751	0	0	0	0
Incentive Fund 2019/20 / Department for Transport	0	0	0	1,751	1,751	0	0
Incentive Fund 2020/21 / Department for Transport	0	0	0	0	0	1,751	1,751
Integrated Transport Block 2018/19 / Department for Transport	0	1,804	1,804	0	0	0	0
Integrated Transport Block 2019/20 / Department for Transport	0	0	0	1,804	1,804	0	0
Integrated Transport Block 2020/21 / Department for Transport	0	0	0	0	0	1,803	1,803
Macclesfield Movement Strategy / Local Growth Fund	0	40	40	0	0	0	0
Maintenance Block 2018/19 / Department for Transport	0	8,409	8,409	0	0	0	0
Maintenance Block 2019/20 / Department for Transport	0	0	0	8,409	8,409	0	0
Maintenance Block 2020/21 / Department for Transport	0	0	0	0	0	8,409	8,409
Poynton Relief Road / Local Growth Fund	0	1,200	1,200	20,299	20,299	1,701	1,701
Safer Road Fund / Department for Transport	880	0	880	0	0	0	0
Sydney Road Bridge / Local Growth Fund	0	3,356	3,356	0	0	0	0
TOTAL PLACE	1,514	26,257	27,640	91,123	91,123	16,919	16,919
TOTAL SPECIFIC PURPOSE - CAPITAL GRANT FUNDING	14,164	43,912	57,304	93,355	93,362	18,479	19,113

10. Capital Strategy

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Executive Summary

10.1 Cheshire East Council's financial strategy includes a programme of capital investment aimed at two fundamental objectives:

- **Boosting local economic prosperity** through the delivery of projects such as building roads, creating new infrastructure, supporting education and supporting regeneration.
- **Maximising value for money from Council assets** by creating and maintaining Council owned assets that help services achieve outcomes or financial returns.

10.2 The Council will stop receiving many revenue Government grants by 2020 which means that Council services will need to be self-reliant and only funded from Council Tax payments, Business Rates and direct charges for services. Achieving self-reliance will be supported by creating economic growth, or other financial returns from assets in a way that can be sustained.

10.3 This Strategy provides a framework and significant guidance on developing the Council's Capital Programme in a way that is affordable and can deliver the Council's Corporate Objectives as well as setting out the approach to capital investment and decision making processes.

Five Principles

10.4 Five Principles underpin the Capital Strategy for Cheshire East Council:

1. Capital expenditure is priority based and is aligned with the Council's Corporate Plan outcomes.
2. The financial implications of capital projects are aligned with the Medium Term Financial Strategy.
3. Capital projects will be focussed on delivering the best return on investment.
4. Decisions in relation to the programme will follow a clear framework.
5. There will be a corporate approach to generating and applying capital resources.

10.5 The Strategy is driven by the Council's Corporate Plan protecting and enhancing the "Quality of Place" in the Borough and supporting the wellbeing of our local residents through the Council's strategic outcomes.

F Jordan

Frank Jordan

Executive Director of Place and Acting Deputy Chief Executive

Comment from the Section 151 Officer

10.6 The Capital Strategy forms a key part of the Council's Medium Term Financial Strategy (MTFS). It will be reviewed each year alongside the MTFS and will support my opinion in determining the robustness of the Council's financial plans.

10.7 In particular the capital strategy:

- takes account of significant revenue implications
- provides a framework for the management and monitoring of the capital programme
- creates the process for bidding for additional capital resources
- sets out the approach to funding capital expenditure

10.8 The Strategy also sets out the Council's processes for:

- setting the financial parameters for capital expenditure in the medium term
- confirming the flexible use of capital receipts in the medium term
- the option appraisal of capital project proposals
- deciding on the prioritisation of capital projects
- monitoring and evaluating approved schemes

10.9 The Strategy also incorporates confirmation of the Council's Minimum Revenue Provision and gives details of the Prudential Indicators.

J Willis

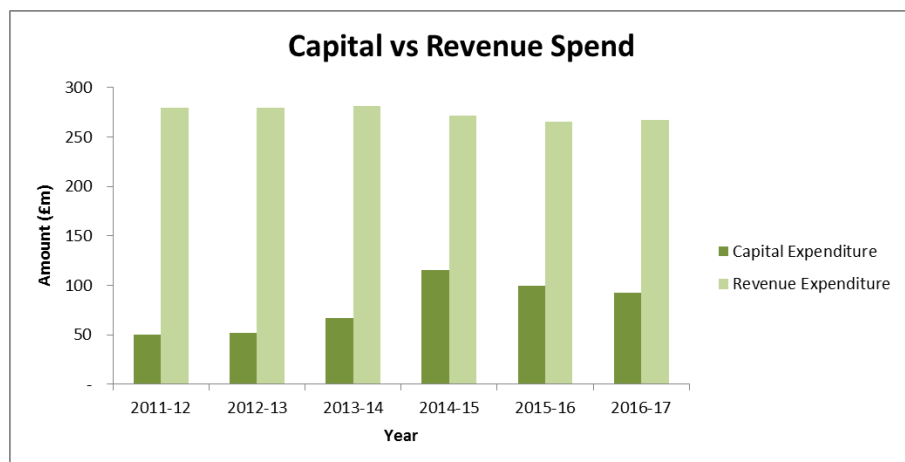
Jan Willis CPFA MBA

Interim Executive Director of Corporate Services
(Section 151 Officer)

1. Introduction

10.10 As a public sector organisation, with assets in excess of £850m, Cheshire East Council must have a robust capital strategy that is clearly related to the corporate objectives; linked with infrastructure and asset planning; and includes a consistent approach to funding capital investment.

10.11 The capital programme, which is developed in line with the Strategy, is the list of capital projects that the Council plans to undertake within a given timeframe.



10.12 The programme is approved in line with the Council's Constitution and covers a minimum period of three years. It is reviewed annually by Council. The programme may include projects that require a longer time to develop and design and these will remain in the programme for many years.

10.13 Capital planning is about capital investment or expenditure, as distinct from revenue expenditure or running costs. The Chartered Institute of Public Finance and Accountancy (CIPFA) definition of capital expenditure is:

Definition of Capital Expenditure

"An expenditure on assets that will provide a benefit to the organisation beyond the current financial year including expenditure on purchase of new assets, creation of new assets and enhancing and/or extending the useful life of existing assets."

A more detailed definition of capital expenditure, as it applies to UK local authorities, is contained in *Practitioners' Guide to Capital Finance in Local Government* (CIPFA, 2012).

10.14 The accounting treatment of capital will be in accordance with International Accounting Standard 16 *Property, Plant and Equipment*.

10.15 Capital investment will be subject to due process, and assurance will be provided that ensures plans are prudent, affordable and sustainable in accordance with the Prudential Framework (the Prudential Framework being an umbrella term for a number of statutory provisions and professional requirements that allow authorities largely to determine their own plans).

10.16 Non capital expenditure will normally fall outside the scope of the framework and be charged to revenue in the year that it occurs. If expenditure meets the definition of capital, there

may be opportunities to finance the outlay from capital receipts or by spreading the cost over future years' revenues.

- 10.17 The capital strategy is the foundation of long-term planning of capital investment and how it is to be delivered. Robust processes are relied upon to ensure projects are evaluated and prioritised, and approved to the programme along with the resources to fund it. This requires clear parameters to be set at the beginning of the process, clarity about the information that must be supplied with each project proposal and clear criteria, related to the organisation's corporate objectives, for prioritising projects.
- 10.18 In determining how much capital investment to undertake, the Council will consider the long-term impact of borrowing and other forms of capital funding on their revenue budgets. The same principle applies to the use of leases, public-private partnerships and outsourcing arrangements to procure public assets.
- 10.19 Delivering the capital programme requires efficient programme management, project management and procurement, as well as appropriate systems for corporate monitoring, control and scrutiny.

Capital Strategy Principles

- 10.20 Five Principles underpin the Cheshire East Council Capital Strategy. The principles will be adhered to by members and employees of the Council and the Section 151 Officer will determine the framework for administering and monitoring the effective application of the principles.

The Five Principles of the Capital Strategy

1. Capital expenditure is priority based and is aligned with the Council's priorities.
2. The financial implications of capital projects are aligned with the Medium Term Financial Strategy and the Asset Management Plan.
3. Capital projects will be focussed on delivering the best return on investment. This will be demonstrated through:
 - infrastructure which will generate local economic growth
 - investment in new service delivery models that provide reductions in revenue expenditure
 - improvements in the Council's asset base that generate a financial return or provide cost effective avoidance of future expenditure.
 - Capital Projects will be externally funded or supported by private sector investment in a way that maximises the Council's financial interest in the asset
 - Borrowing will be appropriate based on the lifetime benefits of a scheme and all investments will be subject to strong control arrangements and risk analysis.
 - The impact of financing capital expenditure will be capped to ensure value for money is maintained. This will be reviewed annually to ensure it remains appropriate in terms of the expected return on the overall investment.
 - Capital investment will follow an agreed set of prudential limits and indicators in order to demonstrate that plans and borrowing are affordable, prudent and sustainable.
4. Decisions in relation to the programme will follow a clear framework.
5. There will be a corporate approach to generating and applying capital resources.

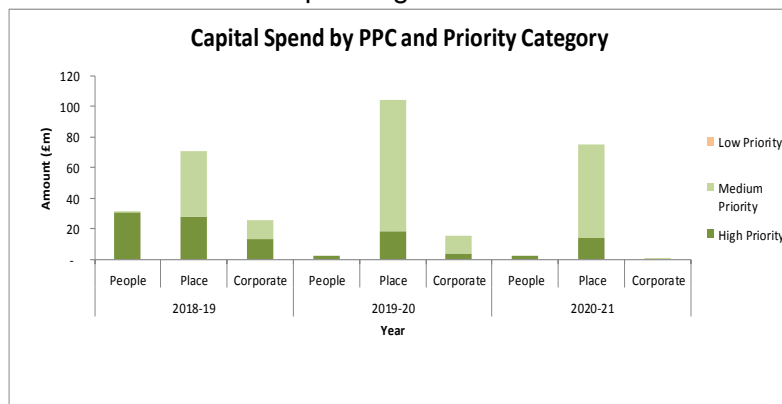
10.21 These principles will be achieved through a process of prioritisation, setting financial parameters, asset management and managing risk as set out in the following chapters.

2. Prioritisation of Expenditure

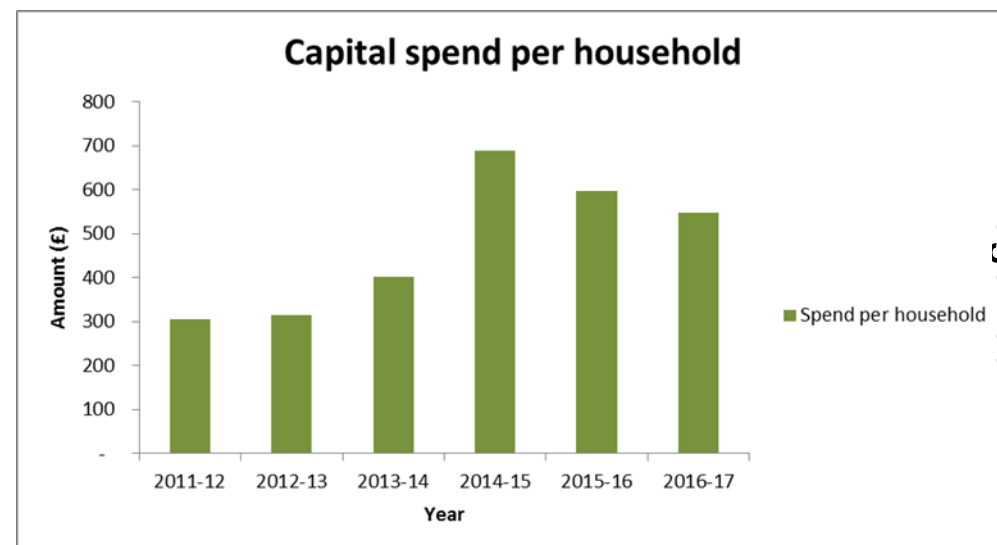
10.22 Capital Projects will be submitted for approval to the Council's Capital Programme based on how they will meet the needs of the Council as expressed in the Corporate Plan and how they adhere to the Principles of the Capital Strategy.

10.23 Capital ambitions in most councils exceed the potential capital resources, particularly given recent funding cuts and demand pressures in the public sector. Cheshire East Council will manage this issue by making decisions, about which projects will be included in the approved capital programme, by prioritising projects on a variety of factors.

10.24 The Capital Strategy stands above operational strategies that are needed for key services such as housing, transport, education and other spending areas.



10.25 The Council agrees a rolling three year programme each year consistent with the Capital Strategy and the resources available. The current three year capital programme includes investment plans of £0.3 billion. 67% of the funding is planned to come from Government grants or contributions from other external partners. In addition, 6% will come from the Council's work to maximise the value of asset sales to support development in the local area.



10.26 The budget process has also identified £0.2 billion of new projects which will require business cases to be developed prior to being submitted for approval to be added to the Capital Programme.

10.27 The starting point for the Capital Strategy is the Council's Corporate Plan and identification of the aims for capital investment that will help to achieve these outcomes.

1. Our local communities are strong and supportive
2. Cheshire East has a strong and resilient economy
3. People have the life skills and education they need in order to thrive
4. Cheshire East is a green and sustainable place
5. People live well and for longer
6. Cheshire East Council is a responsible, effective and efficient organisation

10.28 High Level Business Cases (HLBCs) will allow projects to be compared, so must be written in a consistent format.

10.29 The format of a HLBC will be defined by the Section 151 Officer and will include:

- Strategic Case
- Economic Case
- Commercial Case
- Financial Case
- Management Case

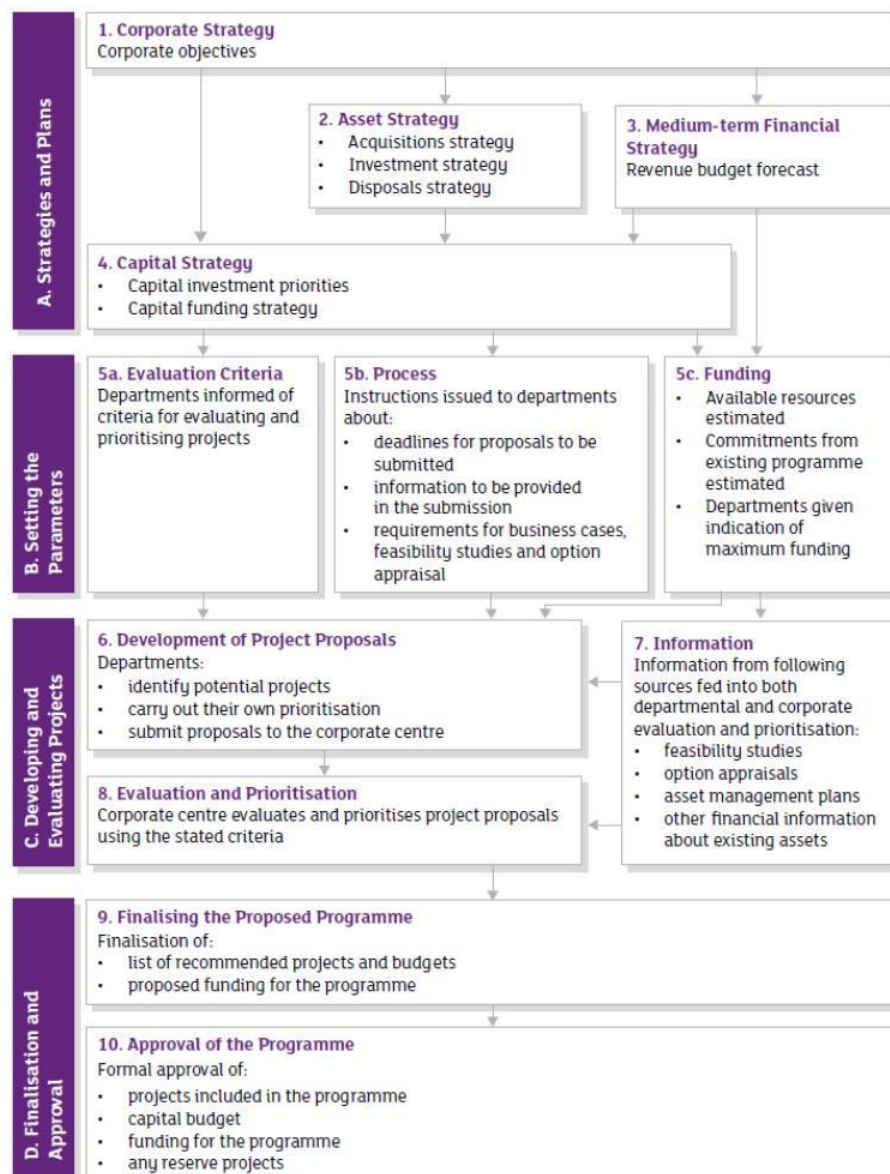
10.30 HLBCs will allow projects to be analysed so should provide supporting information where this explains the business case further. The Section 151 Officer will determine the level of training required by business case authors.

10.31 The Section 151 Officer will analyse submitted business cases in accordance with the five Principles of the Capital Strategy and then grade each project as High, Medium or Low priority in accordance with the following table:

Priority	Description
High	Vital repairs and maintenance of existing assets
	An agreed service provision that is defined within the MTFS
	Projects required to meet compliance and legislative needs
	Fully funded by external sources
Medium	Self-funding projects with high level financial returns
	Cost effective repairs and maintenance of existing assets
	Projects with positive financial returns
Low	Part funded projects of strategic importance to outcomes
	Cosmetic repairs and maintenance
	Unfunded projects without financial returns
	Other projects

10.32 High Priority projects are most likely to be recommended for approval within the capital programme. Medium Priority projects will only be recommended if funding is available within the financial parameters of the MTFS, however they are likely to be recommended for inclusion on the programme addendum. Low priority projects are unlikely to be recommended for approval unless specific strategic importance is associated with the project, or public demand is significant.

10.33 **Annex A** provides the current Capital Programme for the Council with a clear indication of the priority status of each project.



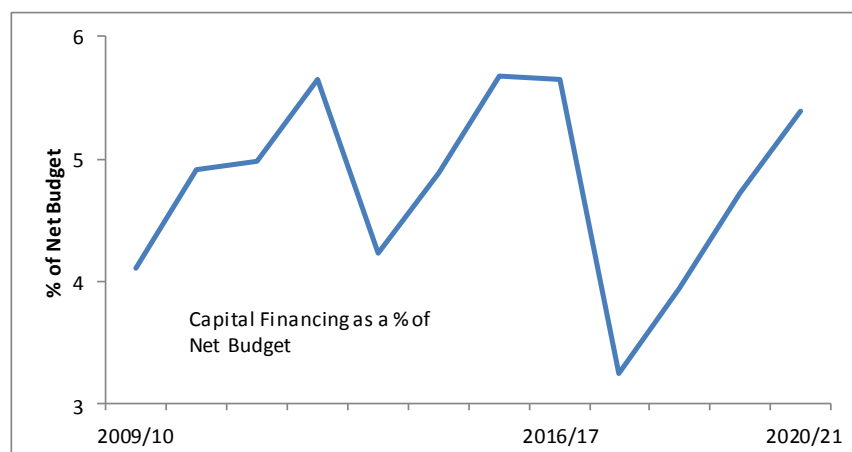
3. Financial Controls

Setting Financial Parameters

- 10.34 The Medium Term Financial Strategy (MTFS) provides the overall basis for budget forecasts and annual budget planning both in terms of revenue and capital expenditure. This describes the activities to be carried out over the next three years to achieve the corporate priorities and objectives and the revenue and capital resources which will be needed to deliver those improvements.
- 10.35 In each financial year the Council will review and agree:
- A Capped Level for the Capital Financing Budget (CFB)
 - The Flexible Use of Capital Receipts
- 10.36 These values set the parameters of affordability for projects within the Capital Programme.
- 10.37 As part of the Budget Setting process for each financial year the Financial Parameters will be reviewed by the Portfolio Holder for Finance, and proposals will be put forward as part of the Council's [Pre-Budget Consultation](#). In considering the value of the Financial Parameters the Portfolio Holder will consider forecast outturn data and emerging issues.
- 10.38 The Section 151 Officer will invite bids for Capital Expenditure on a quarterly basis, and present a full capital programme to Council at each Budget Council meeting prior to the start of each financial year. Bids will be presented as High Level Business Cases by Executive Directors following consultation with elected Members. The Section 151 Officer will determine the prioritisation of bids (see **Section 2**) and the financial implications on the MTFS to assess whether bids are

affordable within the Financial Parameters of the Capital Strategy and will then report their findings to members for appropriate information and/or approval in line with the Financial Procedure Rules.

- 10.39 If the value of the CFB is likely to vary from the Strategy in any year the Portfolio Holder will consider options to top-up or draw-down temporarily from the Financing Earmarked Reserve and will report this approach to members.
- 10.40 Current forecasts are that the CFB will continue at 4% to 5% of the Net Revenue budget in the medium term.



- 10.41 **Table 1**, provides the Financial Parameters for the period 2018/19 to 2020/21, followed by the strategy behind each element of the calculation.

Table 1: Financial Parameters for 2018/19 to 2020/21

Parameter	Value (£m)			Notes
	2018/19	2019/20	2020/21	
	£m	£m	£m	
Repayment of Borrowing				
Minimum Revenue Provision*	10.0	12.9	13.7	
External Loan Interest	3.8	3.7	3.6	
Investment Income	(0.3)	(0.3)	(0.3)	
Contributions from Services Revenue Budgets	(0.9)	(1.0)	(1.9)	See Annex B for Schedule of contributions
Total Capital Financing Costs	12.6	15.3	15.1	
Use of Financing EMR	2.6	3.3	1.1	
Actual CFB in MTFS	10.0	12.0	14.0	Capped Level of CFB
*Capital Receipts targets	4.3	4.3	10.0	
Flexible use of Capital Receipts	2.0	1.0	0.0	

* Anticipated MRP based on achieving capital receipts targets

Repayment of Borrowing

- 10.42 The Section 151 Officer will use professional judgement, supported by application of the CIPFA Prudential Code to determine an appropriate approach to the repayment of borrowing. At all times the impact on taxpayers past, current and future will be considered in determining an approach that reflects value for money.
- 10.43 The Minimum Revenue Provision (MRP) Statement (**Annex E**) sets out the Council's responsibility to ensure it makes adequate provision for funding the consequences of its capital investment decisions.
- 10.44 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).
- 10.45 The Section 151 Officer will consider advice from CIPFA, Central Government, Treasury Management Advisors, and External Auditors in determining the policy on MRP.
- 10.46 External loan interest payments will be determined by the Section 151 Officer in accordance with the Council's Treasury Management Strategy.
- 10.47 The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

Investment Income

- 10.48 The Treasury Management Strategy determines the approach and financial limits associated with providing a financial return on the Council's investment portfolio.
- 10.49 The Section 151 Officer, with advice from treasury management advisors, is responsible for considering the prudent level of available balances in any year and then assessing risk against potential financial returns to determine a level of income to be achieved from investments.
- 10.50 The Council's strategy is to utilise the net financial returns from investments to reduce the overall Capital Financing Budget.

Contributions from Services

- 10.51 All business cases supporting capital expenditure will include full analysis of the financial implications of the scheme alongside a clear indication of how the financial implications will be managed within the Medium Term Financial Strategy.
- 10.52 When including any scheme in the Council's Capital Programme the Section 151 Officer will determine the appropriate impact on the Revenue Budget. This impact will require service budgets within the MTFS to fund either all, part or none of the net capital costs of the scheme.
- 10.53 In making a determination about funding capital schemes from revenue budgets the level of potential revenue savings or additional revenue income will be considered. If a capital scheme will increase revenue costs within the MTFS, either from the future costs of maintaining the asset or from the costs of financing the capital expenditure, then the approach to

funding such costs must be approved as part of the business planning process before the scheme can commence.

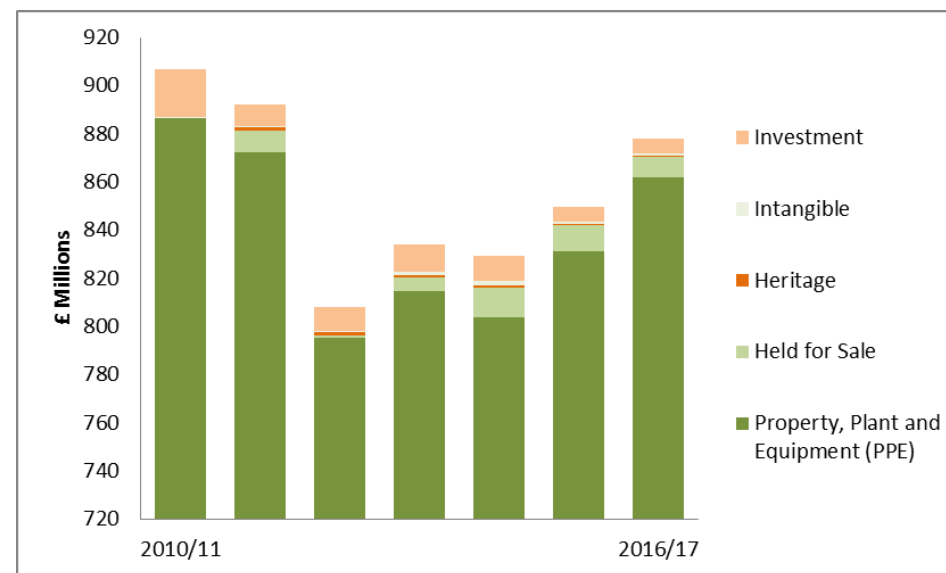
- 10.54 The Council's strategy is to use revenue contributions to the Capital Programme to reduce the overall Capital Financing Budget as shown in **Annex B** to the Capital Strategy.

Use of Financing Earmarked Reserve

- 10.55 To allow a longer term approach to setting the Financial Parameters of the Capital Strategy the Council will maintain an earmarked reserve to minimise the financial impact of annual variations to the Capital Financing Budget.
- 10.56 The Council's Reserves Strategy determines the appropriate use of reserves and how they are set up and governed. In the first instance any under or overspending of the CFB within any financial year will provide a top-up or draw-down from the Financing Earmarked Reserve. In balancing the CFB over the period of the MTFs the Section 151 Officer may also recommend appropriate use of the Financing Earmarked Reserve over the period.
- 10.57 The Council's current strategy is to draw-down up to £7m from the Financing Earmarked Reserve for the period 2018/19 to 2020/21.

Capital Receipts

- 10.58 Asset disposals can provide receipts that can be utilised to fund capital expenditure and therefore reduce the overall level of the Capital Financing Budget.



- 10.59 The Council will therefore maintain a co-ordinated approach to disposal, and acquisition, of assets to achieve sustainable services and value for money. The Council's overarching approach will consider the impact of disposals and acquisitions across five key areas:

- 1 Housing provision
- 2 Financial returns to the Council
- 3 Improvement of infrastructure
- 4 Regeneration
- 5 Community facilities

- 10.60 Council Plans, such as the Local Plan, Local Transport Plan, Farms Strategy and Asset Management Plans, set the strategic framework for significant land and property asset disposals and acquisitions associated with these key areas. In each financial year the net impact of these plans will allow the

Section 151 Officer, in consultation with the Executive Director for Place, to determine the net impact of disposals and acquisitions on the CFB.

10.61 The Council's current strategy is to realise net receipts of £18.6m for the period 2018/19 to 2020/21 and that these receipts will support two financial aims:

1. Reduce the overall Capital Financing Budget.
2. Support Transformation costs of £3m (see below).

Flexible use of Capital Receipts

10.62 Central Government's Statutory Guidance on the Flexible Use of Capital Receipts requires local authorities to prepare and publish a Strategy before the start of each year, setting out their planned use of this flexibility, listing the planned projects and the expected savings or service transformation outcome for each project, and the impact on the local authority's prudential indicators.

10.63 From the second year onwards the Strategy should also report on the outcomes of previous years' projects. **Annex C** provides details of the plans under this part of the strategy.

10.64 The Council's strategy is to utilise up to £3m of capital receipts to support Transformation Projects over the period 2018/19 to 2019/20.

Funding Capital Expenditure

10.65 The inclusion of schemes within the Council's capital budget is intrinsically linked with the way schemes can be financed. This ensures that the affordability of the capital programme

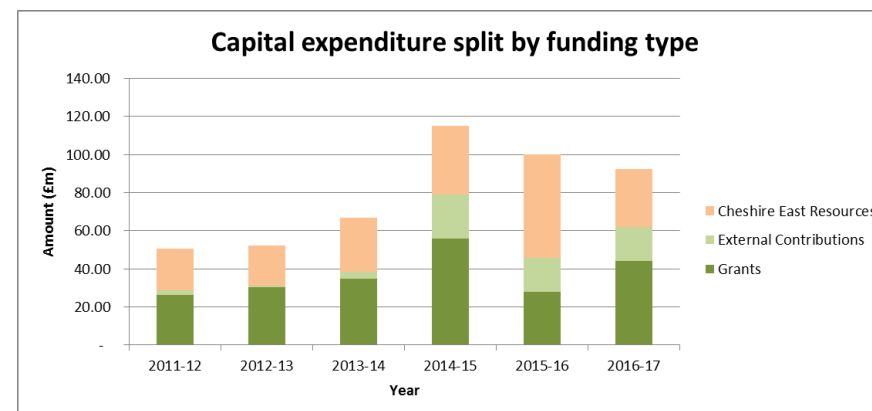
reflects the organisation's long-term objectives rather than short-term expedience.

10.66 The Council's strategy is to fund capital expenditure in the first instance from sources other than the Council's Capital Financing Revenue Budget.

10.67 The Council has a good track record of producing business cases that are supported by Government and then backed by subsequent grants and for aligning expenditure with local developments that are then backed by external developer contributions.

10.68 Main forecasted income sources are:

- Government Grants (£170m / 52%)
- Other external contributions (£50m / 15%)
- Receipts from Council Assets (£19m / 6%)



10.69 Capital budgeting differs from revenue budgeting because:

- the need for capital investment tends to fluctuate year on year to a much greater degree than the need for revenue spending
- there is usually significant discretion over how or when to make use of the capital funding that is potentially available, e.g. to determine the level of borrowing and the use made of capital receipts in a particular period
- there is usually significant discretion over when particular capital projects take place. Capital budgets, unlike revenue budgets, can usually be carried forward from one year to another
- many public sector organisations are able to fund capital expenditure from sources that they are not permitted to use to fund revenue expenditure, such as borrowing.

10.70 The Section 151 Officer will therefore use judgement, as part of the medium-term financial planning process, to determine how schemes can be accommodated within the overall programme, depending on the organisation's overall financial position and its capital investment priorities.

10.71 The Council will ensure every effort is made to provide value for money from capital expenditure, and to maximise the local benefits from capital projects, the Council will always target alternative funding sources before committing to contributions from the funding parameters set within the MTFS. All high level business cases will therefore contain reference to benefits realisation.

10.72 All high level business cases will include information on how alternative funding sources have been considered. All capital scheme budget managers will also provide regular updates on the status of all funding sources, as required by the Section

151 Officer. Funding sources will be categorised as either 'received', 'contractually committed' or 'in negotiation'.

4. Investment and Risk Strategy

Risk

10.73 The Council is faced with diminishing capital finance and reduced access to grants and external funding. Spend will need to be monitored effectively against available funds. However, less dependence and more self-reliance will tend to reduce the exposure to risk.

10.74 A risk management framework is in place and the core of this framework is set out in the Corporate Risk Management Strategy and Corporate Risk Register. In addition to the Corporate Register, each directorate has its own operational risk register which integrates the relevant directorate performance strategy, improvement plans and budgets. In accordance with the HM Treasury Five Case model, a detailed Risk Assessment must be completed for each capital scheme.

10.75 Supporting the Council's budget with adequate reserves is a key element to creating financial resilience and a flexible approach to transferring money from general and earmarked reserves provides protection for Council Tax Payers against year on year fluctuations in expenditure.

10.76 The significant resources applied to capital expenditure require the adopted principles of value for money to be at the heart of this strategy. Effective procurement is therefore essential and the Council seeks to apply rigorous procurement standards in the selection of suppliers and contractors throughout the life of a project.

- 10.77 The Capital Programme should be kept under review having regard to the prevailing economic climate, property market and Government policy. Capital receipts estimates should therefore be kept under review with any significant changes reflected in reporting.
- 10.78 Cheshire East's strong tax base and independence provides financial stability and offers some "local protection" from the impact of national economic fluctuations and total spending per head of population is below average when compared to neighbouring authorities. Given this national and local context, overall financial risk profile should continue to reduce.

Background Papers

10.79 Section 1 – Introduction

CEC Accounts
CEC Budget
CEC Quarterly Reviews
CEC VFM Docs
CIPFA

10.80 Section 2 – Asset planning

Better Practice Guide on the Strategic and Operational Management of Assets by Public Sector Entities (Commonwealth of Australia, 2010)

Highway Infrastructure Asset Management Guidance (Highways Efficiency Management Programme/Department for Transport, 2013)

Hot Property: Getting the Best from Local Authority Assets (Audit Commission, 2000)

Local Authority Asset Management Best Practice (RICS, 2009)

Managing Council Property Assets (Audit Commission, 2014)

Public Sector Property Asset Management Guidelines 2nd Edition (RICS, 2012)

Room for Improvement: Strategic Asset Management in Local Government (Audit Commission, 2009)

10.81 Section 3 – Developing a capital strategy

Capital Strategy and Corporate Asset Management Plan 2013 – 2016 Handbook (Bournemouth Borough Council, 2013)

Guidebook on Capital Investment Planning for Local Governments (World Bank, 2011)

10.82 Section 4 – Developing a capital programme

Capital Project Proposal Scoring (Report to Wrexham County Borough Council's Finance and Performance Scrutiny Committee, 15th March 2012)

The Green Book: Appraisal and Evaluation in Central Government (HM Treasury, 2003)

Option Appraisal: A Practical Guide for Public Service Organisations (CIPFA, 2011)

10.83 Section 5 – Capital budgeting and financing

Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 (CIPFA, 2014)

Local Authority Capital Accounting: A Reference Manual for Practitioners (CIPFA, 2014)

Practitioners' Guide to Capital Finance in Local Government (CIPFA, 2012)

The Prudential Code for Capital Finance in Local Authorities (CIPFA, 2011)

UK public finances and the financial crisis (presentation given by Carl Emmerson and Gemma Tetlow of the Institute of

Fiscal Studies at a workshop on 'European public finances through the financial crisis' at the ZEW Centre for European Economic Research, Mannheim, Germany, 11th June 2014)

CAPITAL STRATEGIES AND PROGRAMMING

10.84 Section 6 – Alternative ways of procuring assets

Managing Complex Capital Investment Programmes Utilising Private Finance (National Audit Office and HM Treasury, 2010)

A New Approach to Public Private Partnerships (HM Treasury, 2012)

10.85 Section 7 – Delivering capital investment

Achieving Excellence in Construction (Office of Government Commerce, 2007)

Guidelines for Managing Programmes: Understanding Programmes and Programme Management (Department of Business, Innovation & Skills, 2010)

Guidelines for Managing Projects: How to Organise, Plan and Control Projects (Department of Business, Innovation & Skills, 2010)

OGC Guidance on Framework Agreements in the Procurement Regulations (Office of Government Commerce, 2008)

Public Sector Business Cases Using the Five Case Model (HM Treasury, 2013)

The Public Sector Programme Management Approach Guide (Capital Ambition, 2011)

The Scottish Government's web pages on programme management:
www.scotland.gov.uk/Topics/Government/ProgrammeProjectDelivery/Programmemanagement

The Scottish Government's web pages on project management:
www.scotland.gov.uk/Topics/Government/ProgrammeProjectDelivery/Projman

10.86 Section 8 – Adapting to austerity

Double-Shift Schooling: Design and Operation for Cost-effectiveness (Unesco, 2008)

One Public Estate Programme Prospectus (Local Government Association, 2014)

Termination of the SIREN ICT Project (public interest report to the Police and Crime Commissioner for Surrey and the Chief Constable for Surrey, Grant Thornton UK LLP, 2014)

Tri-Borough Proposals Report: Bold Ideas for Challenging Times (London Borough of Hammersmith and Fulham, The Royal Borough of Kensington and Chelsea and Westminster City Council, 2011) Page 66

Annex A – Capital Programme

CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY

CAPITAL PROGRAMME 2018/19 - 2020/21

	Prior Years £000	Budget 2018/19 £000	Budget 2019/20 £000	Budget 2020/21 £000	Total Budget 2018/21 £000
Committed Schemes - In Progress					
People	16,714	22,190	2,239	2,194	26,623
Place	170,604	48,985	90,755	61,265	201,005
Corporate	42,692	23,958	15,090	50	39,098
Total Committed Schemes - In Progress	230,009	95,133	108,084	63,509	266,726

CAPITAL PROGRAMME 2018/19 - 2020/21

	Prior Years £000	Budget 2018/19 £000	Budget 2019/20 £000	Budget 2020/21 £000	Total Budget 2018/21 £000
New Schemes					
People	0	8,627	0	0	8,627
Place	5,118	21,568	13,714	13,713	48,995
Corporate	15	1,771	0	0	1,771
Total New Schemes	5,133	31,966	13,714	13,713	59,393
Total	235,142	127,099	121,798	77,222	326,119

CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY

CAPITAL PROGRAMME 2018/19 - 2020/21

	Prior Years £000	Budget 2018/19 £000	Budget 2019/20 £000	Budget 2020/21 £000	Total Budget 2018/21 £000
Funding Requirement					
Indicative Funding Analysis: (See note 1)					
Government Grants	116,744	57,304	93,361	19,113	169,778
External Contributions	8,111	7,464	9,909	32,389	49,762
Revenue Contributions	669	2,734	0	0	2,734
Capital Receipts	30,708	4,263	4,250	10,000	18,513
Prudential Borrowing (See note 2)	78,909	55,333	14,279	15,719	85,332
Total	235,142	127,099	121,798	77,222	326,119

Notes:

1. The funding requirement identified in the above table represents a balanced and affordable position, in the medium term. The Council will attempt to maximise external resources such as grants and external contributions in the first instance to fund the capital programme. Where the Council resources are required the preference will be to utilise capital receipts from asset disposals. The forecast for capital receipts over the next three years 2018-21 assumes a prudent approach based on the work of the Asset Management team and their most recently updated Disposals Programme.
2. Appropriate charges to the revenue budget will only commence in the year following the completion of the associated capital asset. This allows the Council to constantly review the most cost effective way of funding capital expenditure.

CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY

CAPITAL PROGRAMME 2018/19 - 2020/21

	Prior Years £000	Budget 2018/19 £000	Budget 2019/20 £000	Budget 2020/21 £000	Total Budget 2018/21 £000
Addendum					
People	0	2,930	0	0	2,930
Place	118	78,019	114,337	63,393	255,749
Corporate	0	6,211	4,391	3,127	13,729
Total Addendum	118	87,160	118,728	66,520	272,408
Total	118	87,160	118,728	66,520	272,408

The addendum includes projects that have been added to the programme owing to their strategic importance to the Council. However detailed business cases are not yet in place as the precise details are not yet known. Work is currently being progressed for these projects, however they will only be commenced once a detailed business case has been completed and approved, the business case will also need to demonstrate the strategic impact of the scheme, an expenditure profile and funding sources or associated return on investment to enable the project to be delivered. At the stage where the business cases are sufficiently developed and they are deemed to be affordable the Portfolio Holder for Finance & Communications and the Interim Executive Director of Corporate Services will provide the additional approval for these schemes to proceed and form part of the main capital programme. Updates on these schemes will be provided to Cabinet through the quarterly reporting process.

CAPITAL PROGRAMME 2018/19 - 2020/21

	Priority	Prior Years	Budget 2018/19	Budget 2019/20	Budget 2020/21	Total Budget 2018/21	Forecast Funding			
							Grants	External	Borrowing / Revenue Contribution	Capital Receipts
		£000	£000	£000	£000	£000	£000	£000	£000	
Committed Schemes - In Progress										
Childrens Social Care										
Foster Carer Capacity Scheme	Medium	363	277	0	0	277	0	0	277	0
Children and Families										
Adelaide Academy	High	50	149	0	0	149	149	0	0	0
Alsager Planning Area (Primary Schools - 105 Places)	High	27	1,200	0	0	1,200	1,173	27	0	0
Alsager Planning Area (Secondary Schools - 150 Places)	High	51	2,749	0	0	2,749	2,749	0	0	0
Chelford Planning Area (Primary Schools - 30 Places)	High	200	100	0	0	100	96	4	0	0
DFC Grant	High	4,605	375	375	634	1,384	1,384	0	0	0
Disley Primary School (Basic Needs)	High	290	223	0	0	223	223	0	0	0
Hungerford Primary School	High	2,442	100	0	0	100	100	0	0	0
Kitchens block (Gas interlock)	High	604	9	0	0	9	0	0	9	0
Monks Coppenhall Primary School - Basic Needs	High	2,496	100	0	0	100	100	0	0	0
Nantwich Planning Area (Primary Schools - 105 Places)	High	99	1,200	0	0	1,200	1,101	99	0	0
Nantwich Planning Area (Secondary Schools - 300 Places)	High	100	3,350	0	0	3,350	3,350	0	0	0
Pupil Referral Unit - New Site	High	925	2,069	0	0	2,069	2,069	0	0	0
Sandbach Planning Area (Primary Schools - 105 Places)	High	230	1,100	0	0	1,100	970	130	0	0
Sandbach Planning Area (Secondary Schools - 300 Places)	High	0	3,450	0	0	3,450	3,450	0	0	0
Schools Condition Capital Grant	High	1,325	2,702	1,864	1,560	6,126	6,120	0	6	0
Shavington Planning Area (Primary Schools - 210 Places)	High	600	1,800	0	0	1,800	1,509	291	0	0
To Expand 'in borough' SEN placement Capacity - Springfield Special School	High	100	500	0	0	500	0	350	150	0
Universal free school meals	High	80	30	0	0	30	30	0	0	0
Weaver Primary School	High	110	441	0	0	441	441	0	0	0
Prevention and Support										
Childcare Sufficiency Capital Programme	High	2,016	266	0	0	266	266	0	0	0
Total Committed Schemes - In Progress		16,714	22,190	2,239	2,194	26,623	25,280	901	442	

People CAPITAL

CAPITAL PROGRAMME 2018/19 - 2020/21										
	Priority	Prior	Budget	Budget	Budget	Total Budget	Forecast Funding			
		Years	2018/19	2019/20	2020/21	2018/21	Grants	External	Borrowing / Revenue Contribution	Capital Receipts
		£000	£000	£000	£000	£000	£000	£000	£000	£000
New Schemes										
Future Years Basic Need - Nantwich Primary schools - Kingsley Fields, Wilmslow and Congleton Areas (awaiting infromation from DfE regarding value of allocation)	High	0	8,627	0	0	8,627	8,417	210	0	0
Total New Schemes		0	8,627	0	0	8,627	8,417	210	0	0
Total		16,714	30,817	2,239	2,194	35,250	33,697	1,111	442	0

People CAPITAL

CAPITAL PROGRAMME 2018/19 - 2020/21									
	Prior Years	Budget 2018/19	Budget 2019/20	Budget 2020/21	Total Budget 2018/21	Forecast Funding			
						Grants	External	Borrowing / Revenue Contribution	Capital Receipts
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Addendum Schemes									
Childcare Sufficiency Capital Programme	0	234	0	0	234	0	0	234	0
To Expand 'in borough' SEN placement Capacity	0	2,696	0	0	2,696	0	0	2,696	0
Total Addendum Schemes	0	2,930	0	0	2,930	0	0	2,930	0

Place	CAPITAL
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CAPITAL PROGRAMME 2018/19 - 2020/21

	Priority	Prior	Budget	Budget	Budget	Total Budget	Forecast Funding			
		Years	2018/19	2019/20	2020/21	2018/21	Grants	External	Borrowing / Revenue	Capital Receipts
									Contribution	
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Committed Schemes - In Progress										
Infrastructure & Highways										
A500 Dualling scheme	Medium	2,513	1,615	0	0	1,615	0	1,462	153	0
A556 Knutsford to Bowdon	High	273	231	0	0	231	0	231	0	0
A51/A500 Corridor Nantwich - Option Development	Medium	150	100	0	0	100	-131	0	231	0
A6 MARR CMM - Disley	Medium	1,442	417	263	0	680	7	186	487	0
A6 MARR CMM - Handforth	Medium	387	113	0	0	113	0	113	0	0
Alderley Edge Bypass Scheme Implementation	-	60,071	1,040	0	0	1,040	0	0	1,040	0
Asset Management Invest to Save	Medium	325	150	0	0	150	0	0	150	0
Car Parking Improvements	Medium	226	32	0	0	32	0	0	32	0
Congleton Link Road	Medium	8,823	10,740	47,216	23,964	81,920	45,000	23,700	13,220	0
Crewe Green Link Road Phase 2	Medium	24,420	100	62	1,165	1,327	0	653	674	0
Crewe Green Roundabout	Medium	3,190	3,779	531	0	4,310	2,046	1,882	383	0
Crewe HS2 Hub Project Development	Medium	1,552	1,403	0	0	1,403	0	0	1,403	0
Digital Solutions - Parking	Medium	154	23	23	0	46	0	0	46	0
Hibel Road Junction	Medium	0	1,500	4,000	0	5,500	3,500	0	2,000	0
Macclesfield Movement Strategy - Option Development	Medium	60	240			240	40	0	200	0
Middlewich Eastern Bypass	Medium	3,022	485	0	0	485	0	0	485	0
North West Crewe (Leighton West)	Medium	2,213	317	0	0	317	0	0	317	0
Poynton Relief Road	Medium	5,476	2,881	20,409	21,891	45,181	23,200	7,700	14,281	0
Road Network and Linked Key Infrastructure	Medium	8	250	0	0	250	0	0	250	0
Highways Section 106 & 278 Schemes	High	2,141	162	25	0	187	0	187	0	0
Safer Roads Fund	High	150	880	0	0	880	880	0	0	0
Sydney Road Bridge	High	2,759	6,172	1,233	337	7,742	3,356	4,387	0	

Place	CAPITAL
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CAPITAL PROGRAMME 2018/19 - 2020/21

	Priority	Prior	Budget	Budget	Budget	Total Budget	Forecast Funding			
		Years	2018/19	2019/20	2020/21	2018/21	Grants	External	Borrowing / Revenue Contribution	Capital Receipts
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Committed Schemes - In Progress										
<u>Growth and Regeneration</u>										
Crewe Town Centre Regeneration	Medium	7,453	1,885	8,494	13,805	24,184	9,400	0	4,784	10,000
Disabled Facilities Grants	High	7,693	1,900	0	0	1,900	1,900	0	0	0
Farms Strategy	Medium	1,261	389	1,730	0	2,119	0	0	0	2,119
Starter Homes - Phase 1	Medium	9	858	0	0	858	0	0	858	0
Regeneration & Development Programme	Medium	2,153	1,255	0	0	1,255	0	0	1,255	0
Private Sector Assistance	Medium	1,658	250	83	0	333	0	0	333	0
Schools Capital Maintenance	High	1,448	400	0	0	400	400	0	0	0
Premises Capital (FM)	High	17,216	2,750	2,500	0	5,250	0	0	5,250	0
Minor Works	High	2,660	400	500	0	900	0	0	900	0
<u>Rural and Green Infrastructure</u>										
Archives Option Development	Medium	150	125	0	0	125	0	0	125	0
Countryside Vehicle Replacement	Medium	397	92	26	103	221	0	0	221	0
Accessibility – Walking & Cycling	High	1,168	251	0	0	251	251	0	0	0
Rural & Green Section 106 Schemes	High	39	31	0	0	31	0	31	0	0
Tatton Vision - Field to Fork Project	Medium	1,150	199	0	0	199	33	0	166	0
Tatton Park Investment Phase 2	Medium	250	1,145	1,145	0	2,290	0	0	2,290	0
<u>Client Commissioning</u>										
Connecting Cheshire Phase 2	Medium	5,904	331	0	0	331	0	0	331	0
Connecting Cheshire Digital 2020	Medium	641	4,094	2,515	0	6,609	6,609	0	0	0
Total Committed Schemes - In Progress		170,604	48,985	90,755	61,265	201,005	96,490	40,532	51,865	12,119

Place	CAPITAL
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CAPITAL PROGRAMME 2018/19 - 2020/21										
	Priority	Prior	Budget	Budget	Budget	Total Budget	Forecast Funding			
		Years	2018/19	2019/20	2020/21	2018/21	Grants	External	Borrowing / Revenue Contribution	Capital Receipts
		£000	£000	£000	£000	£000	£000	£000	£000	£000
New Schemes										
<u>Infrastructure & Highways</u>										
Integrated Transport Block - LTP	High	0	1,804	1,804	1,803	5,411	5,411	0	0	0
Maintenance Block - LTP	High	0	8,409	8,409	8,409	25,227	25,227	0	0	0
Incentive Fund - LTP	High	0	1,751	1,751	1,751	5,253	5,253	0	0	0
LED Street Lighting Upgrade – Residential Areas	Medium	0	2,700			2,700	0	0	2,700	0
Managing the Highways Network	Medium	0	5,000	0	0	5,000	0	0	5,000	0
<u>Growth and Regeneration</u>										
Disabled Facilities Grants	High	0	200	1,750	1,750	3,700	3,700	0	0	0
<u>Client Commissioning</u>										
Strategic Site Development	High	5,118	1,704			1,704	0	0	0	1,704
Total New Schemes		5,118	21,568	13,714	13,713	48,995	39,591	0	7,700	1,704
Total		175,722	70,553	104,469	74,978	250,000	136,081	40,532	59,565	13,823

Place Addendum

CAPITAL

CAPITAL PROGRAMME 2018/19 - 2020/21

Priority	Prior Years	Budget 2018/19	Budget 2019/20	Budget 2020/21	Total Budget 2018/21	Forecast Funding			
						Grants	External	Borrowing / Revenue Contribution	Capital Receipts
						£000	£000	£000	£000
Infrastructure & Highways									
Managing the Highways Network	0	0	10,000	10,000	20,000	0	0	20,000	0
A51/A500 Corridor Nantwich	0	3,750	0	0	3,750	0	3,000	750	0
Alderley Road, Wilmslow – A34 Junction and pedestrian	118	1,082	0	0	1,082	0	0	1,082	0
Bollington Bridge	0	160	0	0	160	0	0	160	0
King Street Enhancement Scheme	0	2,000	0	0	2,000	1,500	0	500	0
Macclesfield Movement Strategy	0	4,000	0	0	4,000	0	0	4,000	0
Road Network and Linked Key Infrastructure	0	1,950	2,000	0	3,950	0	0	3,950	0
Active Travel Investment (LGF match funding)	0	250	250	0	500	0	0	500	0
Middlewich Eastern Bypass	0	12,045	26,502	18,199	56,746	46,780	7,000	2,967	0
North West Crewe (Leighton West)	0	13,365	18,617	7,920	39,902	15,600	15,095	9,206	0
HS2 Crewe Hub	0	3,045	6,000	0	9,045	5,413	3,000	632	0
Winter Service Facility	0	3,000	0	0	3,000	0	0	3,000	0
A50 Corridor Study	0	30	0	0	30	0	0	30	0
Town Studies	0	183	183	184	550	0	550	0	0
Mid Cheshire Towns Transport Study - Stage 2 Masterplan	0	120	0	0	120	0	0	120	0
Mid Cheshire Towns Transport Study - Clive Green Lane	0	80	0	0	80	0	0	80	0
Infrastructure Delivery Plan (spending profile to be agreed).									
Middlewich Southern Link OBC	0	2,500	0	0	2,500	2,500	0	0	0
B5077 Crewe Road/B5078 Sandbach Road North junction	0	400	0	0	400	400	0	0	0
Improvements to the A5020 Weston Gate Roundabout	0	2,500	0	0	2,500	2,500	0	0	0
A537 Adams Hill junction improvements	0	400	0	0	400	400	0	0	0
Brook Street/Hollow Lane junction improvements	0	400	0	0	400	400	0	0	0
Burford junction improvements, to include complementary	0	2,500	0	0	2,500	2,500	0	0	0
Alvaston roundabout junction improvements	0	1,600	0	0	1,600	1,600	0	0	0
Peacock roundabout junction improvements	0	750	0	0	750	750	0	0	0
A534 Old Mill Road/The Hill junction and Old Mill	0	1,500	0	0	1,500	1,500	0	0	0
A34/A538 West junction improvements	0	1,500	0	0	1,500	1,500	0	0	0
Total Infrastructure & Highways	118	59,110	63,552	36,303	158,965	83,343	28,645	46,977	

Place Addendum

CAPITAL

CAPITAL PROGRAMME 2018/19 - 2020/21

Priority	Prior Years	Budget 2018/19	Budget 2019/20	Budget 2020/21	Total Budget 2018/21	Forecast Funding			
						Grants	External	Borrowing / Revenue Contribution	Capital Receipts
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<u>Growth and Regeneration</u>									
Astbury Marsh Caravan Site	0	200	0	0	200	0	0	0	0
Gypsy and Traveller Sites	0	2,401	0	0	2,401	0	0	200	0
Private Sector Assistance	0	0	300	0	300	900	0	1,501	0
Housing Development Fund	0	1,212	0	0	1,212	0	0	300	0
Investment in Heritage Assets	0	3,000	2,500	0	5,500	0	0	1,212	0
Premises Capital (FM)	0	0	0	2,500	2,500	0	0	5,500	0
Minor Works	0	0	0	500	500	0	0	2,500	0
Macclesfield Town Centre Regeneration Phased Public Realm Enhancement Programme	0	950	2,350	1,150	4,450	0	0	500	0
Strategic Acquisitions	0	5,000	6,000	0	11,000	0	0	4,450	0
Housing Site Development	0	3,694	923	640	5,257	0	0	11,000	0
Strategic Housing Sites Infrastructure	0	1,852	18,923	21,300	42,075	0	0	5,257	0
Total Growth & Regeneration	0	18,309	30,996	26,090	75,395	31,700	0	10,375	0
						32,600	0	42,795	0
<u>Rural & Green</u>									
Tatton Park Investment Phase 2	0	600	389	0	989	0	0	989	0
Archives	0	0	13,000	0	13,000	4,000	4,000	5,000	0
Total Rural & Green	0	600	13,389	0	13,989	4,000	4,000	5,989	0
<u>Client Commissioning</u>									
Strategic Site Development	0	0	1,800	1,000	2,800	0	0	0	2,800
Energy Projects	0	0	4,600	0	4,600	0	4,600	0	0
Total Client Commissioning	0	0	6,400	1,000	7,400	0	4,600	0	2,800
Total	118	78,019	114,337	63,393	255,749	119,943	37,245	95,761	2,800

CAPITAL PROGRAMME 2018/19 - 2020/21

	Priority	Prior Years	Budget 2018/19	Budget 2019/20	Budget 2020/21	Total Budget 2018/21	Forecast Funding			
							Grants	External	Borrowing / Revenue Contribution	Capital Receipts
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Committed Schemes - In Progress										
<u>ICT Services</u>										
Digital Customer Services	High	5,500	500	0	0	500	0	0	500	0
ACPH (Care Act Phase 2)	High	3,384	1,610	1,320	0	2,930	0	0	2,530	400
Best4Business	High	3,709	2,328	0	0	2,328	0	0	2,328	0
ICT Infrastructure Investment Programme	High	9,845	5,400	2,120	0	7,520	0	0	3,230	4,290
Information Assurance and Data Management	High	7,684	1,217	0	0	1,217	0	0	1,217	0
Core Financials, HR Services	High	6,735	780	124	0	904	0	0	904	0
<u>Finance & Performance</u>										
Strategic Capital Projects	Medium	2,044	2,383	0	0	2,383	0	0	2,383	0
<u>Customer Operations</u>										
Next Generation - Self Service	Medium	327	30	0	0	30	0	0	30	0
<u>Client Commissioning Leisure</u>										
Congleton Leisure Centre	Medium	874	6,000	1,926	0	7,926	0	0	7,926	0
<u>Client Commissioning Environmental</u>										
Organic Waste Treatment Plant	Medium	800	2,300	9,400	0	11,700	0	8,120	3,580	0
Household Waste Recycling Review	Medium	200	800	0	0	800	0	0	800	0
Playing Fields Fund	Medium	0	100	0	0	100	0	0	100	0
Litter Bin Monitors	Medium	42	18	0	0	18	0	0	18	0
Household Bins Schemes	Medium	1,156	155	50	50	255	0	0	255	0
Park Development Fund	Medium	242	277	150	0	427	0	0	427	0
Weston Cemetery Extension	Medium	150	60	0	0	60	0	0	60	0
Total Committed Schemes - In Progress		42,692	23,958	15,090	50	39,098	0	8,120	26,288	4,690

Corporate	CAPITAL
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CAPITAL PROGRAMME 2018/19 - 2020/21										
	Priority	Prior Years	Budget 2018/19	Budget 2019/20	Budget 2020/21	Total Budget 2018/21	Forecast Funding			
							Grants	External	Borrowing / Revenue Contribution	Capital Receipts
		£000	£000	£000	£000	£000				
New Schemes										
<u>ICT Services</u>										
Information Assurance and Data Management	High	0	1,200	0	0	1,200	0	0	1,200	0
Corporate Procurement										
Vendor Management	Medium	15	571	0	0	571	0	0	571	0
Total New Schemes		15	1,771	0	0	1,771	0	0	1,771	0
Total		42,707	25,729	15,090	50	40,869	0	8,120	28,059	4,690

Corporate Addendum

CAPITAL

CAPITAL PROGRAMME 2018/19 - 2020/21

Priority	Prior Years	Budget 2018/19	Budget 2019/20	Budget 2020/21	Total Budget 2018/21	Forecast Funding			
						Grants	External	Borrowing / Revenue Contribution	Capital Receipts
						£000	£000	£000	£000
<u>ICT Services</u>									
Information Assurance and Data Management	0	0	750	0	750	0	0	750	0
Core Financials, HR Services	0	0	233	500	733	0	0	733	0
<u>Corporate Procurement</u>									
Vendor Management	0	0	420	0	420	0	0	420	0
Digital Dynamics CRM	0	435	0	0	435	0	0	435	0
Elections Systems Replacement	0	36	0	36	72	0	0	72	0
ICT People Systems Procurement	0	688	353	276	1,317	0	0	1,317	0
Place ICT System Procurement	0	1,002	635	315	1,952	0	0	1,952	0
<u>Client Commissioning Leisure</u>									
Macclesfield Leisure Centre: Capital Improvement	0	4,000	0	0	4,000	0	0	4,000	0
<u>Client Commissioning Environmental</u>									
Congleton Household Waste Recycling Centre	0	50	2,000	2,000	4,050	0	0	4,050	0
Total	0	6,211	4,391	3,127	13,729	0	0	13,729	0

Annex B – Revenue Contributions from Services

	2018/19 £000	2019/20 £000	2020/21 £000
A: Direct Revenue Contributions			
Schools Transforming Learning Communities Schemes	895	895	895
Highway Schemes		200	200
Environment Schemes		352	352
Leisure Schemes		500	500
B: Revenue Savings arising from capital investment included in the MTFS			
Create a new Investment Portfolio (Revenue Savings) (9) <i>Growth & Regeneration - Strategic Acquisitions</i>	0	250	500
Tatton Vision Phase 1 (Revenue Savings) (12) <i>Rural & Green - Tatton Vision</i>	45	45	45
Street Lighting Improvements (Revenue Savings) (30) <i>Infrastructure & Highways - LED Street Lighting Upgrade</i>	50	100	100
Supply of Household Recycling & Waste Bins - Cost Avoidance (Revenue Savings) (41) <i>Client Commissioning Environmental - Household Bins Schemes</i>			
Reduce costs of core processes (Oracle system review) (Revenue Savings) (71) <i>ICT Services - Best4Business</i>	250	500	500
Digital Customer Services - new recurring technology (Revenue Savings) (75) <i>ICT Services - Digital Customer Services</i>	510	1710	1710
Contract Savings (Revenue Savings) (76) <i>ICT Services - Vendor Management</i>	750	750	750

C: Capitalisation of salaries

Staff time spent on a capital project, may be charged to the scheme providing it meets the criteria.

The fundamental test is whether the employees' activities have contributed directly to bringing an asset to a location and into a condition so that it is capable of operating as intended.

Where staff time is intended to be capitalised estimates are included within the budgets contained within this report.

Further details will be provided throughout 2018/19 and updated via the quarterly reporting process.

Annex C – Flexible use of capital receipts strategy

- 10.87 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 ongoing 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.
- 10.88 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.
- 10.89 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.
- 10.90 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.

- 10.91 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 ongoing revenue savings through reducing costs of service delivery.
- 10.92 An update was provided within the Mid Year Review of Performance report in November 2017 and full Council then approved the revised approach to expenditure that meets the criteria and can be funded from available in-year capital receipts.
- 10.93 Further details of actual expenditure will be provided as part of the Financial Outturn and Review of Performance report at the end of each financial year.
- 10.94 The forecast use of flexible capital receipts for 2018/19 to 2020/21 is included within **Section 3**, paragraph 10.41, **Table 1**.

Annex D: Prudential Indicators revisions to: 2017/18 and 2018/19 – 2020/21, and future years

Background

10.95 There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

Gross Debt and the Capital Financing Requirement

10.96 This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

10.97 If in any of these years there is a reduction in the capital financing requirement, this reduction is ignored in estimating the cumulative increase in the capital financing requirement which is used for comparison with gross external debt.

10.98 The Section 151 Officer reports that the Authority had no difficulty meeting this requirement in 2017/18, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

Estimates of Capital Expenditure

10.99 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax.

Capital Expenditure	2017/2018	2018/2019	2019/20	2020/21	Future years
	Estimate £m	Estimate £m	Estimate £m	Estimate £m	Estimate £m
Total	111.0	127.1	121.8	77.2	0.0

Source: Cheshire East Finance

10.100 Capital expenditure will be financed or funded as follows:

Capital Financing	2017/2018 Estimate £m	2018/2019 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m	Future years Estimate £m
Capital receipts	2.2	4.3	4.3	10.0	0.0
Government Grants	34.9	57.3	93.3	19.1	0.0
External Contributions	6.3	7.5	9.9	32.4	0.0
Revenue Contributions	0.5	2.7	0.0	0.0	0.0
Total Financing	43.9	71.8	107.5	61.5	0.0
Prudential Borrowing	67.1	55.3	14.3	15.7	-
Total Funding	67.1	55.3	14.3	15.7	0.0
Total Financing and Funding	111.0	127.1	121.8	77.2	0.0

Source: Cheshire East Finance

10.101 The above table shows how the capital expenditure plans of the Authority will be funded.

Ratio of Financing Costs to Net Revenue Stream

10.102 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.

10.103 The ratio is based on costs net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2017/2018 Estimate %	2018/2019 Estimate %	2019/2020 Estimate %	2020/21 Estimate %
Total	3.24	3.91	4.70	5.36

Source: Cheshire East Finance

Capital Financing Requirement

10.104 The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and financing.

Capital Financing Requirement	2017/2018 Estimate £m	2018/2019 Estimate £m	2019/2020 Estimate £m	2020/21 Estimate £m
Total	347	390	393	403

Source: Cheshire East Finance

Actual External Debt

10.105 This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

Actual External Debt as at 31/03/2017	£m
Borrowing	116
Other Long-term Liabilities	28
Total	144

Source: Cheshire East Finance

Incremental Impact of Capital Investment Decisions

10.106 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

Incremental Impact of Capital Investment Decisions	2017/2018 Estimate	2018/2019 Estimate	2019/2020 Estimate
	£	£	£
Band D Council Tax	11.50	22.26	20.46

Source: Cheshire East Finance

Authorised Limit and Operational Boundary for External Debt

10.107 The Authority has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Authority and not just those arising from capital spending reflected in the CFR.

10.108 The Authorised Limit sets the maximum level of external debt on a gross basis (i.e. excluding investments) for the Authority. It is measured on a daily basis against all external debt items on the Balance Sheet (i.e. long and short-term borrowing, overdrawn bank balances and long-term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Authority's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

10.109 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

10.110 The Operational Boundary has been set on the estimate of the most likely, i.e. prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

10.111 The Operational Boundary links directly to the Authority's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but

not worst case scenario, and without the additional headroom included within the Authorised Limit.

	2017/2018 Estimate £m	2018/2019 Estimate £m	2019/2020 Estimate £m	2020/21 Estimate £m
Authorised Limit for Borrowing	360	400	405	415
Authorised Limit for Other Long-Term Liabilities	27	25	24	23
Authorised Limit for External Debt	387	425	429	438
Operational Boundary for Borrowing	350	390	395	405
Operational Boundary for Other Long-Term Liabilities	27	25	24	23
Operational Boundary for External Debt	377	415	419	428

Source: Cheshire East Finance

Adoption of the CIPFA Treasury Management Code

10.112 This indicator demonstrates that the Authority has adopted the principles of best practice.

10.113 The Authority has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

Adoption of the CIPFA Code of Practice in Treasury Management

The Council approved the adoption of the CIPFA Treasury Management Code at its Council meeting on 23rd February 2012

Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

10.114 These indicators allow the Authority to manage the extent to which it is exposed to changes in interest rates. This Authority calculates these limits on net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments).

10.115 The upper limit for variable rate exposure has been set to ensure that the Authority is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments.

	Existing level (or Benchmark level) at 31/10/16	2017/2018 Approved	2017/2018 Revised	2018/2019 Estimate	2019/2020 Estimate	2020/2021 Estimate
	%	%	%	%	%	%
Upper Limit for Fixed Interest Rate Exposure	100%	100%	100%	100%	100%	100%
Upper Limit for Variable Interest Rate Exposure	0%	100%	100%	100%	100%	100%

Source: Cheshire East Finance

10.116 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Authority's Treasury Management Strategy.

Maturity Structure of Fixed Rate borrowing

10.117 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

10.118 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period, as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

10.119 The Lenders Option Borrowers Option (LOBO) is classified as maturing on the next call date i.e. the earliest date that the lender can require repayment. As all LOBOs can be called within 12 months the upper limit for borrowing maturing within 12 months has remained at 35% to allow for the value of LOBOs and any potential short term borrowing that could be undertaken in 2017/18.

	Level as at 31 st March 2018 (based on Current Borrowing)	Lower Limit for 2018/2019	Upper Limit for 2018/2019
Maturity structure of fixed rate borrowing	%	%	%
under 12 months	38%	0%	60%
12 months and within 24 months	6%	0%	25%
24 months and within 5 years	5%	0%	35%
5 years and within 10 years	0%	0%	50%
10 years and within 20 years	22%	0%	100%
20 years and within 30 years	7%	0%	100%
30 years and within 40 years	22%	0%	100%
40 years and within 50 years	0%	0%	100%
50 years and above	0%	0%	100%

Source: Cheshire East Finance

Credit Risk

10.120 The Authority considers security, liquidity and yield, in that order, when making investment decisions.

10.121 Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Authority's assessment of counterparty credit risk.

10.122 The Authority also considers alternative assessments of credit strength, and information on corporate developments and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP;
- Corporate developments, news, articles, markets sentiment and momentum;
- Subjective overlay.

10.123 The only indicators with prescriptive values remain credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

Annex E: Minimum Revenue Provision

- 10.124 The annual Minimum Revenue Provision (MRP) Statement sets out the Council's responsibility to ensure it makes adequate provision for funding the consequences of its capital investment decisions.
- 10.125 Capital expenditure is expenditure that provides ongoing benefits to the Council for a period of longer than one year. Accounting rules require that where this capital expenditure is not funded through external contributions, external grants, capital receipts or contributions from revenue budgets, it must be charged against the Council's General Fund Balances. The period over which this charge is made should reflect the length of time that the expenditure will provide benefits to the Council.
- 10.126 The Local Government Act 2003 requires the Authority to have regard to the Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision (the CLG Guidance) most recently issued in 2012.
- 10.127 CIPFA is currently out to consultation on the Treasury Management Code of Practice 2011 Edition the consultation period ended on 22nd December 2017 and any changes will apply from 2018/19 onwards.
- 10.128 Prior to 1st April 2008 the major proportion of MRP relates to the more historic debt liability that was outstanding at the time the Guidance was adopted. This will be charged at a 2% annuity rate over a 50 year period.
- 10.129 New capital expenditure for each subsequent year will, in general, be charged in accordance with Option 3 of the Guidance, which recommends that the annual charge should broadly equate to the anticipated life, or period of benefit, which is reflective of the nature of the expenditure. For example, capital expenditure on a new building, or on the refurbishment or enhancement of a building, will be related to the estimated life of that building.
- 10.130 Charges to the revenue budget will commence in the year following the creation of the asset, i.e., in the asset's first full year of operation. This allows the Council to constantly review the most cost effective way of funding capital expenditure.
- 10.131 For those types of capital expenditure incurred by the Council which are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure.
- 10.132 For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational.
- 10.133 For assets acquired by finance leases or the Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability. The MRP Statement will be submitted to Council before the start of the 2018/19 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement will be put to Council at that time.

11. Financial Summary Tables (Revenue)

The 2017/18 Budget, shown as the starting point for the following tables, takes account of any permanent changes made during the 2017/18 financial year to date. There may be differences from the budget position at the [Third Quarter](#) Review which includes both permanent and temporary budget changes. The table below summarises these changes. Further details are available on request.

Service	Current Net Budget 2017/18 at Three Quarter Review £m	Less Temporary Specific Grants Allocations £m	Less Other Temporary In Year Budget Adjustments £m	Permenant Base Budget Carried Forward to 2018/19 £m
SERVICE DIRECTORATES				
Directorate	1,539			1,539
Children's Social Care	33,178	-120		33,058
Education & 14-19 Skills	12,481	-123		12,358
Prevention & Support	9,594	-459	-25	9,110
Adult Social Care - Operations	28,090			28,090
Adult Social Care - Commissioning	67,534	-71		67,463
Public Health and Communities	2,673			2,673
People	155,089	-773	-25	154,291
Directorate	-1,080			-1,080
Planning & Sustainable Development	2,572	-95		2,477
Infrastructure & Highways (incl Car Parking)	13,515			13,515
Growth & Regeneration	15,917	-50	-60	15,807
Rural & Green Infrastructure	2,831			2,831
Place	33,755	-145	-60	33,550

Service	Current Net Budget 2017/18 at Three Quarter Review £m	Less Temporary Specific Grants Allocations £m	Less Other Temporary In Year Budget Adjustments £m	Permenant Base Budget Carried Forward to 2018/19 £m
SERVICE DIRECTORATES				
Directorate	1,970		-16	1,954
Customer Operations	8,870	-81		8,789
Legal & Democratic Services	5,413	-64		5,349
Human Resources	2,441		25	2,466
Finance & Performance	5,951		60	6,011
ICT	5,741			5,741
Communications	591			591
Client Commissioning				0
Leisure	2,183		16	2,199
Environmental & Bereavement	27,745			27,745
Corporate	60,905	-145	85	60,845
Total Services Net Budget	249,749	-1,063	0	248,686
CENTRAL BUDGETS				
Capital Financing	14,000			14,000
Transfer to Earmarked Reserves	-146			-146
Corporate Contributions / Central Budgets	1,163			1,163
Total Central Budgets	15,017	0	0	15,017
TOTAL NET BUDGET	264,766	-1,063	0	263,703

Cheshire East Council Revenue Budget Summary

REVENUE

	2018/19 Budget			2019/20 Budget			2020/21 Budget		
	Budget including Policy Proposals								
Service Area	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
People	380,107	-216,827	163,280	387,132	-216,494	170,638	394,781	-216,079	178,702
Place	64,315	-28,775	35,540	63,998	-29,682	34,316	64,658	-29,932	34,726
Corporate	167,336	-107,580	59,756	167,515	-107,739	59,776	169,173	-107,739	61,434
Total Cost of Service	611,758	-353,182	258,576	618,645	-353,915	264,730	628,612	-353,750	274,862
Central Budgets	12,263	-2,982	9,281	14,163	-1,008	13,155	14,163	-1,008	13,155
Previous Year Budget Deficit			0	-9,976		-9,976	-15,358		-15,358
Total Net Budget	624,021	-356,164	267,857	622,832	-354,923	267,909	627,417	-354,758	272,659
	Policy Proposals included above								
People	7,709	1,283	8,992	7,025	333	7,358	7,649	415	8,064
Place	2,670	-682	1,988	-317	-907	-1,224	660	-250	410
Corporate	-1,242	152	-1,090	179	-159	20	1,658		1,658
Central Budgets	-2,900	-2,834	-5,734	1,900	1,974	3,874			0
Financial Impact of Policy Proposals	6,237	-2,081	4,156	8,787	1,241	10,028	9,967	165	10,132

People Summary

REVENUE

	2018/19 Budget			2019/20 Budget			2020/21 Budget		
	Budget including Policy Proposals								
Service Area	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Directorate	828	-220	608	869	-220	649	910	-220	690
Schools Grant Funded Expenditure	156,322	-156,322	0	156,322	-156,322	0	156,322	-156,322	0
Children's Social Care	37,809	-1,683	36,126	39,333	-1,683	37,650	40,857	-1,683	39,174
Education and 14-19 Skills	13,942	-1,504	12,438	13,894	-1,504	12,390	13,925	-1,504	12,421
Prevention and Support	10,277	-1,856	8,421	10,671	-1,856	8,815	11,065	-1,856	9,209
Adult Social Care: Commissioning	111,889	-36,175	75,714	117,862	-36,275	81,587	122,862	-36,275	86,587
Adult Social Care: Operations	29,362	-1,897	27,465	28,797	-1,897	26,900	29,732	-1,897	27,835
Public Health and Communities	19,678	-17,170	2,508	19,384	-16,737	2,647	19,108	-16,322	2,786
Total Cost of Service	380,107	-216,827	163,280	387,132	-216,494	170,638	394,781	-216,079	178,702
	Policy Proposals included above								
Directorate	-1,932	1,000	-932	41		41	41		41
Children's Social Care	3,074		3,074	1,524		1,524	1,524		1,524
Education and 14-19 Skills	130	-50	80	-48		-48	31		31
Prevention and Support	-689		-689	394		394	394		394
Adult Social Care: Commissioning	8,350	-100	8,250	5,973	-100	5,873	5,000		5,000
Adult Social Care: Operations	-626		-626	-565		-565	935		935
Public Health and Communities	-598	433	-165	-294	433	139	-276	415	139
Financial Impact of Policy Proposals	7,709	1,283	8,992	7,025	333	7,358	7,649	415	8,064

Note: Appendix 8 shows a breakdown of Schools Grant Funding

People Directorate

REVENUE

		2018/19 Budget			2019/20 Budget			2020/21 Budget		
		Budget including Policy Proposals								
Service Area	Outcome Reference	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Directorate (Children & Families)	3,5	787	-220	567	787	-220	567	787	-220	567
Pay & Pensions	1,3,5	41		41	82		82	123		123
Total Cost of Service		828	-220	608	869	-220	649	910	-220	690
		Policy Proposals included above								
Policy Proposals										
Directorate (Children & Families):										
Children and Families Staffing Gap	3,5	17		17			0			0
End of Early Intervention short-term funding allocation (non Public Health element)	3,5	-2,000	1,000	-1,000			0			0
Reallocation of unachievable mileage target to services	3	10		10			0			0
Pay & Pensions	1,3,5	41		41	41		41	41		41
Financial Impact of Policy Proposals		-1,932	1,000	-932	41	0	41	41	0	41

Children's Social Care

REVENUE

		2018/19 Budget			2019/20 Budget			2020/21 Budget		
		Budget including Policy Proposals								
Service Area	Outcome Reference	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Head of Service	5	357	-110	247	357	-110	247	357	-110	247
Social Care - Cared for Children	5	27,139	-1,000	26,139	28,139	-1,000	27,139	29,139	-1,000	28,139
Social Care - Child Protection / Children in Need	5	5,370		5,370	5,370		5,370	5,370		5,370
Safeguarding including Domestic Abuse	5	2,330	-573	1,757	2,330	-573	1,757	2,330	-573	1,757
Children's Commissioning	5	2,061		2,061	2,061		2,061	2,061		2,061
Mileage	5	22	0	22	22		22	22		22
Pay & Pensions	5	530		530	1,054		1,054	1,578		1,578
Total Cost of Service		37,809	-1,683	36,126	39,333	-1,683	37,650	40,857	-1,683	39,174
		Policy Proposals included above								
Policy Proposals										
Children's Commissioning:										
Alignment of teams to create a People's Commissioning Service	5	-30		-30			0			0
Review of service provision for children with disabilities	5	-136		-136			0			0
Reduction in Children's commissioned services	5	-50		-50			0			0
Review Early Help Commissioned Services	5	-252		-252			0			0
Review Social Care Commissioning	5	-60		-60			0			0
Social Care - HoS:										
Efficiency Savings in Children's Social Care	5	-75		-75			0			0
Social Care - Cared for Children:										
Housing related accommodation and support facilities	5	40		40			0			0
Efficiency Savings in Children's Social Care	5	-50		-50			0			0
Review of service provision for children with disabilities	5	-64		-64			0			0
Care Placements	5	3,000		3,000	1,000		1,000	1,000		1,000
Revise Interagency Income Budget	5	500		500			0			0
Realignment of Children's Social Care Management and Staffing	5	-204		-204			0			0

Children's Social Care					REVENUE		
		2018/19 Budget		2019/20 Budget		2020/21 Budget	
		Policy Proposals included above					
Policy Proposals							
Social Care - CiN/CP:							
Realignment of Children's Social Care Management and Staffing	5	-131	-131		0		0
Review Social Care Commissioning	5	-25	-25		0		0
Safeguarding:							
Allocation of Employee Budget Shortfall	5	59	59		0		0
Reallocation of unachievable mileage target to services	5	22	22		0		0
Pay & Pensions	5	530	530	524	524	524	524
Financial Impact of Policy Proposals		3,074	0	3,074	1,524	0	1,524

Education and 14-19 Skills

REVENUE

		2018/19 Budget			2019/20 Budget			2020/21 Budget		
		Budget including Policy Proposals								
Service Area	Outcome Reference	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Head of Service and Legacy Pension Costs	3	2,398		2,398	2,608		2,608	2,608		2,608
Education Participation and Pupil Support	3	681	-136	545	681	-136	545	681	-136	545
Education Infrastructure and Outcomes	3	1,241	-1,368	-127	1,241	-1,368	-127	1,241	-1,368	-127
Skills and Lifelong Learning	3	866		866	866		866	866		866
Client Commissioning - Transport	3	8,696		8,696	8,407		8,407	8,407		8,407
Pay & Pensions	3	60		60	91		91	122		122
Total Cost of Service		13,942	-1,504	12,438	13,894	-1,504	12,390	13,925	-1,504	12,421
		Policy Proposals included above								
Policy Proposals										
Client Commissioning - Transport:										
Children and Families Transport	3	134		134	-59		-59			0
Transport - parental subsidy for Available Walking Routes phase 2	3	70		70	-70		-70			0
Children & Families Transport Policy review	3	-410		-410	-160		-160			0
Head of Service and Legacy Pension Costs:										
Provide Schools Meal Subsidy	3	200		200	210		210			0
Education Participation and Pupil Support:										
Review Safeguarding Children in Education Settings Team	5		-50	-50			0			0
Allocation of Employee Budget Shortfall	3	74		74			0			0
Reallocation of unachievable mileage target to services	3	2		2			0			0
Pay & Pensions	3	60		60	31		31	31		31
Financial Impact of Policy Proposals		130	-50	80	-48	0	-48	31	0	31

Prevention and Support

REVENUE

		2018/19 Budget			2019/20 Budget			2020/21 Budget		
		Budget including Policy Proposals								
Service Area	Outcome Reference	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Early Intervention and Prevention	3	6,376	-662	5,714	6,376	-662	5,714	6,376	-662	5,714
Youth Engagement Service	3	1,813	-808	1,005	1,813	-808	1,005	1,813	-808	1,005
Children's Development and Partnerships	3, 5	258		258	258		258	258		258
SEND / Education Psychologists	3	1,429	-386	1,043	1,429	-386	1,043	1,429	-386	1,043
Pay & Pensions	3, 5	401		401	795		795	1,189		1,189
Total Cost of Service		10,277	-1,856	8,421	10,671	-1,856	8,815	11,065	-1,856	9,209
		Policy Proposals included above								
Policy Proposals										
Early Intervention and Prevention:										
Children and Families Staffing Gap	3, 5	50		50			0			0
Children and Families Staffing Gap	3, 5	60		60			0			0
Restructure Prevention and Support (Cheshire East Family Service)	5	-705		-705			0			0
Restructure Prevention and Support (Early Years)	5	-76		-76			0			0
Restructure Prevention and Support (Prevention Service)	5	-156		-156			0			0
Youth Support Service Restructure	5	-263		-263			0			0
Pay & Pensions	3, 5	401		401	394		394	394		394
Financial Impact of Policy Proposals		-689	0	-689	394	0	394	394	0	394

Adult Social Care: Commissioning

REVENUE

		2018/19 Budget			2019/20 Budget			2020/21 Budget		
		Budget including Policy Proposals								
Service Area	Outcome Reference	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
External Care Costs	5	98,346		98,346	104,319		104,319	109,319		109,319
Client Contributions	5		-22,761	-22,761		-22,861	-22,861		-22,861	-22,861
Staffing Team	5	1,495		1,495	1,495		1,495	1,495		1,495
Early Intervention and Prevention	5	1,069		1,069	1,069		1,069	1,069		1,069
Other	5	10,979	-6,274	4,705	10,979	-6,274	4,705	10,979	-6,274	4,705
Better Care Fund Income	5		-7,140	-7,140		-7,140	-7,140		-7,140	-7,140
Total Cost of Service		111,889	-36,175	75,714	117,862	-36,275	81,587	122,862	-36,275	86,587
		Policy Proposals included above								
Policy Proposals										
External Care Costs:										
Operational Pathway Redesign	5	-440		-440			0			0
Independent Living Fund - Attrition Factor Reductions	5	-29		-29	-27		-27			0
Growth in Demand for Adult Social Care	5	12,400		12,400	6,000		6,000	5,000		5,000
Reshape commissioning framework	5	-714		-714			0			0
Implement more flexible and responsive commissioning	5	-170		-170			0			0
Further saving to go against reversed Cross-Cuttings (Productivity and Contracts)	5	-425		-425			0			0
New assessment and review framework	5	-787		-787			0			0
Client Contributions:										
Increase Income	5		-100	-100		-100	-100			0
Early Intervention and Prevention:										
Review all funding and shift to "asset-based" model	5	-723		-723			0			0
Other:										
Review of Public Health contracts	5	-762		-762			0			0
Financial Impact of Policy Proposals		8,350	-100	8,250	5,973	-100	5,873	5,000	0	5,000

Adult Social Care: Operations

REVENUE

		2018/19 Budget			2019/20 Budget			2020/21 Budget		
		Budget including Policy Proposals								
Service Area	Outcome Reference	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Care4CE	5	15,077	-1,479	13,598	13,577	-1,479	12,098	13,577	-1,479	12,098
Staffing Teams	5	11,069	-418	10,651	11,069	-418	10,651	11,069	-418	10,651
Support To Social Work	5	1,634		1,634	1,634		1,634	1,634		1,634
Other	5	93		93	93		93	93		93
Pay and Pensions	5	1,489		1,489	2,424		2,424	3,359		3,359
Total Cost of Service		29,362	-1,897	27,465	28,797	-1,897	26,900	29,732	-1,897	27,835
		Policy Proposals included above								
				0			0			0
Policy Proposals				0			0			0
				0			0			0
Care4CE:				0			0			0
Commissioning all services currently provided by our in-house provider, Care4CE	5	-1,111		-1,111	-1,500		-1,500			0
Cease provision of services at Lincoln House and Mountview	5	-389		-389			0			0
Staffing Teams:										
Reducing Agency Spend	5	100		100			0			0
Operational and Commissioning Restructure	5	-900		-900			0			0
Reallocation of unachievable productivity target to services	5	1,654		1,654			0			0
Reallocation of unachievable post and print target to services	5	31		31			0			0
Growth in Demand for Adult Social Care	5	-1,500		-1,500			0			0
Pay & Pensions	5	1,489		1,489	935		935	935		935
Financial Impact of Policy Proposals		-626	0	-626	-565	0	-565	935	0	935

Public Health and Communities

REVENUE

		2018/19 Budget			2019/20 Budget			2020/21 Budget		
		Budget including Policy Proposals								
Service Area	Outcome Reference	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Partnerships and Communities	1	2,847	-479	2,368	2,847	-479	2,368	2,847	-479	2,368
Public Health	5	16,691	-16,691	0	16,258	-16,258	0	15,843	-15,843	0
Pay & Pensions	1,5	140		140	279		279	418		418
Total Cost of Service		19,678	-17,170	2,508	19,384	-16,737	2,647	19,108	-16,322	2,786
		Policy Proposals included above								
Policy Proposals										
Partnerships and Communities:										
Increase Community Grants	1	40		40			0			0
Review Environmental Enforcement Service based on outcomes (Summer 17) of Flytipping pilot and procurement of patrol company pilot	1	-118		-118			0			0
Restructure to create "front gate", across communities	5	-227		-227			0			0
Public Health										
Grant reductions	5	-433	433	0	-433	433	0	-415	415	0
Pay & Pensions	1,5	140		140	139		139	139		139
Financial Impact of Policy Proposals		-598	433	-165	-294	433	139	-276	415	139

Place Summary

REVENUE

	2018/19 Budget			2019/20 Budget			2020/21 Budget		
	Budget including Policy Proposals								
Service Area	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Directorate	1,657	-1,469	188	1,826	-1,469	357	1,995	-1,469	526
Growth and Regeneration	22,111	-5,025	17,086	22,370	-5,275	17,095	22,642	-5,525	17,117
Infrastructure and Highways	22,620	-10,331	12,289	22,442	-10,988	11,454	22,543	-10,988	11,555
Planning and Sustainable Development	9,926	-6,925	3,001	9,324	-6,925	2,399	9,322	-6,925	2,397
Rural and Cultural Economy	8,001	-5,025	2,976	8,036	-5,025	3,011	8,156	-5,025	3,131
Total Cost of Service	64,315	-28,775	35,540	63,998	-29,682	34,316	64,658	-29,932	34,726
	Policy Proposals included above								
Directorate	1,267		1,267	169		169	169		169
Growth and Regeneration	1,278		1,278	259	-250	9	272	-250	22
Infrastructure and Highways	-686	-540	-1,226	-178	-657	-835	101		101
Planning and Sustainable Development	624	-100	524	-602		-602	-2		-2
Rural and Cultural Economy	187	-42	145	35		35	120		120
Financial Impact of Policy Proposals	2,670	-682	1,988	-317	-907	-1,224	660	-250	410

Place Directorate

REVENUE

		2018/19 Budget			2019/20 Budget			2020/21 Budget		
		Budget including Policy Proposals								
Service Area	Outcome Reference	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Directorate	2	1,488	-1,469	19	1,488	-1,469	19	1,488	-1,469	19
Pay & Pensions	2	169		169	338		338	507		507
Total Cost of Service		1,657	-1,469	188	1,826	-1,469	357	1,995	-1,469	526
		Policy Proposals included above								
Policy Proposals										
Directorate:										
Shortfall in salary budgets and establishment costs	2	105		105			0			0
Contract Savings and Place Directorate restructuring	2	-370		-370			0			0
Reallocation of unachievable contracts target to services	2	467		467			0			0
Reallocation of unachievable productivity target to services	2	877		877			0			0
Reallocation of Visitor Economy adjustment	2	19		19			0			0
Pay & Pensions	2	169		169	169		169	169		169
Financial Impact of Policy Proposals		1,267	0	1,267	169	0	169	169	0	169

Growth and Regeneration

REVENUE

		2018/19 Budget			2019/20 Budget			2020/21 Budget		
		Budget including Policy Proposals								
Service Area	Outcome Reference	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Assets	2	2,473	-2,163	310	2,445	-2,413	32	2,380	-2,663	-283
Regeneration	2	547	-87	460	547	-87	460	547	-87	460
Strategic Housing	5	3,313	-630	2,683	3,313	-630	2,683	3,313	-630	2,683
Farms	2	323	-698	-375	323	-698	-375	323	-698	-375
Client Commissioning - Skills and Growth	2	1,148		1,148	1,148		1,148	1,148		1,148
Facilities Management	2	14,052	-1,447	12,605	14,092	-1,447	12,645	14,182	-1,447	12,735
Pay & Pensions	2,5	255		255	502		502	749		749
Total Cost of Service		22,111	-5,025	17,086	22,370	-5,275	17,095	22,642	-5,525	17,117
		Policy Proposals included above								
Policy Proposals										
Assets:										
Create a new Investment Portfolio	2			0		-250	-250		-250	-250
Addressing Budget Shortfall in the Asset Management & FM Service	2	422		422	-28		-28	-65		-65
Facilities Management:										
Facilities Management budget shortfalls (NNDR)	2	110		110	90		90	90		90
Facilities Management budget shortfalls (Crewe Lifestyle Centre)	2	126		126			0			0
Facilities Management budget shortfalls (Cledford Lane Depot)	2	500		500			0			0
Facilities Management budget shortfalls (Legacy Buildings - Crewe Pool and Library)	2	100		100			0			0
Addressing Budget Shortfall in the Asset Management & FM Service	2	-95		-95	-50		-50			0
Skills & Growth:										
Removal of Fairerpower payment	2	-140		-140			0			0
Pay & Pensions	2,5	255		255	247		247	247		247
Financial Impact of Policy Proposals		1,278	0	1,278	259	-250	9	272	-250	22

Infrastructure and Highways

REVENUE

		2018/19 Budget			2019/20 Budget			2020/21 Budget		
		Budget including Policy Proposals								
Service Area	Outcome Reference	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Highways	4	14,193	-3,542	10,651	14,044	-3,542	10,502	14,044	-3,542	10,502
Strategic Infrastructure	2	1,982	-949	1,033	1,982	-949	1,033	1,982	-949	1,033
Car Parking	2	1,653	-5,840	-4,187	1,523	-6,497	-4,974	1,523	-6,497	-4,974
Client Commissioning - Transport	2	4,688		4,688	4,688		4,688	4,688		4,688
Pay & Pensions	2,4	104		104	205		205	306		306
Total Cost of Service		22,620	-10,331	12,289	22,442	-10,988	11,454	22,543	-10,988	11,555
		Policy Proposals included above								
Policy Proposals										
Client Commissioning - Transport:										
Changes to subsidised Bus Service	2	-1,176		-1,176			0			0
Strategic Infrastructure:										
HS2 Strategy	2	500		500			0			0
Highways:										
Lead Local Authority Flood Grant Funding	4	1		1	1		1			0
Street Lighting improvements	4	-50		-50	-50		-50			0
Highways Procurement	4	-100		-100	-100		-100			0
Highways Contract	4	-150		-150			0			0
Car Parking:										
Parking Strategy Review	4	185	-540	-355	-130	-657	-787			0
Pay & Pensions	2,4	104		104	101		101	101		101
Financial Impact of Policy Proposals		-686	-540	-1,226	-178	-657	-835	101	0	101

Planning and Sustainable Development

REVENUE

		2018/19 Budget			2019/20 Budget			2020/21 Budget		
		Budget including Policy Proposals								
Service Area	Outcome Reference	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Director of Planning and Sustainable Development	4	295		295	295		295	295		295
Spatial Planning	4	1,722	-20	1,702	922	-20	902	722	-20	702
Neighbourhood Planning	4	427	-400	27	427	-400	27	427	-400	27
Development Management	4	2,929	-3,590	-661	2,929	-3,590	-661	2,929	-3,590	-661
Building Control	4		-1,755	-1,755		-1,755	-1,755		-1,755	-1,755
Client Commissioning: Civance	4	1,785		1,785	1,785		1,785	1,785		1,785
Regulatory Services and Health	4	2,569	-1,160	1,409	2,569	-1,160	1,409	2,569	-1,160	1,409
Pay & Pensions	4	199		199	397		397	595		595
Total Cost of Service		9,926	-6,925	3,001	9,324	-6,925	2,399	9,322	-6,925	2,397
		Policy Proposals included above								
Policy Proposals										
Spatial Planning:										
Planning Reserve	4	225		225	-1,000		-1,000			0
Planning Reserve	4	200		200	200		200	-200		-200
Development Management:										
Increase planning fees - White Paper proposals	4		-100	-100			0			0
Pay & Pensions	4	199		199	198		198	198		198
Financial Impact of Policy Proposals		624	-100	524	-602	0	-602	-2	0	-2

Rural and Cultural Economy

REVENUE

		2018/19 Budget			2019/20 Budget			2020/21 Budget		
		Budget including Policy Proposals								
Service Area	Outcome Reference	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Head of Rural and Cultural Economy	2	119		119	119		119	119		119
Visitor Economy	2	754	-536	218	722	-536	186	710	-536	174
Cultural Economy	2	942	-34	908	892	-34	858	892	-34	858
Tatton Park	2	4,413	-4,098	315	4,413	-4,098	315	4,413	-4,098	315
Public Rights of Way	2	571	-166	405	556	-166	390	556	-166	390
Countryside	2	1,015	-191	824	1,015	-191	824	1,015	-191	824
Pay & Pensions	2	187		187	319		319	451		451
Total Cost of Service		8,001	-5,025	2,976	8,036	-5,025	3,011	8,156	-5,025	3,131
		Policy Proposals included above								
Policy Proposals										
Tatton Park:										
Tatton Vision Phase 1	2	-3	-42	-45			0			0
Visitor Economy:										
Visitor Economy	2	-3		-3	-32		-32	-12		-12
Visitor Economy	2	16		16			0			0
Marketing Cheshire	2	-20		-20			0			0
Public Rights of Way:										
Increase Public Rights of Way Fees & Charges	2			0	-15		-15			0
Cultural Economy:										
Reduce funding to Macclesfield Silk Heritage Trust	2	-10		-10			0			0
Cheshire East Reflects	2	20		20	-50		-50			0
Pay & Pensions	2	187		187	132		132	132		132
Financial Impact of Policy Proposals		187	-42	145	35	0	35	120	0	120

Corporate Summary

REVENUE

	2018/19 Budget			2019/20 Budget			2020/21 Budget		
	Budget including Policy Proposals								
Service Area	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Directorate	769	-685	84	586	-685	-99	653	-685	-32
Legal Services	7,455	-1,693	5,762	7,619	-1,693	5,926	7,783	-1,693	6,090
Customer Operations	85,893	-77,345	8,548	85,057	-77,345	7,712	85,411	-77,345	8,066
Finance and Performance	9,172	-2,994	6,178	9,416	-2,994	6,422	9,660	-2,994	6,666
Human Resources	3,364	-919	2,445	3,466	-919	2,547	3,568	-919	2,649
ICT Services	26,534	-21,028	5,506	27,024	-21,028	5,996	27,514	-21,028	6,486
Communications	669	-54	615	692	-54	638	715	-54	661
Client Commissioning	33,480	-2,862	30,618	33,655	-3,021	30,634	33,869	-3,021	30,848
Total Cost of Service	167,336	-107,580	59,756	167,515	-107,739	59,776	169,173	-107,739	61,434
	Policy Proposals included above								
Directorate	-1,872		-1,872	-183		-183	67		67
Legal Services	573	-90	483	164		164	164		164
Customer Operations	-301		-301	-836		-836	354		354
Finance and Performance	165	-8	157	244		244	244		244
Human Resources	-20		-20	102		102	102		102
ICT Services	-235		-235	490		490	490		490
Communications	24		24	23		23	23		23
Client Commissioning	424	250	674	175	-159	16	214		214
Financial Impact of Policy Proposals	-1,242	152	-1,090	179	-159	20	1,658	0	1,658

Corporate Directorate

REVENUE

2018/19 Budget					2019/20 Budget			2020/21 Budget		
Budget including Policy Proposals										
Service Area	Outcome Reference	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Executive Director - Corporate	6	63		63	63		63	63		63
Business Manager	6	92		92	92		92	92		92
Chief Executive Office	6	462		462	462		462	462		462
PA Pool	6	551	-23	528	551	-23	528	551	-23	528
Professional Services and Commercial Services Manager	6	116		116	116		116	116		116
Transactional Shared Services	6	1,755	-649	1,106	1,755	-649	1,106	1,755	-649	1,106
Business Solutions	6	382	-13	369	382	-13	369	382	-13	369
ESG	1, 4, 6	-463		-463	-463		-463	-463		-463
Mutually Agreed Resignation Scheme (MARS)	6	-1,500		-1,500	-1,500		-1,500	-1,500		-1,500
Oracle System Review (cross cutter)	6	-250		-250	-500		-500	-500		-500
Admin Review (cross cutter)	6	-500		-500	-500		-500	-500		-500
Pay & Pensions	6	61		61	128		128	195		195
Total Cost of Service		769	-685	84	586	-685	-99	653	-685	-32
Policy Proposals included above										
Policy Proposals										
Executive Director - Corporate										
Reduce costs of core processes (Oracle system review)	6	-250		-250	-250		-250			0
External income - Fees & Charges	6	-2		-2			0			0
PA Pool:										
Reduce Agency and Consultancy Costs	6	-1		-1			0			0
Service Area to be determined:										
Admin Review	6	-500		-500			0			0
Restructuring of Services	6	-150		-150			0			0
Reallocation of unachievable cross cutting savings	6	470		470			0			0
Mutually Agreed Resignation Scheme (MARS)	6	-1,500		-1,500			0			0
Pay & Pensions	6	61		61	67		67	67		67
Financial Impact of Policy Proposals		-1,872	0	-1,872	-183	0	-183	67	0	67

Legal Services

REVENUE

Service Area	Outcome Reference	2018/19 Budget			2019/20 Budget			2020/21 Budget		
		Budget including Policy Proposals								
		Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Legal Services:										
Monitoring Officer	6	-102		-102	-102		-102	-102		-102
Legal Services	6	2,737	-547	2,190	2,737	-547	2,190	2,737	-547	2,190
Compliance	6	402		402	402		402	402		402
Democratic Services:										
Business Support and Civic Office	6	317	-10	307	317	-10	307	317	-10	307
Democratic Services	6	691	-50	641	691	-50	641	691	-50	641
Members Services	6	1,399		1,399	1,399		1,399	1,399		1,399
Coroners	6	567		567	567		567	567		567
Elections Service	6	551		551	551		551	551		551
Registrations Service	6	724	-1,086	-362	724	-1,086	-362	724	-1,086	-362
Pay & Pensions	6	169		169	333		333	497		497
Total Cost of Service		7,455	-1,693	5,762	7,619	-1,693	5,926	7,783	-1,693	6,090
Policy Proposals included above										
Policy Proposals										
Monitoring Officer:										
Restructuring of Services	6	-200		-200			0			0
Contract Savings	6	-37		-37			0			0
Reduce Agency and Consultancy Costs	6	-24		-24			0			0
Legal Services:										
Childcare Team Costs (Transitional funding ends 2018/19)	6	490		490			0			0
External income - Fees & Charges	6		-90	-90			0			0
Service Area to be determined:										
Productivity - Unachievement of 17/18 cross cutting savings - Legal & Dem	6	175		175			0			0
Pay & Pensions	6	169		169	164		164	164		164
Financial Impact of Policy Proposals		573	-90	483	164	0	164	164	0	164

Customer Operations

REVENUE

Service Area	Outcome Reference	2018/19 Budget			2019/20 Budget			2020/21 Budget		
		Budget including Policy Proposals			Budget including Policy Proposals			Budget including Policy Proposals		
		Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Customer Services Management	6	41		41	41		41	41		41
Customer Services	6	2,177	-9	2,168	2,177	-9	2,168	2,177	-9	2,168
Library Services	6	3,741	-405	3,336	3,741	-405	3,336	3,741	-405	3,336
Revenues	6	1,500	-1,110	390	1,500	-1,110	390	1,500	-1,110	390
Benefits Administration	6	2,352	-135	2,217	2,362	-135	2,227	2,362	-135	2,227
Service Development and Systems	6	778		778	778		778	778		778
Emergency Planning	6	173	-32	141	173	-32	141	173	-32	141
Online Services	6	260		260	260		260	260		260
Benefit Payments	6	75,572	-75,654	-82	75,572	-75,654	-82	75,572	-75,654	-82
Digital Savings	6	-1,060		-1,060	-2,260		-2,260	-2,260		-2,260
Pay & Pensions	6	359		359	713		713	1,067		1,067
Total Cost of Service		85,893	-77,345	8,548	85,057	-77,345	7,712	85,411	-77,345	8,066
Policy Proposals included above										
Policy Proposals										
Customer Services Management:										
Contract Savings	6	-37		-37			0			0
Reduce Agency and Consultancy Costs	6	-17		-17			0			0
Benefits Administration:										
Withdrawal of temporary reduction in funding for Universal Information and Advice service	6			0	10		10			0
The Local Welfare Safety Net	6	-50		-50			0			0
Library Services:										
Community Library Provision - Close 3 Libraries	6	-46		-46			0			0
Service Area to be determined:										
Digital Customer Services	6	-800		-800	-800		-800			0
Digital Customer Services - New Recurring Technology	6	130		130			0			0
Digital Customer Services phase 2	6	-190		-190	-400		-400			0
Digital Unachievement from 17/18	6	350		350			0			0
Pay & Pensions	6	359		359	354		354	354		354
Financial Impact of Policy Proposals		-301	0	-301	-836	0	-836	354	0	354

Finance and Performance

REVENUE

2018/19 Budget					2019/20 Budget			2020/21 Budget		
Budget including Policy Proposals										
Service Area	Outcome Reference	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Head of Finance and Performance	6	-222		-222	-222		-222	-222		-222
Financial Strategy and Reporting	6	1,182	-12	1,170	1,182	-12	1,170	1,182	-12	1,170
Finance Partnering and Accountancy	6	1,802	-799	1,003	1,802	-799	1,003	1,802	-799	1,003
Projects Finance	6	264	-30	234	264	-30	234	264	-30	234
Performance Strategy and Reporting	6	54		54	54		54	54		54
Business Intelligence - People	6	348		348	348		348	348		348
Business Intelligence - Place and Corporate	6	318	-6	312	318	-6	312	318	-6	312
Project Management Office	6	1,397	-792	605	1,397	-792	605	1,397	-792	605
Procurement	6	556	-201	355	556	-201	355	556	-201	355
Audit	6	581	-31	550	581	-31	550	581	-31	550
Risk Management	6	71		71	71		71	71		71
Insurance	6	2,577	-1,123	1,454	2,577	-1,123	1,454	2,577	-1,123	1,454
Pay & Pensions	6	244		244	488		488	732		732
Total Cost of Service		9,172	-2,994	6,178	9,416	-2,994	6,422	9,660	-2,994	6,666
Policy Proposals included above										
Policy Proposals										
Head of Finance and Performance:										
Contract Savings	6	-23		-23			0			0
Reduce Agency and Consultancy Costs	6	-6		-6			0			0
Finance Partnering and Accountancy:										
External income - Fees & Charges	6		-8	-8			0			0
Service Area to be determined:										
Restructuring of Services	6	-150		-150			0			0
Productivity - Unachievement of 17/18 cross cutting savings - Procurement	6	100		100			0			0
Pay & Pensions	6	244		244	244		244	244		244
Financial Impact of Policy Proposals		165	-8	157	244	0	244	244	0	244

Human Resources

REVENUE

2018/19 Budget				2019/20 Budget			2020/21 Budget			
Budget including Policy Proposals										
Service Area	Outcome Reference	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Head of Human Resources	6	2		2	2		2	2		2
HR Strategy and Policy	6	626		626	626		626	626		626
Health and Safety inc. Occ Health	6	527	-372	155	527	-372	155	527	-372	155
Workforce Development	6	1,009	-90	919	1,009	-90	919	1,009	-90	919
HR Delivery Non-Schools	6	738	-17	721	738	-17	721	738	-17	721
HR Delivery Schools	6	360	-440	-80	360	-440	-80	360	-440	-80
Pay & Pensions	6	102		102	204		204	306		306
Total Cost of Service		3,364	-919	2,445	3,466	-919	2,547	3,568	-919	2,649
Policy Proposals included above										
Policy Proposals										
Head of Human Resources:										
Contract Savings	6	-64		-64				0		
Reduce Agency and Consultancy Costs	6	-8		-8				0		
Service Area to be determined:										
Restructuring of Services	6	-50		-50				0		
Pay & Pensions	6	102		102	102		102	102		102
Financial Impact of Policy Proposals		-20	0	-20	102	0	102	102	0	102

ICT Services

REVENUE

		2018/19 Budget			2019/20 Budget			2020/21 Budget		
		Budget including Policy Proposals								
Service Area	Outcome Reference	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
ICT Strategy	6	8,356	-3,348	5,008	8,356	-3,348	5,008	8,356	-3,348	5,008
ICT Service Delivery	6	17,680	-17,680	0	17,680	-17,680	0	17,680	-17,680	0
Pay & Pensions	6	498		498	988		988	1,478		1,478
Total Cost of Service		26,534	-21,028	5,506	27,024	-21,028	5,996	27,514	-21,028	6,486
		Policy Proposals included above								
Policy Proposals										
ICT Strategy:										
Contract Savings	6	-589		-589			0			0
Reduce Agency and Consultancy Costs	6	-144		-144			0			0
Pay & Pensions	6	498		498	490		490	490		490
Financial Impact of Policy Proposals		-235	0	-235	490	0	490	490	0	490

Communications

REVENUE

		2018/19 Budget			2019/20 Budget			2020/21 Budget		
		Budget including Policy Proposals								
Service Area	Outcome Reference	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Communications	6	595	-54	541	595	-54	541	595	-54	541
Corporate Campaigns	6	10		10	10		10	10		10
Cheshire Shows	6	40		40	40		40	40		40
Pay & Pensions	6	24		24	47		47	70		70
Total Cost of Service		669	-54	615	692	-54	638	715	-54	661
		Policy Proposals included above								
Policy Proposals										
Pay & Pensions	6	24		24	23		23	23		23
Financial Impact of Policy Proposals		24	0	24	23	0	23	23	0	23

Client Commissioning

REVENUE

		2018/19 Budget			2019/20 Budget			2020/21 Budget		
		Budget including Policy Proposals								
Service Area	Outcome Reference	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Environmental (including Bereavement)	4	30,931	-2,862	28,069	30,581	-3,021	27,560	30,206	-3,021	27,185
Leisure	5	2,058		2,058	1,946		1,946	1,898		1,898
Pay & Pensions	4,5	491		491	1,128		1,128	1,765		1,765
Total Cost of Service		33,480	-2,862	30,618	33,655	-3,021	30,634	33,869	-3,021	30,848
		Policy Proposals included above								
Policy Proposals										
Environmental:										
Household Waste Recycling Centre income generation and efficiencies	4	-576		-576			0			0
Ansa income generation & efficiencies	4	-90		-90	-1,140		-1,140	-435		-435
Environmental Services base budget	4	152		152			0			0
Housing Growth , Waste Contract Inflation and Tonnage Growth	4	588		588	350		350	350		350
Food Waste Recycling (Composting Plant)	4			0	440		440	-290		-290
Markets Income	4		250	250		-159	-159			0
Leisure:										
3% reduction in Operational Management Fee (ESAR)	5	-51		-51	-49		-49	-48		-48
Changes to “Everybody Options” Scheme Investment (ESAR)	5	-45		-45	-63		-63			0
Car Park Refunds	5	-45		-45			0			0
Pay & Pensions	4,5	491		491	637		637	637		637
Financial Impact of Policy Proposals		424	250	674	175	-159	16	214	0	214

Central Budgets

REVENUE

	2018/19 Budget			2019/20 Budget			2020/21 Budget			
	Budget including Policy Proposals									
Service Area	Outcome Reference	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000	Expenditure £000	Income £000	Net £000
Capital Financing		10,000		10,000	12,000		12,000	12,000		12,000
Past Pensions Adjustment		263		263	163		163	1,163		1,163
Income from Capital Receipts			-2,000	-2,000		-1,000	-1,000		-1,000	-1,000
Contingency		1,000		1,000	1,000		1,000	1,000		1,000
Community Budget		1,000		1,000	1,000		1,000			0
Use of / Contribution to Earmarked Reserve			-982	-982		-8	-8		-8	-8
Total Cost of Service		12,263	-2,982	9,281	14,163	-1,008	13,155	14,163	-1,008	13,155
Policy Proposals included above										
MRP Revision from Straight Line to Annuity Method		-4000		-4,000	2,000		2,000			0
Past Service Pension Income		-900		-900	-100		-100	1,000		1,000
Community Budgets funded from New Homes Bonus		1,000		1,000			0	-1,000		-1,000
Contingency Revenue Budget		1,000		1,000			0			0
Capital Receipts Income			-2,000	-2,000		1,000	1,000			0
Use of / Contribution to Earmarked Reserve			-834	-834		974	974			0
Financial Impact of Policy Proposals		-2,900	-2,834	-5,734	1,900	1,974	3,874	0	0	0

12. Reserves Strategy

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Executive Summary

- 12.1 Cheshire East Council is maintaining adequate reserves for two main purposes:
1. To protect against risk, and;
 2. To support investment
- 12.2 This strategy reflects how these two purposes are intrinsically linked as financial risks will reduce through appropriate investment in schemes that will generate sustainable returns. At present the risks associated with overall changes in local government funding, and the need to invest now to realise returns in the medium term, increase the need to hold prudent levels of reserves in the short term.
- 12.3 The Reserves Strategy presents information about the requirements to maintain financial reserves and provides statements on the types of reserves and current and predicted balances.
- 12.4 The Strategy is revised annually, in line with the process to determine the Council's Budget, and sets out a clear purpose for the holding of reserves, using risk assessments and setting out principles for the management of balances in the medium term.
- 12.5 Cheshire East Council's Reserve Strategy was last approved at Council on 23rd February 2017.

- 12.6 The quarterly review process informs the Council's thinking on reserves and an updated Reserves Strategy for 2018/21 is being reported to Cabinet and Council in February 2018.
- 12.7 This strategy represents the latest position, following a review of the balances previously held, to ensure they meet the needs of Cheshire East Council.
- 12.8 Additional detailed analysis of trends within the Council's finances is provided in the Council's [Value for Money](#) publication demonstrating the sound financial position of the Council.

J Willis

Jan Willis CPFA MBA

Interim Executive Director of Corporate Services
(Section 151 Officer)

Note: The Strategy follows guidance issued by the Chartered Institute of Public Finance & Accountancy ~ LAAP Bulletin 55 – February 2003: Guidance Note on Local Authority Reserves and Balances. Compliance with the guidance is recommended in the Institute's 2003 Statement on the Role of the Finance Director in Local Government and the regulatory framework and role of the Section 151 Officer are set out in **Annex A**.

1. Introduction

Types of Reserves

- 12.9 When reviewing medium term financial plans and preparing annual budgets the Council considers the establishment and maintenance of reserves. Two types of Revenue Reserves will be held:

General Reserves (see Section 2)

- 12.10 This represents the non ring-fenced balance of Council funds. There are two main purposes of general reserves: firstly to operate as a working balance to help manage the impact of uneven cash flows and avoid unnecessary temporary borrowing; and secondly to provide a contingency to cushion the impact of emerging events or genuine emergencies. The target level of reserves retained will be risk based. General Reserves must be adequate and will increase and decrease as follows:

- 12.11 Increasing General Reserves
- Planned repayment as set out in the Medium Term Financial Strategy, usually to recover to an adequate level in relation to a detailed risk assessment, or to prepare in advance for future risks or investment.
 - Allocation of an operating surplus at the close of the financial year.

12.12 Decreasing General Reserves

- Planned draw-down of reserves to create investment, and to counteract the possibility of over-taxing in any financial year.
- Allocation of an operating deficit at the close of the financial year.

Earmarked Reserves (see Section 3)

- 12.13 These provide a means of building up funds, for use in a later financial year, to meet known or predicted policy initiatives. Discipline is required around setting up and maintaining earmarked reserves, and this Strategy sets out the Council's approach to this. Earmarked reserves will increase through decisions of the Council and will decrease as they are spent on specific intended purposes.

Assessing the Adequacy of Reserves

- 12.14 In order to assess the adequacy of unallocated general reserves when setting the budget, the Section 151 Officer will take account of the strategic, operational and financial risks facing the Authority. The Council will therefore adopt formal risk management processes. The Audit Commission Codes of Audit Practice make it clear that it is the responsibility of the audited body to identify and address its operational and financial risks, and to develop and implement proper arrangements to manage them, including adequate and effective systems of internal control. The financial risks will be assessed in the context of the Authority's overall approach to risk management.

- 12.15 There is a requirement for local authorities to include an Annual Statement of Governance with the Statement of Accounts. The Section 151 Officer ensures that the Authority has put in place effective arrangements for internal audit of the control environment and systems of internal control, as required by professional standards.
- 12.16 Setting the level of general reserves is just one of several related decisions in the formulation of the Medium Term Financial Strategy and the budget for a particular year. Account will also be taken of the key financial assumptions underpinning the budget alongside a consideration of the Authority's financial management arrangements.
- 12.17 **Table 1** sets out the significant budget assumptions that are relevant when considering the adequacy of reserves, in addition to the issue of cashflow.
- 12.18 These factors can only be assessed properly at a local level. A considerable degree of professional judgment is required. The Section 151 Officer may choose to express advice on the level of balances in cash and / or as a percentage of budget (to aid understanding), so long as that advice is tailored to the circumstances of the Authority for that particular year.
- 12.19 Advice will be set in the context of the Authority's process to manage medium term financial stability and not focus on short term considerations, although balancing the annual budget by drawing on general reserves may be a legitimate short term option. However, where reserves are to be deployed to finance recurrent expenditure this should be made explicit, and will occur only to pump prime investment and not to regularly support such costs. Advice will be given

on the adequacy of reserves over the lifetime of the Medium Term Financial Strategy.

Table 1: Holding adequate reserves will depend on a number of key factors
Budget Assumptions

- The treatment of inflation and interest rates
- Estimates of the level and timing of capital receipts
- The treatment of demand led pressures
- The treatment of planned efficiency savings / productivity gains
- The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments
- The availability of other funds to deal with major contingencies and the adequacy of provisions

Financial Standing and management

- The overall financial standing of the Authority (including: level of borrowing, debt outstanding and Council Tax collection rates)
- The Authority's track record in budget and financial management including the robustness of the medium term plans
- The Authority's capacity to manage in-year budget pressures
- The strength of the financial information and reporting arrangements
- The Authority's virement and end of year procedures in relation to budget under / overspends at authority and service level
- The adequacy of the Authority's insurance arrangements to cover major unforeseen risks

Source: CIPFA – LAAP Bulletin 55, 2003

12.20 The current guidance requires the purpose, usage and the basis of transactions of earmarked reserves to be identified clearly. A review of the levels of earmarked reserves will be undertaken as part of annual budget preparation.

2. General Fund Reserves (Revenue)

Purposes

12.21 The purpose of general reserves is to minimise the possible financial impacts to the Authority from:

- Emergencies
- In-year emerging financial issues
- Reacting to investment opportunities

12.22 The Finance Procedure Rules set the parameters for the use of general reserves.

12.23 The in-year use of general reserves requires Council approval and must not be used for any level of recurring spending unless that spending will be included in revenue budgets in the following financial year or a suitable payback period is agreed in advance.

12.24 In all cases the use of reserves should be approved by the Section 151 Officer.

Opening Balances

12.25 The 2017/18 Budget anticipated that the Council would hold general reserves of £10.3m which was confirmed at final outturn.

12.26 At 1st April 2018, it is anticipated that the Council will hold general reserves of £10.2, as calculated in **Table 2**.

Table 2	
Estimated Balance	
1 st April 2018	
£m	
Amount of General Fund Balance available for new expenditure	10.3
(Source: 2016/17 Statement of Accounts)	
The impact of performance against the 2017/18 Revenue Budget	-0.1
(Source: 2017/18 Three Quarter Year Review of Performance)	
	10.2

Estimated Movement in Reserves (2017/18 onwards)

12.27 **Table 3** (overleaf) summarises the current estimated movements in general reserves from 2017 to 2020.

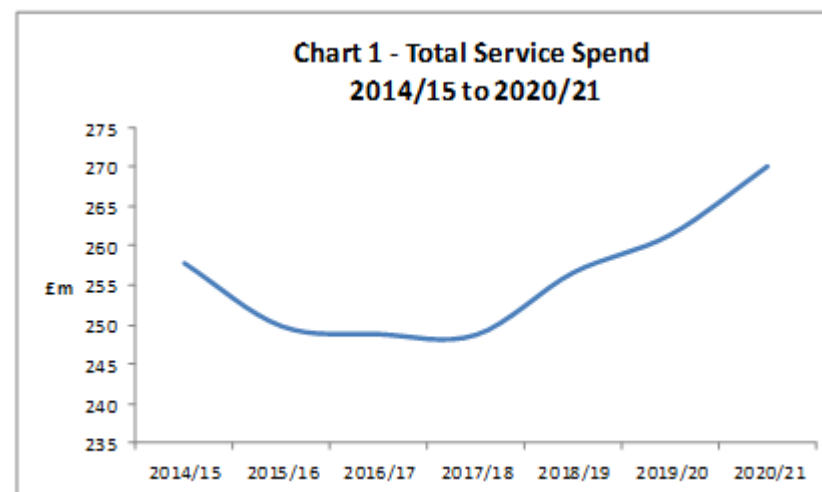
12.28 This position makes a clear assumption that any recently identified in-year, or future, emerging financial pressures will be met from within the Council's funding envelope.

12.29 In addition the level of reserves needed is assessed each year according to the risks facing the Authority (see Risk Assessment overleaf).

Table 3 – The level of reserves will be maintained in the medium term	2017/18 £m	2018/19 £m	2020/21 £m	2021/22 £m
Estimated Balance @ 1 st April	10.3	10.2	10.2	10.2
Estimated Impact of Spending	-0.1	0.0	0.0	0.0
Planned Contribution to Earmarked Reserves	0.0	0.0	0.0	0.0
Forecast General Reserves @ 31st March	10.2	10.2	10.2	10.2
Risk Assessed Minimum Level – February 2018	10.0	10.0	10.0	10.0

Source: Cheshire East Finance

12.30 **Chart 1** shows how the medium term financial outlook reflects a reduction in real terms expenditure on Council Services.

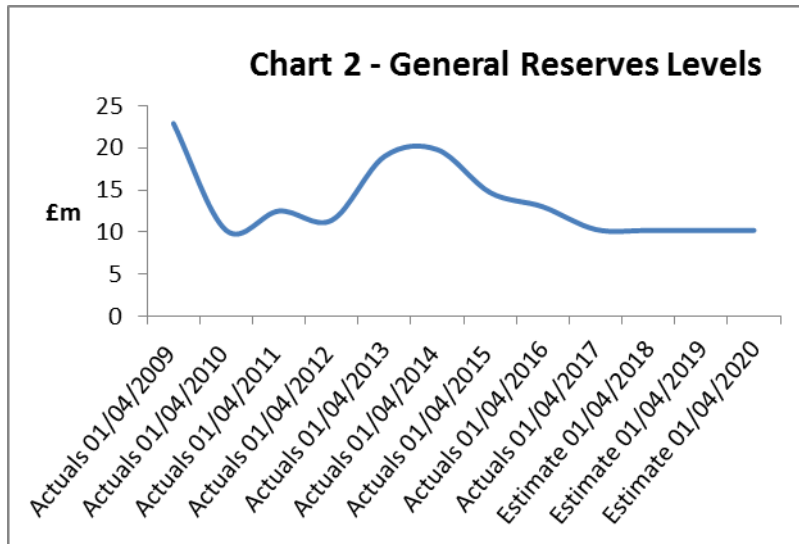


Source: Cheshire East Finance

12.31 Forecast reductions in net expenditure over the medium term reflect how the Council is reacting to reductions in Government funding. At the same time the Council minimised the impact on local residents by not raising Council Tax for five years up to 2015/16. This approach has required upfront investment in change management to sustain the financial resilience of the Council. For example, early intervention in social care requires upfront costs, and reducing staffing numbers usually requires expenditure on severance payments. The Council will also be investing in information technology to increase productivity.

12.32 Strategically the Council has therefore utilised short-term funding to support investment and change and not to build up reserves balances.

- 12.33 **Chart 2** reflects how Cheshire East Reserves are used to support large scale investment, and are being stabilised over the medium term.



Source: Cheshire East Finance

- 12.34 The level at which reserves are set for 2018/19, reflects the aim of Cheshire East Council to match the Risk Assessed Minimum Level, ensuring reserves are adequate, and provide sufficient flexibility to manage short term cashflow.

General Fund Reserves – Risk Assessment

- 12.35 The risks facing each local area will vary. In the case of Cheshire East, the impact of rising demand for services, the economic climate, emerging Government policies (particularly in relation to business rates), and pressure on

public services to reduce overall expenditure are relevant, and these present the potential for significant emerging risk.

- 12.36 The minimum target level of reserves is quantified by a detailed risk assessment. This approach allows the Council to take account of local circumstances and the impact of economic forecasts.
- 12.37 Where specific financial liability has not been established, or where outcomes from emerging pressures cannot be detailed, the Council will assume an appropriate level of risk. This reduces the possibility that the Council will be exposed to excessive financial pressure in a single year thereby smoothing the impact on citizens.
- 12.38 Risks are categorised, and potential values are applied to them. This presents the potential exposure to financial risk. **Table 4** shows the risk areas and the level of reserves Cheshire East Council should retain to mitigate that risk. In each case the value of the risk retained has been calculated as a percentage of the potential impact. The percentage is based on the likelihood of the risk actually achieving that total impact in any year.
- 12.39 New medium term risks are emerging as the Council is undertaking significant change to embed its commissioning approach and there is still significant uncertainty about the long term effect of changes to funding from business rates. However, the level of risk in the Medium Term Financial Strategy has reduced following improvements in reporting and achievement of budget targets.
- 12.40 The updated Risk Assessment for 2018/19 provides for the Minimum Level to remain at £10.0m. This still remains a relatively prudent overall target for reserves at 3.8% of the

net budget. This reflects the following potential negative financial issues facing the Council in the medium term:

- Further changes to the local government financial settlement may create funding deficits, and the medium term strategy of the Council remains unbalanced in later years at present.
- Some savings targets may need to be re-phased or revised following more detailed appraisal or consultation work.
- There is a significant pensions deficit which may need to be managed outside of the current medium term estimates, additional budget has been provided for in the Medium Term Financial Strategy, to reflect increasing contribution rates following the triennial valuation.

12.41 It is also possible that a number of events could happen in a single year and the Council could be exposed to new unidentified risks. For this reason the analysis also contains a Strategic Reserve calculated as a percentage of gross expenditure (in this case 0.6%).

12.42 Risks will be included and managed using the following basic principles:

- a. The risk may impact within the medium term.
- b. Risks are potential one-off events.
- c. The risk will have genuine financial consequences beyond insurance cover.
- d. Mitigating actions will be in place to minimise the potential requirement for financial support.
- e. If a risk becomes 100% likely it will be allocated to earmarked reserves or included within appropriate Revenue Budget estimates.

f. Emerging risks will be addressed from in-year surplus or virement before any request to allocate general reserves.

Table 4: A robust level of reserves is guided by an assessment of potential risks				
Class of Risk	Knock on Effects	Effect on Budget / Mitigating Action	Sub-Total	Risk Assessment
Health & Safety	Major loss of service	Increased cost to reduce further risk of breach / Robust risk assessments	£125,000	£100,000
	Lost reputation / Effect on recruitment	Additional cost of new advertising to regain confidence and recruit staff / Effective Communication Plans and Employment option plans		
Fire / Structural damage	Major loss of service	Premises not operational / Robust disaster recovery plan	£431,000	£400,000
	Epidemic	High staff or resident sickness & absence costs / raise awareness of safety measures and introduce robust emergency response plans		
	Severe Weather	Additional staffing, transport and materials costs / robust emergency plans		
	Insurance claims create rising premiums or cost to insurance reserves	Budget growth to cover premiums or self insurance costs / Good claims management		
Budget Pressures	Opening Balances vary from current predictions	Impact on opening balances / apply prudent assumptions to opening balances	£2,253,000	£2,200,000
	Efficiency savings challenged by changing priorities, and reduced income from economic downturn and additional VR costs.	Impact of 2017/18 projected outturn / robust remedial plans and monitoring of progress		
	Higher than anticipated inflation arising in year	In-Year emerging issues / Robust plans and monitoring of progress		
	Potential decrease in Council Tax and Business Rates collection rate	Increased inflation on contracts and services / contract management and robust remedial plans		
		Lower than forecast income or increased reliefs/ robust assessment criteria and debt recovery procedures		

Table 4: A robust level of reserves is guided by an assessment of potential risks				
Class of Risk	Knock on Effects	Effect on Budget / Mitigating Action	Sub-Total	Risk Assessment
Legal & IT costs	Legal challenges to Council service delivery / charges for services	Court costs and claims for financial settlement / clear processes and good workforce management	£3,077,000	£3,100,000
	Data corruption and need to improve security	ICT service days to repair, loss of service / robust security policies and firewalls		
Industrial relations / External organisations	Disruption to service and possible costs of arbitration / tribunal	Loss of income, costs of providing essential services or direct costs of resolution, reduced pay costs / emergency planning		
Strategic Reserve		Strategic / Emergency risk cover, potential further invest to save options and future pay and structure changes	£4,233,000	£4,200,000
OVERALL RISKS			£10,119,000	£10,000,000
% of Net Revenue Budget				3.8%

Source: Cheshire East Finance

12.43 The outcome of this analysis has been to place an estimated total value on the range of risks that may arise and which are not covered by insurance. This is equivalent in total to £10.0m.

12.44 It should be noted that these risks reflect the net effect of issues relating to sustainable performance against the 2018/19 Revenue Budget. The key factors are:

- The capacity of the organisation to deliver proposed growth or achieve the proposed level of savings entirely.
- Potential underachievement of cost reduction targets following consultation processes.
- Demand for services rising above estimated trends.
- Changes to Government settlements.

Adequacy of General Reserves

12.45 A duty of the Section 151 Officer is to comment on the adequacy of financial reserves (see **Annex A**).

12.46 The estimates contained within the medium term financial strategy must be sufficiently robust to achieve certainty that reserves are adequate. The Section 151 Officer uses information contained within the Reserves Strategy to comment specifically in the annual Budget Report on the adequacy of reserves.

3. Earmarked Reserves (Revenue)

Purpose

12.47 The purpose of earmarked reserves is:

- To prevent an uneven impact from policy options, by allowing balances to be set aside for future year expenditure.
- To set aside amounts for projects which extend beyond one year.

12.48 Once Earmarked reserves have been established by Cheshire East Council it is the responsibility of Chief Officers, in consultation with the Section 151 Officer, to ensure balances are spent in line with their purpose.

12.49 **Table 5** identifies the most commonly established earmarked reserves and the rationale behind why such reserves are created and maintained.

12.50 For each earmarked reserve held by Cheshire East Council there will be a clear protocol setting out:

- the purpose of the reserve,
- how and when the reserve can be used,
- procedures for the reserve's management and control,
- a process and timescale for review of the reserve to ensure continuing relevance and adequacy,
- clear indication of payback periods and approach (if applicable).

Table 5: All earmarked reserves should have a clear rationale

Category of Earmarked Reserve	Rationale
Sums set aside for major schemes, such as capital developments or asset purchases, or to fund major reorganisations	Where expenditure is planned in future accounting periods, it is prudent to build up resources in advance.
Insurance reserves	An Insurance Fund has been established to meet the potential costs of insurance excesses arising from claims in respect of fire and consequential loss, public and employer liability, and vehicles relating to both Cheshire East Council and the former Cheshire County Council.
Reserves of trading and business units	Surpluses arising from in-house trading may be retained, or may have to be retained by statute to cover potential losses in future years, or to finance capital expenditure.
Reserves retained for service departmental use	Increasingly, authorities have internal protocols that permit year-end surpluses at departmental level to be carried forward.
School Balances	These are unspent balances of budgets delegated to individual schools.

Source: CIPFA – LAAP Bulletin 55, 2003

12.51 When establishing reserves, Cheshire East Council will ensure that it complies with the Code of Practice on Local Authority Accounting in the United Kingdom and in particular the need to distinguish between reserves and provisions.

12.52 The protocol for Cheshire East Council earmarked reserves is set out below. The Section 151 Officer will monitor adherence to these protocols. Details of each reserve will be held to demonstrate compliance with the protocols.

12.53 Earmarked Reserves will be:

- Set up by Full Council, on recommendation by the Section 151 Officer,
- Supported by a business case,
- Normally held for a maximum of 3 years, except where the business case justifies a longer retention,
- Subject to a minimum value, set initially at £60,000, unless the business case supports a lower level,
- Be reviewed at least annually.

12.54 Services may also carry forward balances in accordance with Financial Procedure Rules.

12.55 Earmarked reserves have the effect of transferring the tax burden across financial years as current taxpayers' funds are being used to support future years' spending. It is therefore recommended that Cheshire East Council's earmarked reserves are subject to annual review, at least as part of the budget setting process to ensure that they are still appropriate, relevant and adequate for the intended purpose.

Opening Balances

12.56 At 1st April 2018, it is anticipated that balances on existing earmarked reserves held by Cheshire East Council will be £32.5m. It is estimated that balances will reduce by £4.6m by the end of 2018/19. **Table 6** (overleaf) shows the position on each earmarked reserve.

Table 6: Earmarked Reserves that are statutory or essential have been retained for 2018/19				
Service Description	Estimated Available Balance at 1 April 2018	Forecast Movement in 2018/19	Estimated Balance at 31 March 2019	Reason / Use
	£000	£000	£000	
People				
Adults, Public Health and Communities				
PFI Equalisation - Extra Care Housing	2,225	148	2,373	Surplus grant set aside to meet future payments on existing PFI contract which commenced in January 2009.
Public Health	40	352	392	Ring-fenced underspend to be invested in areas to improve performance against key targets. Including the creation of an innovation fund to support partners to deliver initiatives that tackle key health issues.
Communities Investment	238	-190	48	Amalgamation of promoting local delivery; grant support; new initiatives and additional funding from outturn to support community investment.
Fixed Penalty Notice Enforcement (Kingdom)	150	0	150	Surplus Fixed Penalty Notice receipts to be ring-fenced to provide a community fund to address environmental issues .
Transitional Funding - community cohesion	70	-70	0	Community Cohesion Strategy and Action Plan
Children's Services				
Domestic Abuse Partnership	139	-70	69	To sustain preventative services to vulnerable people as a result of partnership funding.
Early Intervention and Prevention Investment	423	-174	249	To continue the planned use of the Early Intervention short term funding allocation agreed for two years from 2016/17.
Parenting Journey	30	-30	0	The Parenting Journey is in conjunction with Wirral Community Trust Health Visiting Service to integrate Health Visiting, Early Years and Early Help assessments.
Transitional Funding-Developing the 'Cheshire East Way'	25	-25	0	Delivering better outcomes for children and young people.
Transitional Funding-Increase in Establishment	21	-21	0	Child Protection Social Workers
Transitional Funding-Independent Travel Training	75	-75	0	Independent Travel Training

Table 6: Earmarked Reserves that are statutory or essential have been retained for 2018/19				
Service Description	Estimated Available Balance at 1 April 2018	Forecast Movement in 2018/19	Estimated Balance at 31 March 2019	Reason / Use
	£000	£000	£000	
Place				
Investment (Sustainability)	386	-386	0	To support investment that can increase longer term financial independence and stability of the Council.
Planning and Sustainable Development				
Air Quality	40	-40	0	Provide funding for a temporary Air Quality Officer post for two years.
Transitional Funding- air quality	39	-39	0	Air Quality Management
Infrastructure and Highways				
Highways Procurement	132	-132	0	To finance the development of the next Highway Service Contract.
Winter Weather	230	0	230	To provide for future adverse winter weather expenditure.
Growth and Regeneration				
Royal Arcade Crewe	300	-300	0	To provide for future costs relating to the Royal Arcade including repairs and maintenance.
Legal Proceedings on land and property matters	0		0	To enable legal proceedings on land and property matters.
Skills & Growth	202	-202	0	To achieve skills and employment priorities and outcomes.
Transitional Funding-Low Carbon Heat Growth Programme	51	-20	31	Low Carbon Heat Growth Programme
Homelessness & Housing Options	0	0	0	To prevent homelessness and mitigate against the risk of increased temporary accommodation costs.
Rural & Cultural Economy				
Tatton Park	13	0	13	Ring-fenced surplus on Tatton Park trading account.

Table 6: Earmarked Reserves that are statutory or essential have been retained for 2018/19				
Service Description	Estimated Available Balance at 1 April 2018	Forecast Movement in 2018/19	Estimated Balance at 31 March 2019	Reason / Use
	£000	£000	£000	
Corporate				
Legal Services				
Insurance (Cheshire East & Cheshire County Funds)	4,153	-85	4,068	To settle insurance claims and manage excess costs.
Democratic Services				
Elections	166	43	209	To provide funds for Election costs every 4 years.
Finance and Performance				
Collection Fund Management	7,767	1,000	8,767	To manage cash flow implications as part of the Business Rates Retention Scheme. Includes liabilities that will not be paid until future years.
Financing Reserve	10,750	-867	9,883	To provide for financing of capital schemes, other projects and initiatives.
Enabling Transformation	322	-322	0	Funding for costs associated with service transformation; particularly in relation to staffing related expenditure.
Transitional Funding-External Funding Officer	61	-60	1	External Funding Officer
Cross Service				
Trading Reserve	1,099	0	1,099	The Authority's share of ASDVs net surplus to be spent in furtherance of the ASDV's objectives.
Service Manager carry forward	1,111	-778	333	Allocations for Cost of Investment or grant funded expenditure.
Revenue Grants - Dedicated Schools Grant	364	-1,500	-1,136	Unspent specific use grant carried forward into 2017/18.
Revenue Grants - Other	1,855	-788	1,067	Unspent specific use grant carried forward into 2017/18.
Total	32,477	-4,631	27,847	

Source: Cheshire East Council

4. Capital Reserves

- 12.57 Capital receipts received in-year are fully applied to finance the capital programme and therefore no capital receipts reserves are held by the Council.
- 12.58 Where revenue contributions are used to finance capital expenditure these will be held in reserve until such time as the expenditure is incurred.

5. Reserves Strategy Conclusion

- 12.59 Overall, Cheshire East Council is establishing reserves that match the minimum risk levels while retaining flexibility to react to investment opportunities. This approach can be supported during the medium term based on recent performance against budget.
- 12.60 This recognises local issues and allows the Section 151 Officer to comment favourably on the adequacy of reserves.
- 12.61 The maintenance of protocols around the use of balances improves control and increases openness in financial reporting and management. This approach assists with financial planning and increases understanding of Cheshire East Council's financial position. Reserves' positions will continue to be reviewed throughout the financial year.

Background Papers

- 12.62 General Fund Reserves – Risk Assessment Working Papers 2017.
CIPFA Local Authority Accounting Panel: Bulletin 55, Local Authority Reserves and Balances (2003).

Annex A to Reserves Strategy

Protocols and Controls

The Existing Legislative / Regulatory Framework

- 12.63 Sections 32 and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
- 12.64 There are three significant safeguards in place that militate against local authorities over-committing themselves financially:
1. The balanced budget requirement.
 2. The Chief Financial Officer's S114 powers.
 3. The External Auditor's responsibility to review and report on financial standing.
- 12.65 The balanced budget requirement is reinforced by section 114 of the Local Government Finance Act 1988 which requires the Chief Financial Officer to report to all the Authority's Councillors if there is, or is likely to be, unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the Authority will not have the resources to meet its expenditure in a particular financial year. The issue of a section 114 notice cannot be taken lightly and has serious operational implications. The Authority's Full Council must meet within 21 days to consider the S114 notice and during that period the

Authority is prohibited from entering into new agreements involving the incurring of expenditure.

- 12.66 While it is primarily the responsibility of the local authority and its Chief Financial Officer to maintain a sound financial position, External Auditors have a responsibility to review the arrangements in place to ensure that financial standing is soundly based. In the course of their duties External Auditors review and report on the level of reserves taking into account their local knowledge of the Authority's financial performance over a period of time. However, it is not the responsibility of auditors to prescribe the optimum or minimum level of reserves for individual authorities or authorities in general.

The Role of the Chief Financial Officer

- 12.67 It is the responsibility of the Chief Financial Officer to advise local authorities about the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use. There is no statutory minimum.
- 12.68 Local authorities, on the advice of their Chief Financial Officers, are required to make their own judgements on the level of reserves taking into account all the relevant local circumstances. Such circumstances vary. A well-managed authority, for example, with a prudent approach to budgeting should be able to operate with a relatively low level of general reserves. There is a broad range within which authorities might reasonably operate depending on their particular circumstances.

Good Governance

12.69 It is important that Members take responsibility for ensuring the adequacy of reserves and provisions when they set the budget. CIPFA recommend that the respective roles of officers and Councillors in relation to reserves should be codified locally and given due recognition in the Constitutions. This codification should:

- State which council bodies are empowered to establish reserves
- Set out the responsibilities of the Chief Financial Officer and Councillor – or group of Councillors – responsible for finance
- Specify the reporting arrangements

A New Reporting Framework

12.70 The Chief Financial Officer has a fiduciary duty to local taxpayers, and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds.

12.71 The level and utilisation of reserves will be determined formally by the Council, informed by the advice and judgement of the Chief Financial Officer. To enable the Council to reach its decision, the Chief Financial Officer should report the factors that influenced his or her judgement and ensure that the advice given is recorded formally. Where the advice is not accepted this should be recorded formally in the minutes of the Council meeting.

CIPFA recommended that:

12.72 The Business Planning report to the Council should include a statement showing the estimated opening general reserve fund balance for the year ahead, the additional contribution to / withdrawal from balances, and the estimated end of year balance. Reference should be made as to the extent to which such reserves are to be used to finance recurrent expenditure; this should be accompanied by a statement from the Chief Financial Officer on the adequacy of the general reserves and provisions in respect of the forthcoming financial year and the Authority's medium term financial strategy.

12.73 A statement reporting on the annual review of earmarked reserves should also be made at the same time to the Council. The review itself should be undertaken as part of the budget preparation process. The statement should list the various earmarked reserves, the purposes for which they are held and provide advice on the appropriate levels. It should also show the estimated opening balances for the year, planned additions / withdrawals and the estimated closing balances.

13. Abbreviations

13.1 This annex provides details of the abbreviations used in the Report in alphabetical order.

Term	Meaning
ASC	Adult Social Care
ASDV	Alternative Service Delivery Vehicles – part of the Council's commissioning approach to funding services
BCF	Better Care Fund
BRRS	Business Rates Retention Scheme – the system of local authority funding introduced on 1 st April 2013
CAG	Corporate Assurance Group
CDRP	Crime and Disorder Reduction Partnership
CEC	Cheshire East Council
CEFS	Cheshire East Family Support
CERF	Cheshire East Residents First
CFB	Capital Financing Budget
CFR	Capital Financing Requirement
CIPFA	Chartered Institute of Public Finance and Accountancy
CPI	Consumer Price Index
CSC	Children's Social Care
CTS	Council Tax Support
DfE	Department for Education
DSG	Dedicated Schools Grant – grant received from Government to fund schools
EIA	Equality Impact Assessment
EIP	Early Intervention and Prevention
ERP	Enterprise Resource Platform
ESG	Education Support Grant
FQR	First Quarter Review of Performance.

Term	Meaning
FTE	Full Time Equivalent
GP	General Practitioner
GVA	Gross Value Added
HLBC	High Level Business Case
HM	Her Majesty's
HR	Human Resources – one of the Council's corporate service areas
ICT	Information and Communication Technology – the service responsible for computers, networks, software, phones, etc.
LED	Light Emitting Diode
LGA	Local Government Association
LOBO	Lenders Option Borrows Option
LSCB	Local Safeguarding Children's Board
MARS	Mutually Agreed Resignation Scheme
MHCLG	Ministry of Housing, Communities and Local Government (formerly Department for Communities and Local Government – DCLG)
MRP	Minimum Revenue Provision
MTFS	Medium Term Financial Strategy
MYR	Mid-Year Review of Performance.
NEETs	Not in Education, Employment or Training
NFF	National Funding Formula
NHB	New Homes Bonus Grant
NHS	National Health Service
NJC	National Joint Council
NNDR	National Non Domestic Rates – the contribution to general local authority costs by businesses. The rate is set by central Government
PHE	Public Health England
PiP	Partners in Practice
PWLB	Public Works Loan Board – a Government agency providing loans to public bodies for capital works
RPI	Retail Price Index
RSG	Revenue Support Grant

Term	Meaning
S151	Section 151 (Officer)
SAGC	Skills and Growth Company
SBRR	Small Business Rate Relief
SCIES	Safeguarding Children in Education Settings
SEN	Special Educational Needs
SEND	Special Educational Needs and Disabilities
SLA	Service Level Agreement
SLE	Separate Legal Entity – a delivery model for delivering services in a different way
SOS	Signs of Safety
SSB	Supporting Small Business
TC	Town Centre
TQR	Third Quarter Review of Performance.
TUPE	Transfer of Undertakings (Protection of Employment) regulations
VIC	Visitor Information Centres

14. Forecasts (February 2017)

- 14.1 Forecasts presented to the Council in February 2017 reported a potential balanced budget in the medium term. Proposals in the Pre-Budget Consultation focused on ensuring that increased growth projections were fully reflected.

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

15. Feedback

15.1 We want you to be involved in decision making in Cheshire East...

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COUNCIL MEETING – 22ND FEBRUARY 2018**TREASURY MANAGEMENT STRATEGY AND MRP STATEMENT 2018/19**

Cabinet recommends to Council the approval of the Treasury Management Strategy Statement, including the MRP Statement for 2018/19 to 2020/21 (Appendix A to the report).

Extract from the Minutes of the Cabinet meeting on 6th February 2018

101 TREASURY MANAGEMENT STRATEGY AND MRP STATEMENT 2018/19

Cabinet considered a report on the Treasury Management Strategy and Minimum Revenue Provision Statement for 2018/19.

RESOLVED

That

- 1. Council be recommended to approve the Treasury Management Strategy Statement, including the MRP Statement for 2018/19 to 2020/21 (Appendix A to the report); and**
2. an Investment Strategy Board be established as set out in the report to develop an enhanced Capital Strategy and Investment Strategy for approval by Cabinet and Council as required by the CIPFA Prudential Code 2017 and statutory guidance on local authority investments.

COUNCIL IS ASKED TO APPROVE THE RECOMMENDATION AT 1 ABOVE.

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Cheshire East Council

Cabinet

Date of Meeting:	6 th February 2018
Report of:	Jan Willis, Interim Executive Director of Corporate Services
Subject/Title:	Treasury Management Strategy and MRP Statement 2018/19
Portfolio Holder:	Councillor Paul Bates, Finance and Communication

1. Report Summary

- 1.1. The Treasury Management strategy is an important element in the overall financial health and resilience of Cheshire East Council. The strategy focuses on the management of the Council's investment and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- 1.2. The key elements of the strategy for 2018/19 are for the Council to:
 - Reflect the forthcoming changes in the CIPFA Treasury Management Code of Practice and the Prudential Code for Capital Finance in Local Authorities.
 - Reflect the reduced capital financing costs in the short term arising from the change in the calculation of MRP (Minimum Revenue Provision) made in 2017/18
 - Take an appropriate approach to risk for short term loans as required, by only borrowing from lenders identified in the strategy
 - Maintain security of investments by only using counterparties detailed in the strategy
 - Support a flexible approach to treasury management that can react to opportunities and market conditions to maximise effectiveness, whilst protecting the public funds managed within the strategy
- 1.3. The Treasury Management Strategy set out in Appendix A was also reported to the Audit & Governance Committee on 7th December 2017 for scrutiny purposes.

2. Recommendation

- 2.1. Cabinet is requested:

2.1.1 To recommend to Council the approval of the Treasury Management Strategy Statement including the MRP Statement for 2018/19 to 2020/21 (Appendix A).

2.1.2 To establish an Investment Strategy Board as set out in paragraph 5.13 to develop an enhanced Capital Strategy and Investment Strategy for approval by Cabinet and Council as required by the CIPFA Prudential Code 2017 and statutory guidance on local authority investments.

3. Reasons for Recommendation

3.1. The report presents the 2018/19 Treasury Management Strategy Statement (TMSS), incorporating the Minimum Revenue Provision (MRP) Policy Statement and Prudential and Treasury Indicators 2018/21, required under Part 1 of the Local Government Act 2003.

3.2. The Treasury Management Strategy details the activities of the Treasury Management function in the forthcoming year 2018/19. The Strategy reflects the views on interest rates of leading market forecasts provided by Arlingclose, the Council's advisor on treasury matters. It also includes the Prudential Indicators relating to Treasury Management.

3.3. The CIPFA Code of Practice on Treasury Management requires all local authorities to agree a Treasury Management Strategy Statement annually in advance of the financial year. The strategy should incorporate the setting of the Council's prudential indicators for the three forthcoming financial years.

3.4. Revised statutory guidance on local authority investments effective from 1st April 2018 requires local authorities to prepare an annual investment strategy for approval by full Council. The proposal to establish an Investment Strategy Board to oversee the development of the investment strategy will provide the basis for fulfilling this requirement.

4. Other Options Considered

4.1. None

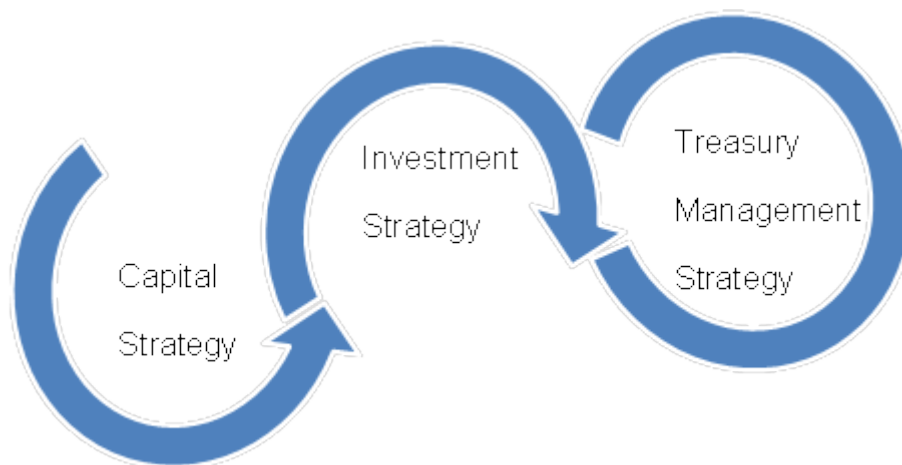
5. Background

5.1. The treasury management team work closely with the Council's advisors Arlingclose to gain the maximum benefit from their expertise and guidance, including benchmarking performance against other local authorities on a quarterly basis.

5.2. The Treasury Management Strategy takes into account future borrowing requirements, based on the Council's three year capital spending plans, projected cash flow requirements and money market opportunities. The aim is to maintain control over borrowing activities, with particular regard to

longer term affordability; but also to allow sufficient flexibility to respond to changes in the capital and money markets as they arise.

- 5.3. CIPFA published revised editions of Treasury Management in the Public Services: Code of Practice and the Prudential Code for Capital Finance in Local Authorities in December 2017.
- 5.4. The main changes arising from the revised Codes include:
 - an extension of the scope of the Treasury Management Code of Practice to include all investments, including non-financial assets held primarily for financial returns such as investment property portfolios;
 - a requirement for an enhanced Capital Strategy; a summary document covering capital expenditure and financing, treasury management and non-treasury investments approved by full Council.
- 5.5. The Capital Strategy is contained within Appendix C, Annex 10 of the Medium Term Financial Strategy report included elsewhere on this agenda. This sets out the Council's programme of capital investment for 2018-21. The Strategy will need to be updated during 2018/19 to reflect the additional requirements of the revised CIPFA Prudential Code.



- 5.6. Capital expenditure and financing is intrinsically linked to the Treasury Management and Investment Strategies and these will continue to be developed in accordance with the revised guidance and reported to Cabinet and Council for approval during 2018/19, including:
 - A detailed investment strategy
 - Amendments to the Capital Strategy, Treasury Management Strategy, Prudential Indicators and Treasury Management Practices in accordance with the new regulatory framework.
- 5.7. Revised guidance on local authority investments issued under section 15 1(a) of the Local Government Act 2003 and effective from 1st April 2018 requires local authorities to prepare an annual investment strategy. The Strategy must allow for members and the public to assess a council's total

risk exposure as a result of investment decisions and, where investment is funded through additional borrowing, the additional debt servicing costs incurred and the risks and opportunities associated with the investment. In this context investments includes both financial and non-financial investments.

- 5.8. The strategy must set out procedures for determining which categories of investment may prudently be used, identify which categories have been defined as suitable for use and state the maximum both individually and collectively that may be invested in each defined category and in aggregate.
- 5.9. The strategy must also state liquidity requirements and the council's approach to assessing and managing risk of loss, including the use of external advisors and credit ratings.
- 5.10. Where a local authority is or plans to become dependent on yield bearing investment activity to achieve a balanced revenue budget the strategy must detail the extent to which funding expenditure to meet core functions is dependent on achieving the net yield and contingency plans should the yield not be met.
- 5.11. The Strategy should disclose the steps taken to ensure that Councillors and statutory officers have appropriate capacity, skills and information to enable them to take informed decisions and that those negotiating commercial deals are aware of the core principles of the prudential framework and of the regulatory regime within which local authorities operate.
- 5.12. Finally, the Strategy should comment on the corporate governance arrangements that have been put in place to ensure accountability, responsibility and authority for decision making on investment activities within the context of the local authority's corporate values.
- 5.13. A member Investment Strategy Board will be established to develop a detailed investment strategy satisfying these requirements for approval by Cabinet and full Council during 2018/19. The Board will be chaired by the Portfolio Holder for Finance and Communication and will be supported by Officers including the Acting Director of Legal Services (Monitoring Officer), Interim Executive Director of Corporate Services, Executive Director of Place and Head of Asset Management and Regeneration.

Headlines for 2018/19

- 5.14. The major external influence on the Council's treasury management strategy for 2018/19 will be the UK's progress in negotiating its exit from the European Union and agreeing future trading arrangements. The domestic economy has remained relatively robust since the referendum, but there are indications that uncertainty over the future is now weighing on growth which is therefore forecast to remain sluggish throughout 2018/19.

- 5.15. Interest rates are forecast to remain at 0.5% during 2018/19, following the rise from the historic low of 0.25%. The Monetary Policy Committee re-emphasised that any prospective increases in Bank Rate would be expected to be at a gradual pace and to a limited extent.
- 5.16. The need for temporary borrowing arose during 2017/18 due to the decision to pay past service pension deficit contributions for the next three years in one advance payment of £45m in April 2017. The discount available from early payment more than offsets the costs of borrowing. The longer term borrowing requirements for 2018/19 and future years will be discussed with Arlingclose during the quarterly advisory meetings and will be reported via the quarterly updates to Cabinet.
- 5.17. The Council currently has external borrowing of £145m of which £44m is temporary borrowing with other local authorities. The amount of interest paid on the Council's portfolio of loans is mainly at fixed rates of interest (circa 3.1%). Currently long term interest rates are around 2.6%.
- 5.18. The Council has maintained the £7.5m investment in the CCLA managed property fund. The current value of the units in the fund if sold is £7.6m which is slightly higher than the original invested amount. The fund continues to generate income of 4.69%. Most other investments currently held are short term for liquidity purposes.
- 5.19. The rate of interest to be earned on the Council's cash balances that are temporarily invested is budgeted to be £0.3m.
- 5.20. The Council remains committed to delivering appropriate levels of capital investment to support service improvement and local economic growth, which increases the importance of sound Treasury Management Strategy in the medium term. The current strategy is to ensure that investment in capital schemes is sustainable by controlling the consequential impact on the revenue account and council tax levels, ensuring good value for money to local businesses and residents.
- 5.21. The Council amended its approach to calculating the Minimum Revenue Provision (MRP) during 2017/18, the use of the annuity method resulted in the ability to take a MRP holiday and reduce the budget by £6m in 2017/18 and £4m in 2018/19. This approach reduces current costs, although the overall total cost of capital financing, over the life of capital assets, will still be consistent.
- 5.22. The capital financing budget has therefore reduced to £10m, 3.9% of the 2018/19 net revenue budget.

Capital Financing Budget 2018/19

Capital Financing Budget	2018/19 £m
Repayment of Outstanding Debt	10.0
Contribution re: Schools Transforming Learning Communities Schemes	-0.9
Transfer from revenue reserve	-2.6
Interest on Loans	3.8
Less: Interest Receivable on Cash Balances	-0.3
Net Capital Financing Budget	10.0

Source: Cheshire East Finance

6. Wards Affected and Local Ward Members

6.1 All.

7. Implications of Recommendation**1.1 Policy Implications**

1.1.1 The impact of the Treasury Management Strategy 2018/19 feeds into the assumptions underpinning the 2018/21 medium term financial strategy.

1.2 Legal Implications

1.2.1 It is a requirement of the CIPFA's Treasury Management in the Public Services: Code of Practice that Council receives an Annual Report on its Treasury Strategy; that Council sets Prudential Indicators for the next three years and approves an Annual Investment Strategy and an Annual MRP Policy Statement. There are stringent legislative requirements in place which dictate the way that a local authority deals with financial administration.

1.2.2 The Strategy includes the Department for Communities and Local Government (DCLG) reporting requirements in accordance with the Local Government Investments Guidance under Section 15(1) (a) of the Local Government Act 2003.

1.3 Financial Implications

1.3.1 Effective treasury management provides support towards the achievement of service priorities, it ensures that the Council's capital investment programme delivers value for money by demonstrating that capital expenditure plans are affordable, external borrowing is prudent and sustainable and treasury decisions are taken in accordance with good practice.

1.4 Equality Implications

1.4.1 Not applicable.

1.5 Rural Community Implications

1.5.1 Not applicable.

1.6 Human Resources Implications

1.6.1 Not applicable.

1.7 Public Health Implications

1.7.1 Not applicable.

1.8 Implications for Children and Young People

1.8.1 Not applicable.

1.9 Other Implications (Please Specify)

1.9.1 Not applicable.

8. Risk Management

- 8.1 The Council operates its treasury management activity within the approved Treasury Management Code of Practice and associated guidance.
- 8.2 The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy as no treasury management activity is without risk. The aim is to operate in an environment where risk is clearly identified and managed.
- 8.3 To reduce the risk that the Council will suffer a loss as a result of its treasury management activities down to an acceptable level a number of risk management procedures have been put in place. The procedures cover liquidity risk, credit and counterparty risk, re-financing risk, legal and regulatory risk, and fraud, error and corruption risk. These are referred to within the borrowing and investment strategies, prudential indicators and the Treasury Management Practices Principles and Schedules.
- 8.4 The arrangements for the identification, monitoring and controlling of risk will be reported on a regular basis in accordance with the Strategy.

9. Access to Information

- 9.1 *CIPFA The Prudential Code for Capital Finance in Local Authorities*

CIPFA Treasury Management in the Public Services – Code of Practice and Cross-sectoral Guidance Notes

Guidance and information provided by Arlingclose can be accessed via the Treasury Management team, Financial Strategy & Reporting.

10. Contact Information

Contact details for this report are as follows:

Name: Joanne Wilcox
Designation: Financial Strategy and Reporting Manager
Tel. No.: 01270 685869
Email: joanne.wilcox@cheshireeast.gov.uk

Appendices:

Appendix A – Treasury Management Strategy Statement & Investment Strategy 2018/19 – 2020/21

Appendix A

**Treasury Management Strategy Statement
and Investment Strategy 2018/19 to 2020/21**



Contents

1. Background
2. External Context
3. Local Context
4. Borrowing Strategy
5. Investment Strategy
6. Non-Treasury Investments
7. Treasury Management Indicators
8. Other Items
9. Financial Implications

Annexes

- A. Economic & Interest Rate Forecast (Section 2.9)
- B. Existing Investment & Debt Portfolio Position (Section 3.1)
- C. Prudential indicators
- D. MRP Statement 2018/19

1. Background

- 1.1. On 23rd February 2012 the Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year.
- 1.2. In addition, the Department for Communities and Local Government (CLG) issued revised *Guidance on Local Authority Investments* in March 2010 that requires the Authority to approve an investment strategy before the start of each financial year.
- 1.3. The report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the CLG Guidance.
- 1.4. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.
- 1.5. **Revised strategy:** In accordance with the CLG Guidance, the Authority will be asked to approve a revised Treasury Management Strategy Statement should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a large unexpected change in interest rates, or in the Authority's capital programme or in the level of its investment balance.

2. External Context

- 2.1 **Economic background:** The major external influence on the Authority's treasury management strategy for 2018/19 will be the UK's progress in negotiating a smooth exit from the European Union and agreeing future trading relationships. The domestic economy has remained relatively robust since the surprise outcome of the 2016 referendum, but there are indications that uncertainty over the future is now weighing on growth. Transitional arrangements may prevent a cliff-edge, but will also extend the period of uncertainty for several years. Economic growth is therefore forecast to remain sluggish throughout 2018/19.
- 2.2 Consumer price inflation reached 3.0% in September 2017 as the post-referendum devaluation of sterling continued to feed through to imports. Unemployment continued to fall and the Bank of England's Monetary Policy Committee judged that the extent of spare capacity in the economy seemed limited and the pace at which the economy can grow without generating inflationary pressure had fallen over recent years. With its inflation-control mandate in mind, the Bank of England's Monetary Policy Committee raised official interest rates to 0.5% in November 2017.
- 2.3 In contrast, the US economy is performing well and the Federal Reserve is raising interest rates in regular steps to remove some of the emergency monetary stimulus it has provided for the past decade. The European Central Bank is yet to raise rates, but has started to taper its quantitative easing programme, signalling some confidence in the Eurozone economy.
- 2.4 **Credit outlook:** High profile bank failures in Italy and Portugal have reinforced concerns over the health of the European banking sector. Sluggish economies and fines for pre-crisis behaviour continue to weigh on bank profits, and any future economic slowdown will exacerbate concerns in this regard.

- 2.5 Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. In addition the largest UK banks will ringfence their retail banking functions into separate legal entities during 2018. There remains some uncertainty over how these changes will impact upon the credit strength of the residual legal entities.
- 2.6 The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Authority; returns from cash deposits however remain very low.
- 2.7 **Interest rate forecast:** The Authority's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.50% during 2018/19, following the rise from the historic low of 0.25%. The Monetary Policy Committee re-emphasised that any prospective increases in Bank Rate would be expected to be at a gradual pace and to a limited extent.
- 2.8 Future expectations for higher short term interest rates are subdued and on-going decisions remain data dependant and negotiations on exiting the EU cast a shadow over monetary policy decisions. The risks to Arlingclose's forecast are broadly balanced on both sides. The Arlingclose central case is for gilt yields to remain broadly stable across the medium term. Upward movement will be limited, although the UK government's seemingly deteriorating fiscal stance is an upside risk.
- 2.9 A more detailed economic and interest rate forecast provided by the Authority's treasury management advisor is attached at **Annex A**.
- 2.10 For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 1.45%, which takes into account strategic fund investments, and that short term loans will be borrowed at an average of 0.60%.
- 3. Local Context**
- 3.1 The Authority currently has borrowings of £145m and investments of £23m. This is set out in further detail at **Annex B**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance Sheet Summary and Forecast

	31.3.17 Actual £m	31.3.18 Estimate £m	31.3.19 Estimate £m	31.3.20 Estimate £m	31.3.21 Estimate £m
General Fund CFR	287	347	391	393	403
Less: Other long-term liabilities *	28	(27)	(26)	(24)	-23
Borrowing CFR	259	320	365	369	380
Less: External borrowing **	(116)	(183)	(90)	(83)	(79)
Internal (over) borrowing	143	137	275	286	301
Less: Usable reserves	(88)	(69)	(63)	(58)	(55)
Less: Working capital	(46)	(46)	(46)	(46)	(46)
Investments (or New borrowing)	(9)	(22)	(166)	(182)	(200)

* finance leases and PFI liabilities that form part of the Authority's debt

** shows only loans to which the Authority is committed and excludes optional refinancing

- 3.2 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.
- 3.3 The Authority has an increasing CFR due to the capital programme and will therefore be required to borrow up to £ m over the forecast period.
- 3.4 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2018/19.

4. Borrowing Strategy

- 4.1 The Authority currently holds loans of £145m, an increase of £35m on the previous year. PWLB debt is reducing by £6m per year whilst cash flow shortfalls caused by internal borrowing and prepayment of the pension fund deficit is being funded through cheaper short term borrowing. The Authority may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing.
- 4.2 The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.
- 4.3 Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to use both internal resources and to borrow short-term loans instead.
- 4.4 By doing so, the Authority is able to reduce net borrowing costs and reduce overall treasury risk. The benefits of short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2018/19 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 4.5 Alternatively, the Authority may arrange forward starting loans during 2018/19, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.
- 4.6 In addition, the Authority may borrow further short-term loans to cover unexpected or planned temporary cash flow shortages.
- 4.7 The approved sources of long-term and short-term borrowing are:

OFFICIAL

- Public Works Loan Board and any successor body
 - UK local authorities
 - any institution approved for investments (see below)
 - any other bank or building society authorised to operate in the UK
 - UK public and private sector pension funds (except Cheshire Pension Fund)
 - capital market bond investors
 - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
 - European Investment Bank
 - Salix Finance Ltd energy efficiency loans
- 4.8 In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:
- operating and finance leases
 - hire purchase
 - Private Finance Initiative
 - sale and leaseback
- 4.9 The Authority has previously raised the majority of its long-term borrowing from the Public Works Loan Board, but it continues to investigate other sources of finance, such as local authority loans and bank loans, that may be available at more favourable rates.
- 4.10 **Municipal Bond Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a joint and several guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report.
- 4.11 **LOBO's:** The Authority holds £17m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBOS have options during 2018/19, and although the Authority understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Authority will take the option to repay LOBO loans at no cost if it has the opportunity to do so.
- 4.12 **Short-term and variable rate loans:** These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the limits on the maturity structure of borrowing and the net exposure to variable interest rates in the treasury management indicators below.
- 4.13 **Debt Rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall saving or reduction in risk.

5. Investment Strategy

- 5.1 Although reduced from previous years, the Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's investment balance has ranged between £16m and £56m. Levels of around £25m are expected to be maintained in the forthcoming year.
- 5.2 Both the CIPFA Code and the CLG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
- 5.3 If the UK enters into a recession in 2018/19, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.
- 5.4 Given the increasing risk and very low returns from short-term unsecured bank investments, the Authority aims to continue to diversify into more secure and/or higher yielding asset classes during 2018/19. This is especially the case for any longer-term investment. The Authority has some investments in higher yielding asset classes with the remaining surplus cash invested for liquidity purposes in short-term unsecured bank deposits and money market funds.
- 5.5 The Authority may invest its surplus funds with any of the counterparties in table 2 below, subject to the cash and time limits shown.

Table 2: Approved Investment Counterparties and Limits

Credit Rating	Banks* Unsecured	Banks* Secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£6m 5 years	£12m 20 years	£12m 50 years	£6m 20 years	£6m 20 years
AA+	£6m 5 years	£12m 10 years	£12m 25 years	£6m 10 years	£6m 10 years
AA	£6m 4 years	£12m 5 years	£12m 15 years	£6m 5 years	£6m 10 years
AA-	£6m 3 years	£12m 4 years	£12m 10 years	£6m 4 years	£6m 10 years
A+	£6m 2 years	£12m 3 years	£6m 5 years	£6m 3 years	£6m 5 years
A	£6m 13 months	£12m 2 years	£6m 5 years	£6m 2 years	£6m 5 years
A-	£6m 6 months	£12m 13 months	£6m 5 years	£6m 13 months	£6m 5 years
None	£1m 6 months	n/a	£12m 25 years	£100,000 5 years	£6m 5 years
Pooled funds	£12m per fund				

*Banks includes Building Societies

The above limits apply to individual counterparties and represent the maximum amount and maximum duration of any investment per counterparty.

- 5.6 **Credit Rating:** Investment limits are set by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.
- 5.7 **Banks Unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.
- 5.8 **Banks Secured:** Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.
- 5.9 **Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.
- 5.10 **Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made either following an external credit assessment or to a maximum of £100,000 per company as part of a diversified pool in order to spread the risk widely.
- 5.11 **Registered Providers:** Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of social housing, formerly known as housing associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services, they retain the likelihood of receiving government support if needed.
- 5.12 **Pooled Funds:** Shares in diversified investment vehicles consisting of any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.
- 5.13 **Bond, equity and property funds** offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for

withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

- 5.14 **Operational bank accounts:** The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept to the lowest practical levels per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.
- 5.15 **Risk Assessment and Credit Ratings:** Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
 - any existing investments that can be recalled or sold at no cost will be, and
 - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
- 5.16 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.
- 5.17 **Other Information on the Security of Investments:** The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.
- 5.18 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.
- 5.19 **Specified Investments:** The CLG Guidance defines specified investments as those:
- denominated in pound sterling,
 - due to be repaid within 12 months of arrangement,
 - not defined as capital expenditure by legislation, and
 - invested with one of:

- the UK Government,
- a UK local authority, parish council or community council, or
- a body or investment scheme of “high credit quality”.

5.20 The Authority defines “high credit quality” organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

5.21 **Non-specified Investments:** Any investment not meeting the definition of a specified investment is classed as non-specified. The Authority does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in table 3 below.

Table 3: Non-Specified Investment Limits

	Cash limit
Total long-term investments	£25m
Total investments without credit ratings or rated below A- (except UK Government and local authorities)	£20m
Total investments (except pooled funds) domiciled in foreign countries rated below AA+	£15m
Total non-specified investments	£60m

5.22 **Investment Limits:** The Authority’s revenue reserves available to cover investment losses are forecast to be £76m on 31st March 2018. In order that no more than 8% of available reserves will be put at risk in the case of a single default, the maximum that will be lent unsecured to any one organisation (other than the UK Government) will be £6m. Secured investments will have a higher limit of £12m per organisation. A group of banks under the same ownership or a group of funds under the same management will be treated as a single organisation for limit purposes. Limits will also be placed on investments in brokers’ nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Investment Limits

Type of Counterparty	Cash limit
Any single organisation, except the UK Central Government	£12m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£12m per group
Any group of pooled funds under the same management	£25m per manager
Negotiable instruments held in a broker’s nominee account	£25m per broker
Foreign countries	£12m per country

Registered Providers	£25m in total
Unsecured investments with Building Societies	£12m in total
Loans to unrated corporates	£12m in total
Money Market Funds	£12m in each (£50m in total)

- 5.23 **Liquidity management:** The Authority maintains a cash flow forecasting model to determine the maximum period for which funds may prudently be committed. Limits on long-term investments are set by reference to the Authority's medium term financial plan and cash flow forecast.

6. Non-Treasury Investments

- 6.1 Although not classed as treasury management activities, the Authority may also purchase property for investment purposes and may also make loans and investments as part of a wider strategy for local economic growth even though these loans may not all be seen as prudent if adopting a narrow definition of prioritising security and liquidity.
- 6.2 The Authority's existing non-treasury investments are listed in Annex B.
- 6.3 Where a local authority holds a non-financial investment, it will normally have a physical asset that can be realised to recoup the capital invested.

7. Treasury Management Indicators

- 7.1 The Authority measures and manages its exposures to treasury management risks using the following indicators.
- 7.2 **Interest Rate Exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed will be:

	2018/19	2019/20	2020/21
Upper limit on fixed interest rate exposure	100%	100%	100%
Upper limit on variable interest rate exposure	100%	100%	100%

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months. All other instruments are classed as variable rate.

- 7.3 **Maturity Structure of Borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Upper	Lower
Under 12 months	60%	0%
12 months and within 24 months	25%	0%
24 months and within 5 years	35%	0%
5 years and within 10 years	50%	0%
10 years and within 20 years	100%	0%
20 years and above	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment. The upper limit for loans maturing under 12 months has been increased as short term funding is currently considerably cheaper than alternatives. This will be kept under review as it does increase the risk of higher financing costs in the future.

- 7.4 Principal Sums Invested for Periods Longer than 364 days:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total principal sum invested to final maturities beyond the period end will be:

	2018/19	2019/20	2020/21
Limit on principal invested beyond year end	£25m	£15m	£10m

8. Other Items

- 8.1** There are a number of additional items that the Authority is obliged by CIPFA or CLG to include in its Treasury Management Strategy.
- 8.2 Policy on Use of Financial Derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).
- 8.3** The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 8.4** Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.
- 8.5 Investment Advisers:** The Authority has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues. The quality of this service is controlled through regular meetings and periodic tendering for services.
- 8.6 Investment Training:** The needs of the Authority's treasury management staff for training in investment management are assessed as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. Staff regularly attend training courses, seminars and conferences provided by our treasury management advisers, Arlingclose Limited and other relevant providers.
- 8.7 Investment of Money Borrowed in Advance of Need:** The Authority may, from time to time, borrow in advance of need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Authority is

aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Authority's overall management of its treasury risks.

- 8.8 The total amount borrowed will not exceed the authorised borrowing limit of £425 million. The maximum period between borrowing and expenditure is expected to be two years, although the Authority is not required to link particular loans with particular items of expenditure.

9. Financial Implications

- 9.1 Anticipated investment income in 2018/19 is £360,000, based on an average investment portfolio of £25 million at an interest rate of 1.45%. The budget for debt interest paid in 2018/19 is £4.5 million, based on an average debt portfolio of £200 million at an average interest rate of 2.25%. If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different.

Annex A - Arlingclose Economic & Interest Rate Forecast

Underlying assumptions:

- In a 7-2 vote, the MPC increased Bank Rate in line with market expectations to 0.5%. Dovish accompanying rhetoric prompted investors to lower the expected future path for interest rates. The minutes re-emphasised that any prospective increases in Bank Rate would be expected to be at a gradual pace and to a limited extent.
- Further potential movement in Bank Rate is reliant on economic data and the likely outcome of the EU negotiations. Policymakers have downwardly assessed the supply capacity of the UK economy, suggesting inflationary growth is more likely. However, the MPC will be wary of raising rates much further amid low business and household confidence.
- The UK economy faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. While recent economic data has improved, it has done so from a low base: UK Q3 2017 GDP growth was 0.4%, after a 0.3% expansion in Q2.
- Household consumption growth, the driver of recent UK GDP growth, has softened following a contraction in real wages, despite both saving rates and consumer credit volumes indicating that some households continue to spend in the absence of wage growth. Policymakers have expressed concern about the continued expansion of consumer credit; any action taken will further dampen household spending.
- Some data has held up better than expected, with unemployment continuing to decline and house prices remaining relatively resilient. However, both of these factors can also be seen in a negative light, displaying the structural lack of investment in the UK economy post financial crisis. Weaker long term growth may prompt deterioration in the UK's fiscal position.
- The depreciation in sterling may assist the economy to rebalance away from spending. Export volumes will increase, helped by a stronger Eurozone economic expansion.
- Near-term global growth prospects have continued to improve and broaden, and expectations of inflation are subdued. Central banks are moving to reduce the level of monetary stimulus.
- Geo-political risks remains elevated and helps to anchor safe-haven flows into the UK government bond (gilt) market.

Forecast:

- The MPC has increased Bank Rate, largely to meet expectations they themselves created. Future expectations for higher short term interest rates are subdued. On-going decisions remain data dependant and negotiations on exiting the EU cast a shadow over monetary policy decisions.
- Our central case for Bank Rate is 0.5% over the medium term. The risks to the forecast are broadly balanced on both sides.

- The Arlingclose central case is for gilt yields to remain broadly stable across the medium term. Upward movement will be limited, although the UK government's seemingly deteriorating fiscal stance is an upside risk.

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Average
Official Bank Rate														
Upside risk	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.19
Arlingclose Central Case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	0.00	0.00	0.00	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.15
3-month LIBID rate														
Upside risk	0.10	0.10	0.10	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.22
Arlingclose Central Case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	-0.10	-0.10	-0.15	-0.15	-0.15	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.20
1-yr LIBID rate														
Upside risk	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.27
Arlingclose Central Case	0.70	0.70	0.70	0.70	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.77
Downside risk	-0.15	-0.20	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.15	-0.15	-0.26
5-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	0.75	0.75	0.80	0.80	0.80	0.85	0.90	0.90	0.95	0.95	1.00	1.05	1.10	0.89
Downside risk	-0.20	-0.20	-0.25	-0.25	-0.25	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.33
10-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	1.25	1.25	1.25	1.25	1.25	1.30	1.30	1.35	1.40	1.45	1.50	1.55	1.55	1.36
Downside risk	-0.20	-0.25	-0.25	-0.25	-0.25	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.33
20-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	1.85	1.85	1.85	1.85	1.85	1.90	1.90	1.95	1.95	2.00	2.05	2.05	2.05	1.93
Downside risk	-0.20	-0.30	-0.25	-0.25	-0.30	-0.35	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.38
50-yr gilt yield														
Upside risk	0.20	0.25	0.25	0.25	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.32
Arlingclose Central Case	1.70	1.70	1.70	1.70	1.70	1.75	1.80	1.85	1.90	1.95	1.95	1.95	1.95	1.82
Downside risk	-0.30	-0.30	-0.25	-0.25	-0.30	-0.35	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.39

Annex B

Existing Investment & Debt Portfolio Position

	31/12/17 Actual Portfolio £m	31/11/17 Average Rate %
External Borrowing:		
PWLB - Fixed Rate	80	3.96%
PWLB - Variable Rate	0	-
Local Authorities	44	0.47%
LOBO Loans	17	4.63%
Other	4	-
Total External Borrowing	145	2.86%
Other Long Term Liabilities:		
PFI	24	-
Finance Leases	4	-
Total Gross External Debt	173	-
Investments:		
<i>Managed in-house</i>		
Short-term investments:		
Instant Access	9	0.37%
Fixed Term Deposits	2	1.00%
<i>Managed externally</i>		
Fund Managers	4	1.56%
Property Funds	8	4.92%
Total Investments	23	2.21%
Net Debt	150	-

Non-treasury investments:	£000	Rate
Shares - Alderley Park Holdings Ltd	1,597	-
Shares - Manchester Science Parks Ltd	462	-
Loan - Alderley Park Holdings Ltd	1,531	-
Loan - Everybody Sport & Recreation	320	4.50%
Loan - Engenie Ltd	24	-
Investment Fund - Greater Manchester & Cheshire Life Sciences Fund	2,196	-
Total non-treasury investments	6,130	0.23%

Annex C

Prudential Indicators revisions to 2017/18 and 2018/19 - 2020/21

1. Background:

1.1 The Local Government Act 2003 requires the Authority to have regard to the Chartered Institute of Public Finance and Accountancy's *Prudential Code for Capital Finance in Local Authorities* (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Authority has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

2. Estimates of Capital Expenditure:

2.1 The Authority's planned capital expenditure and financing may be summarised as follows.

Capital Expenditure	2017/2018	2018/2019	2019/20	2020/21	Future years
	Estimate £m	Estimate £m	Estimate £m	Estimate £m	Estimate £m
Total	111.0	127.1	121.8	77.2	0.0

Source: Cheshire East Finance

2.2 Capital expenditure will be financed or funded as follows:

Capital Financing	2017/2018	2018/2019	2019/20	2020/21	Future years
	Estimate £m	Estimate £m	Estimate £m	Estimate £m	Estimate £m
Capital receipts	2.2	4.3	4.3	10.0	0.0
Government Grants	34.9	57.3	93.3	19.1	0.0
External Contributions	6.3	7.5	9.9	32.4	0.0
Revenue Contributions	0.5	2.7	0.0	0.0	0.0
Total Financing	43.9	71.8	107.5	61.5	0.0
Prudential Borrowing	67.1	55.3	14.3	15.7	-
Total Funding	67.1	55.3	14.3	15.7	0.0
Total Financing and Funding	111.0	127.1	121.8	77.2	0.0

Source: Cheshire East Finance

3. Estimates of Capital Financing Requirement:

3.1 The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for a capital purpose.

- 3.2 The CFR is forecast to rise over the next three years as capital expenditure financed by debt is outweighed by resources put aside for debt repayment.

Capital Financing Requirement	2017/2018 Estimate £m	2018/2019 Estimate £m	2019/2020 Estimate £m	2020/21 Estimate £m
Total	347	390	393	403

Source: Cheshire East Finance

4. Gross Debt and the Capital Financing Requirement:

- 4.1 This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

- 4.2 Total debt is expected to remain below the CFR during the forecast period.

Debt	31/03/18 Revised £m	31/03/19 Revised £m	31/03/20 Revised £m	31/03/21 Revised £m
Borrowing	183	240	270	318
Finance Leases	3	2	2	1
PFI Liabilities	24	23	22	22
Total Debt	210	265	294	341

Source: Cheshire East Finance

5. Authorised Limit and Operational Boundary for External Debt:

- 5.1 The Authority has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Authority and not just those arising from capital spending reflected in the CFR.
- 5.2 The **Authorised Limit** sets the maximum level of external debt on a gross basis (i.e. excluding investments) for the Authority. It is measured on a daily basis against all external debt items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Authority's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.
- 5.3 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).
- 5.4 The Operational Boundary has been set on the estimate of the most likely, i.e. prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.
- 5.5 The Operational Boundary links directly to the Authority's estimates of the CFR and estimates of other cash flow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

	2017/2018 Estimate £m	2018/2019 Estimate £m	2019/2020 Estimate £m	2020/21 Estimate £m
Authorised Limit for Borrowing	360	400	405	415
Authorised Limit for Other Long- Term Liabilities	27	25	24	23
Authorised Limit for External Debt	387	425	429	438
Operational Boundary for Borrowing	350	390	395	405
Operational Boundary for Other Long-Term Liabilities	27	25	24	23
Operational Boundary for External Debt	377	415	419	428

Source: Cheshire East Finance

6. Ratio of Financing Costs to Net Revenue Stream:

6.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2017/2018 Estimate %	2018/2019 Estimate %	2019/2020 Estimate %	2020/21 Estimate %
Total	3.24	3.91	4.70	5.36

Source: Cheshire East Finance

7. Incremental Impact of Capital Investment Decisions:

7.1 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

Incremental Impact of Capital Investment Decisions	2017/2018 Estimate £	2018/2019 Estimate £	2019/2020 Estimate £
Band D Council Tax	11.50	22.26	20.46

Source: Cheshire East Finance

8. Adoption of the CIPFA Treasury Management Code:

8.1 This indicator demonstrates that the Authority has adopted the principles of best practice.

Adoption of the CIPFA Code of Practice in Treasury Management

The Council approved the adoption of the CIPFA Treasury Management Code at its Council meeting on 23rd February 2012

The Authority has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

Annex D - MRP Statement 2018/19

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Department for Communities and Local Government's *Guidance on Minimum Revenue Provision* (the CLG Guidance) most recently issued in 2012.

The broad aim of the CLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The CLG Guidance requires the Authority to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance.

For capital expenditure incurred before 1st April 2008 and for supported capital expenditure incurred on or after that date, MRP will be charged at 2% annuity rate over a 50 year period.

For capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant assets, as the principal repayment on an annuity rate of 2%, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.

(Option 3 in England and Wales)

For assets acquired by finance leases or the Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.

For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational.

Capital expenditure incurred during 2018/19 will not be subject to a MRP charge until 2019/20.

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COUNCIL

Date of Meeting: 22 February 2018
Report of: Interim Executive Director of Corporate Services
Subject/Title: Council Tax 2018/19 - Statutory Resolution
Portfolio Holder: Cllr Paul Bates

1. Report Summary

- 1.1. Cheshire East Council, as a billing authority, is responsible for the billing and collection of Council Tax due from local taxpayers and must therefore make a resolution to set the overall Council Tax level. This means that the Authority also collects Council Tax income to cover not only its own services but also precepts set by other authorities.
- 1.2. The Council Tax levied is therefore made up of four elements:
 - Cheshire East Borough Council element (includes Social Care Precept)
 - Town & Parish Council precepts
 - Police & Crime Commissioner for Cheshire precept
 - Cheshire Fire Authority precept

2. Recommendation

- 2.1. To set the Council Tax for Cheshire East Council for the financial year 2018/19, at £1,404.28, in accordance with the formal resolutions as shown in section 13 of the report.

3. Other Options Considered

- 3.1. The recommendation in this report reflect the results of a comprehensive consultation process, but no further options are being considered as part of this report.

4. Reasons for Recommendation

- 4.1. In accordance with the Local Government Finance Act 1992 as amended by the Localism Act 2011 the Council is required to set the amounts of the Council Tax for 2018/19 for each of the categories of dwelling in the Council Tax area. This requirement is achieved by approving the statutory resolution shown in this report.

5. Background/Chronology

5.1. The Council Tax levied is made up of four elements as follows:

- the Council Tax Base for 2018/19 - **Annex A**.
- the statutory calculation required to arrive at the amount of Council Tax for each area in respect of Borough Council, Town and Parish Council requirements - **Annexes B and C**.
- the precepts issued by Police & Crime Commissioner for Cheshire and Cheshire Fire Authority under Section 40 of the Act – sections 10 and 11 of the report.
- the statutory calculation of the aggregate of the Borough Council, Parish Council, Police & Crime Commissioner and Cheshire Fire Authority amount of Council Tax for each of the categories of the dwelling for each Council Tax area - **Annex D**.

6. Council Tax Base

6.1. The Council Tax base was agreed at the Cheshire East Council meeting of [14th December 2017](#) as 147,003.80 for the year 2018/19. A breakdown of the calculation by Parish is attached at **Annex A**.

7. General Fund Budget

7.1. On 6th February 2018 [Cabinet](#) recommended a General Fund Budget of £255,817,438. The calculation reflects the detailed Medium Term Financial Strategy prepared by Cabinet and uses estimated values in relation to the treatment of late funding announcements.

8. Cheshire East Borough Council Tax

- 8.1. The Council Tax Requirement for the Borough Council is £206,434,496.
- 8.2. The Band D Council Tax is therefore £1,404.28 (the requirement of £206,434,496 divided by the tax base of 147,003.80).
- 8.3. The Council froze Council Tax levels for five consecutive years from 2011/12 to 2015/16 inclusive, with some government support, saving local taxpayers a total of nearly £50m in that period, and yet continued to provide services that met the needs of local residents. Growth in the local taxbase (for houses and businesses) supports the ambition in the Corporate Plan of creating economic independence from government grant. In 2019/20, there will be no general government grant support to the revenue budget of Cheshire East Council. The speed of this change is a

major challenge and when increases in demand related to protecting vulnerable people and inflation in costs are taken into account, then this creates a requirement to increase Council Tax levels in line with government expectations.

- 8.4. The ability to raise additional Council Tax for use solely on Adult Social Care (ASC) was accepted in 2017/18. Local authorities could raise up to 3% in any year from 2017/18 to 2019/20, but subject to a maximum of 6% over the three year period. Cheshire East proposed to apply half of this increase in 2017/18, and a further 3% in 2018/19. The provisional local government finance settlement announced the referendum limit on base increases was to be increased to 3% in line with inflation. As such, it is proposed that base Council Tax is increased by 2.99% giving a total increase for 2018/19 of 5.99% (including the 3% rise for ASC) to give a Band D charge of £1,404.28 for 2018/19.

9. Parish Council Precepts

- 9.1. Each Parish Council has notified the Council with its precept requirement for the year. The total amount of these special items is £7,362,187 which produces an average Band D Council Tax of £50.08.

10. Police & Crime Commissioner Precept for Cheshire

- 10.1. The precept demand issued by Police & Crime Commissioner is £25,937,350 which produces a Band D Council Tax of £176.44. This represents a 7.3% increase on the 2017/18 Band D Council Tax level. The Police & Crime Commissioner has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwelling shown below:-

Valuation Bands							
A	B	C	D	E	F	G	H
117.63	137.23	156.84	176.44	215.65	254.86	294.07	352.88

11. Fire Authority Precept

- 11.1. The precept demand issued by Cheshire Fire Authority is £11,095,847 which produces a Band D Council Tax of £75.48. This represents a 2.99% increase on the 2017/18 Band D Council tax level. Cheshire Fire Authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwelling shown below:-

Valuation Bands

A	B	C	D	E	F	G	H
50.32	58.71	67.09	75.48	92.25	109.03	125.80	150.96

12. Total Council Tax

12.1. The average Council Tax to be charged to taxpayers in Band D can be summarised as follows:

Element	Charge
	£
Cheshire East Borough Council	1,404.28
Average for Parish Councils	50.08
Average Local Council Tax	1,454.36
Police & Crime Commissioner	176.44
Cheshire Fire Authority	75.48
Total Council Tax	1,706.28

13. Formal Resolution

13.1. That it be noted that on 14th December 2017 the Council calculated the Council Tax base 2018/19.

(a) for the whole Council area as 147,003.80 (item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the “Act”)).

(b) for individual parishes, as in **Appendix A**.

13.2. Calculated that the Council Tax requirement for the Council’s own purposes for 2017/18 (excluding Parish precepts) is £206,434,496.

13.3. That the following amounts be calculated for the year 2018/19 in accordance with Sections 31 to 36 of the Act:

a. £654,829,981 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.

b. £441,033,298 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

- c. £213,796,683 being the amount by which the aggregate at 13.3(a) above exceeds the aggregate at 13.3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year (Item R in the formula in Section 31B of the Act).
- d. £1,454.36 being the amount at 13.3(c) above divided by the amount at 13.1(a) above, calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- e. £7,362,187 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act
- f. £1,404.28 being the amount at 13.3(d) above less the result given by dividing the amount at 13.3(e) above by the amount at 13.1(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
- g. **Appendix A** being the amounts calculated by the Council, in accordance with regulations 3 and 6 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its total council tax base for the year and council tax base for dwellings in those parts of its area to which one or more special items relate.
- h. **Appendix B** being the amounts given by adding to the amount at (f) above, the amounts of special items relating to dwellings in those parts of the Council's area mentioned above divided by in each case the appropriate tax base from Annex A, calculated by the Council in accordance with Section 34(3) of the 1992 Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of the area to which one or more special items relate. (Band D charges for each Parish area).
- i. **Appendix C** being the amounts given by multiplying the amount at (h) above by the number which, in the proportion set out in Section 5(1) of the 1992 Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the 1992 Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands (Local charges for all Bands).

- j. **Appendix D** being the aggregate of the local charges in (i) above and the amounts levied by major precepting authorities, calculated in accordance with Section 30(2) of the 1992 Act (The total Council Tax charge for each band in each Parish area).

13.4. To note that the Police & Crime Commissioner and the Fire Authority have issued precepts to Cheshire East Council in accordance with section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as shown in sections 10 and 11 above.

13.5. Determine whether Cheshire East Council's basic amount of Council tax for 2018/19 is excessive in accordance with principles approved under Section 52ZB and 52ZC of the Local Government Finance Act 1992.

14. Wards Affected and Local Ward Members

14.1. Not applicable.

15. Implications of Recommendation

15.1. Policy Implications

15.1.1. None.

15.2. Legal Implications

15.2.1. As covered in the report.

15.3. Financial Implications

15.3.1. As covered in the report.

15.4. Equality Implications

15.4.1. None.

15.5. Rural Community Implications

15.5.1. None.

15.6. Human Resources Implications

15.6.1. None.

15.7. Public Health Implications

15.7.1. None.

15.8. Other Implications (Please Specify)

15.8.1. None.

16. Risk Management

16.1. The steps outlined in this report will address the main legal and financial risk to the Council's financial management in the setting of a legal Council Tax level for 2018/19.

17. Access to Information/Bibliography

17.1. The following are links to key background documents:

[Taxbase Report 2018/19 \(Council 14th December 2017\)](#)

[Medium Term Financial Strategy 2018-21 \(Cabinet 6th February 2018\)](#)

18. Contact Information

Contact details for this report are as follows:-

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COUNCIL TAX - TAX BASE 2018/19 - by Parish

	Tax Base
Acton, Edleston, Henhull	410.85
Adlington	607.53
Agden	71.32
Alderley Edge	2,672.01
Alpraham	193.98
Alsager	4,453.82
Arclid	153.17
Ashley	162.41
Aston-by-Budworth	180.15
Audlem	927.98
Barthomley	97.16
Betchton	274.39
Bickerton, Egerton	161.67
Bollington	3,127.74
Bosley	206.54
Bradwall	84.82
Brereton	644.38
Brindley, Faddiley	145.51
Buerton	220.72
Bulkeley, Ridley	218.71
Bunbury	632.34
Burland	295.51
Calveley	133.21
Chelford	628.22
Cholmondeley, Chorley	144.29
Cholmondeston, Wettenhall	211.97
Chorley	267.95
Church Lawton	851.52
Church Minshull	210.05
Congleton	9,943.11
Cranage	669.81
Crewe	13,749.29
Crewe Green	115.48
Disley	2,001.78
Dodcott-cum-Wilkesley	205.89
Doddington, Blakenhall, Bridgemere, Checkley-cum-Wrinehill, Hunsterson, Lea	302.59
Eaton	223.80
Gawsworth	821.74
Goostrey	1,065.85
Great Warford	453.23
Handforth	2,290.16
Hankelow	147.23
Haslington	2,539.52
Hassall	112.03
Hatherton, Walgherton	246.66
Haughton	100.67
Henbury	354.23
High Legh	895.41
Higher Hurdsfield	329.87
Holmes Chapel	2,627.85
Hough, Chorlton	842.42
Hulme Walfield & Somerford Booths	170.94
Kettleshulme	165.20
Knutsford	5,755.70
Little Bollington	87.45
Little Warford	37.44
Lower Peover	75.05
Lower Withington	305.45

	Tax Base
Lyme Handley	74.00
Macclesfield	18,223.35
Macclesfield Forest / Wildboarclough	111.13
Marbury-cum-Quoisley, Norbury, Wirswall	272.18
Marton	112.06
Mere	440.96
Middlewich	4,838.18
Millington	100.42
Minshull Vernon, Leighton, Woolstanwood	2,145.53
Mobberley	1,443.77
Moston	274.76
Mottram St Andrew	412.02
Nantwich	5,292.23
Nether Alderley	382.61
Newbold Astbury-cum-Moreton	371.10
Newhall	409.18
North Rode	124.04
Odd Rode	1,975.18
Ollerton / Marthall	317.71
Over Alderley	213.79
Peckforton	70.65
Peover Superior	401.29
Pickmere	374.14
Plumley with Toft and Bexton	399.85
Pott Shrigley	143.82
Poynton with Worth	5,837.67
Prestbury	2,196.26
Rainow	600.77
Rope	853.67
Rostherne	79.86
Sandbach	7,615.32
Shavington-cum-Gresty	1,903.20
Siddington	184.38
Smallwood	336.62
Snelson	99.93
Somerford	326.43
Sound, Austerson, Baddiley, Baddington, Broomhall, Coole Pilate	490.23
Spurstow	195.19
Stapeley, Batherton	1,620.52
Stoke, Hurleston	148.77
Styal	366.22
Sutton	1,141.34
Swettenham	176.51
Tabley	224.01
Tatton	10.18
Twemlow	113.36
Wardle	52.04
Warmingham	120.44
Weston, Basford	1,032.99
Willaston	1,348.21
Wilmslow	11,493.96
Wincle	93.50
Wistaston	3,010.69
Worleston, Poole, Aston Juxta Mondrum	286.57
Wrenbury-cum-Frith	466.92
Wybunbury	628.32
TOTAL TAX BASE	147,003.80

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COUNCIL TAX - BAND D PER PARISH 2018/19

	£
Acton, Edleston, Henhull	1,424.48
Adlington	1,428.97
Agden	1,414.66
Alderley Edge	1,473.67
Alpraham	1,429.18
Alsager	1,484.60
Arclid	1,424.52
Ashley	1,428.91
Aston-by-Budworth	1,415.38
Audlem	1,446.89
Barthomley	1,435.16
Betchton	1,412.83
Bickerton, Egerton	1,416.65
Bollington	1,462.28
Bosley	1,422.86
Bradwall	1,421.96
Brereton	1,433.29
Brindley, Faddiley	1,419.40
Buerton	1,422.01
Bulkeley, Ridley	1,422.60
Bunbury	1,437.49
Burland	1,420.66
Calveley	1,454.76
Chelford	1,443.36
Cholmondeley, Chorley	1,425.07
Cholmondeston, Wettenhall	1,418.65
Chorley	1,422.07
Church Lawton	1,425.42
Church Minshull	1,426.39
Congleton	1,488.37
Cranage	1,434.14
Crewe	1,453.95
Crewe Green	1,430.26
Disley	1,478.68
Dodcott-cum-Wilkesley	1,428.56
Doddington, Blakenhall, Bridgemere, Checkley-cum-Wrinehill, Hunsterson, Lea	1,414.35
Eaton	1,426.62
Gawsworth	1,437.75
Goostrey	1,445.57
Great Warford	1,420.49
Handforth	1,441.40
Hankelow	1,438.24
Haslington	1,436.96
Hassall	1,439.98
Hatherton, Walgherton	1,421.29
Haughton	1,412.98
Henbury	1,438.16
High Legh	1,418.24
Higher Hurdsfield	1,419.44
Holmes Chapel	1,483.97
Hough, Chorlton	1,434.55
Hulme Walfield & Somerford Booths	1,462.78
Kettleshulme	1,466.63
Knutsford	1,461.06
Little Bollington	1,416.86
Little Warford	1,404.28
Lower Peover	1,430.26
Lower Withington	1,438.98

	£
Lyme Handley	1,404.28
Macclesfield	1,444.05
Macclesfield Forest / Wildboarclough	1,404.28
Marbury-cum-Quoisley, Norbury, Wirswall	1,426.32
Marton	1,435.51
Mere	1,421.74
Middlewich	1,489.18
Millington	1,426.69
Minshull Vernon, Leighton, Woolstanwood	1,423.62
Mobberley	1,429.56
Moston	1,433.40
Mottram St Andrew	1,422.39
Nantwich	1,512.92
Nether Alderley	1,459.17
Newbold Astbury-cum-Moreton	1,444.70
Newhall	1,413.69
North Rode	1,422.82
Odd Rode	1,444.79
Ollerton / Marthall	1,431.55
Over Alderley	1,419.01
Peckforton	1,424.49
Peover Superior	1,432.03
Pickmere	1,440.76
Plumley with Toft and Bexton	1,441.43
Pott Shrigley	1,429.31
Poynton with Worth	1,479.05
Prestbury	1,437.68
Rainow	1,422.59
Rope	1,411.77
Rostherne	1,453.12
Sandbach	1,489.25
Shavington-cum-Gresty	1,452.62
Siddington	1,420.55
Smallwood	1,416.16
Snelson	1,422.29
Somerford	1,447.17
Sound, Austerson, Baddiley, Baddington, Broomhall, Coole Pilate	1,411.83
Spurstow	1,422.21
Stapeley, Batherton	1,422.92
Stoke, Hurleston	1,420.27
Styal	1,426.67
Sutton	1,421.80
Swettenham	1,425.49
Tabley	1,418.43
Tatton	1,404.28
Twemlow	1,437.36
Wardle	1,428.30
Warmingham	1,436.66
Weston, Basford	1,433.54
Willaston	1,419.86
Wilmslow	1,431.73
Wincle	1,404.28
Wistaston	1,423.05
Worleston, Poole, Aston Juxta Mondrum	1,416.27
Wrenbury-cum-Frith	1,427.84
Wybunbury	1,438.26

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LOCAL COUNCIL TAX (BOROUGH + PARISH)

	VALUATION BAND							
	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£	£	£	£	£	£	£	£
Acton, Edleston, Henhull	949.66	1,107.93	1,266.21	1,424.48	1,741.03	2,057.59	2,374.14	2,848.96
Adlington	952.65	1,111.42	1,270.20	1,428.97	1,746.52	2,064.07	2,381.62	2,857.94
Agden	943.11	1,100.29	1,257.48	1,414.66	1,729.03	2,043.40	2,357.77	2,829.32
Alderley Edge	982.45	1,146.19	1,309.93	1,473.67	1,801.15	2,128.64	2,456.12	2,947.34
Alraham	952.79	1,111.59	1,270.38	1,429.18	1,746.77	2,064.38	2,381.97	2,858.36
Alsager	989.74	1,154.69	1,319.65	1,484.60	1,814.51	2,144.43	2,474.34	2,969.20
Arclid	949.68	1,107.96	1,266.24	1,424.52	1,741.08	2,057.65	2,374.20	2,849.04
Ashley	952.61	1,111.38	1,270.14	1,428.91	1,746.44	2,063.99	2,381.52	2,857.82
Aston-by-Budworth	943.59	1,100.85	1,258.12	1,415.38	1,729.91	2,044.44	2,358.97	2,830.76
Audlem	964.60	1,125.36	1,286.13	1,446.89	1,768.42	2,089.96	2,411.49	2,893.78
Barthomley	956.78	1,116.24	1,275.70	1,435.16	1,754.08	2,073.01	2,391.94	2,870.32
Betchton	941.89	1,098.87	1,255.85	1,412.83	1,726.79	2,040.76	2,354.72	2,825.66
Bickerton, Egerton	944.44	1,101.84	1,259.25	1,416.65	1,731.46	2,046.28	2,361.09	2,833.30
Bollington	974.86	1,137.33	1,299.81	1,462.28	1,787.23	2,112.19	2,437.14	2,924.56
Bosley	948.58	1,106.67	1,264.77	1,422.86	1,739.05	2,055.25	2,371.44	2,845.72
Bradwall	947.98	1,105.97	1,263.97	1,421.96	1,737.95	2,053.95	2,369.94	2,843.92
Brereton	955.53	1,114.78	1,274.04	1,433.29	1,751.80	2,070.31	2,388.82	2,866.58
Brindley, Faddiley	946.27	1,103.98	1,261.69	1,419.40	1,734.82	2,050.25	2,365.67	2,838.80
Buerton	948.01	1,106.01	1,264.01	1,422.01	1,738.01	2,054.02	2,370.02	2,844.02
Bulkeley, Ridley	948.40	1,106.47	1,264.53	1,422.60	1,738.73	2,054.87	2,371.00	2,845.20
Bunbury	958.33	1,118.05	1,277.77	1,437.49	1,756.93	2,076.38	2,395.82	2,874.98
Burland	947.11	1,104.96	1,262.81	1,420.66	1,736.36	2,052.07	2,367.77	2,841.32
Calveley	969.84	1,131.48	1,293.12	1,454.76	1,778.04	2,101.33	2,424.60	2,909.52
Chelford	962.24	1,122.62	1,282.99	1,443.36	1,764.10	2,084.86	2,405.60	2,886.72
Cholmondeley, Chorley	950.05	1,108.39	1,266.73	1,425.07	1,741.75	2,058.44	2,375.12	2,850.14
Cholmondeston, Wettenhall	945.77	1,103.40	1,261.02	1,418.65	1,733.90	2,049.17	2,364.42	2,837.30
Chorley	948.05	1,106.06	1,264.06	1,422.07	1,738.08	2,054.11	2,370.12	2,844.14
Church Lawton	950.28	1,108.66	1,267.04	1,425.42	1,742.18	2,058.95	2,375.70	2,850.84
Church Minshull	950.93	1,109.42	1,267.90	1,426.39	1,743.36	2,060.35	2,377.32	2,852.78
Congleton	992.25	1,157.62	1,323.00	1,488.37	1,819.12	2,149.87	2,480.62	2,976.74
Cranage	956.10	1,115.44	1,274.79	1,434.14	1,752.84	2,071.54	2,390.24	2,868.28
Crewe	969.30	1,130.85	1,292.40	1,453.95	1,777.05	2,100.16	2,423.25	2,907.90
Crewe Green	953.51	1,112.43	1,271.34	1,430.26	1,748.09	2,065.94	2,383.77	2,860.52
Disley	985.79	1,150.09	1,314.38	1,478.68	1,807.27	2,135.88	2,464.47	2,957.36
Dodcott-cum-Wilkesley	952.38	1,111.10	1,269.83	1,428.56	1,746.02	2,063.48	2,380.94	2,857.12
Doddington, Blakenhall, Bridgemere, Checkley-cum-Wrinehill, Hunsterson, Lea	942.90	1,100.05	1,257.20	1,414.35	1,728.65	2,042.96	2,357.25	2,828.70
Eaton	951.08	1,109.60	1,268.11	1,426.62	1,743.64	2,060.68	2,377.70	2,853.24
Gawsworth	958.50	1,118.25	1,278.00	1,437.75	1,757.25	2,076.76	2,396.25	2,875.50
Goostrey	963.72	1,124.33	1,284.95	1,445.57	1,766.81	2,088.05	2,409.29	2,891.14
Great Warford	947.00	1,104.83	1,262.66	1,420.49	1,736.15	2,051.82	2,367.49	2,840.98
Handforth	960.94	1,121.09	1,281.25	1,441.40	1,761.71	2,082.03	2,402.34	2,882.80
Hankelow	958.83	1,118.63	1,278.44	1,438.24	1,757.85	2,077.46	2,397.07	2,876.48
Haslington	957.98	1,117.64	1,277.30	1,436.96	1,756.28	2,075.61	2,394.94	2,873.92
Hassall	959.99	1,119.99	1,279.98	1,439.98	1,759.97	2,079.98	2,399.97	2,879.96
Hatherton, Walgherton	947.53	1,105.45	1,263.37	1,421.29	1,737.13	2,052.98	2,368.82	2,842.58
Haughton	941.99	1,098.99	1,255.98	1,412.98	1,726.97	2,040.98	2,354.97	2,825.96
Henbury	958.78	1,118.57	1,278.37	1,438.16	1,757.75	2,077.35	2,396.94	2,876.32
High Legh	945.50	1,103.08	1,260.66	1,418.24	1,733.40	2,048.57	2,363.74	2,836.48
Higher Hurdfield	946.30	1,104.01	1,261.73	1,419.44	1,734.87	2,050.31	2,365.74	2,838.88
Holmes Chapel	989.32	1,154.20	1,319.09	1,483.97	1,813.74	2,143.52	2,473.29	2,967.94
Hough, Chorlton	956.37	1,115.76	1,275.16	1,434.55	1,753.34	2,072.13	2,390.92	2,869.10
Hulme Walfield & Somerford Booths	975.19	1,137.72	1,300.25	1,462.78	1,787.84	2,112.91	2,437.97	2,925.56
Kettleshulme	977.76	1,140.71	1,303.67	1,466.63	1,792.55	2,118.47	2,444.39	2,933.26
Knutsford	974.04	1,136.38	1,298.72	1,461.06	1,785.74	2,110.43	2,435.10	2,922.12
Little Bollington	944.58	1,102.00	1,259.43	1,416.86	1,731.72	2,046.58	2,361.44	2,833.72
Little Warford	936.19	1,092.22	1,248.25	1,404.28	1,716.34	2,028.41	2,340.47	2,808.56
Lower Peover	953.51	1,112.43	1,271.34	1,430.26	1,748.09	2,065.94	2,383.77	2,860.52
Lower Withington	959.32	1,119.21	1,279.09	1,438.98	1,758.75	2,078.53	2,398.30	2,877.96
Lyme Handley	936.19	1,092.22	1,248.25	1,404.28	1,716.34	2,028.41	2,340.47	2,808.56
Macclesfield	962.70	1,123.15	1,283.60	1,444.05	1,764.95	2,085.86	2,406.75	2,888.10
Macclesfield Forest / Wildboardclough	936.19	1,092.22	1,248.25	1,404.28	1,716.34	2,028.41	2,340.47	2,808.56
Marbury-cum-Quoisley, Norbury, Wirswall	950.88	1,109.36	1,267.84	1,426.32	1,743.28	2,060.25	2,377.20	2,852.64
Marton	957.01	1,116.51	1,276.01	1,435.51	1,754.51	2,073.52	2,392.52	2,871.02
Mere	947.83	1,105.80	1,263.77	1,421.74	1,737.68	2,053.63	2,369.57	2,843.48

LOCAL COUNCIL TAX (BOROUGH + PARISH)

	VALUATION BAND							
	BAND A £	BAND B £	BAND C £	BAND D £	BAND E £	BAND F £	BAND G £	BAND H £
Middlewich	992.79	1,158.25	1,323.72	1,489.18	1,820.11	2,151.04	2,481.97	2,978.36
Millington	951.13	1,109.65	1,268.17	1,426.69	1,743.73	2,060.78	2,377.82	2,853.38
Minshull Vernon, Leighton, Woolstanwood	949.08	1,107.26	1,265.44	1,423.62	1,739.98	2,056.35	2,372.70	2,847.24
Mobberley	953.04	1,111.88	1,270.72	1,429.56	1,747.24	2,064.93	2,382.60	2,859.12
Moston	955.60	1,114.87	1,274.13	1,433.40	1,751.93	2,070.47	2,389.00	2,866.80
Mottram St Andrew	948.26	1,106.31	1,264.35	1,422.39	1,738.47	2,054.57	2,370.65	2,844.78
Nantwich	1,008.62	1,176.72	1,344.82	1,512.92	1,849.12	2,185.33	2,521.54	3,025.84
Nether Alderley	972.78	1,134.91	1,297.04	1,459.17	1,783.43	2,107.70	2,431.95	2,918.34
Newbold Astbury-cum-Moreton	963.14	1,123.66	1,284.18	1,444.70	1,765.74	2,086.79	2,407.84	2,889.40
Newhall	942.46	1,099.54	1,256.61	1,413.69	1,727.84	2,042.00	2,356.15	2,827.38
North Rode	948.55	1,106.64	1,264.73	1,422.82	1,739.00	2,055.19	2,371.37	2,845.64
Odd Rode	963.20	1,123.73	1,284.26	1,444.79	1,765.85	2,086.92	2,407.99	2,889.58
Ollerton / Marthall	954.37	1,113.43	1,272.49	1,431.55	1,749.67	2,067.80	2,385.92	2,863.10
Over Alderley	946.01	1,103.68	1,261.34	1,419.01	1,734.34	2,049.69	2,365.02	2,838.02
Peckforton	949.66	1,107.94	1,266.21	1,424.49	1,741.04	2,057.60	2,374.15	2,848.98
Peover Superior	954.69	1,113.80	1,272.92	1,432.03	1,750.26	2,068.49	2,386.72	2,864.06
Pickmere	960.51	1,120.59	1,280.68	1,440.76	1,760.93	2,081.10	2,401.27	2,881.52
Plumley with Toft and Bexton	960.96	1,121.11	1,281.27	1,441.43	1,761.75	2,082.07	2,402.39	2,882.86
Pott Shrigley	952.88	1,111.69	1,270.50	1,429.31	1,746.93	2,064.56	2,382.19	2,858.62
Poynton with Worth	986.04	1,150.37	1,314.71	1,479.05	1,807.73	2,136.41	2,465.09	2,958.10
Prestbury	958.46	1,118.20	1,277.94	1,437.68	1,757.16	2,076.65	2,396.14	2,875.36
Rainow	948.40	1,106.46	1,264.53	1,422.59	1,738.72	2,054.86	2,370.99	2,845.18
Rope	941.18	1,098.05	1,254.91	1,411.77	1,725.49	2,039.23	2,352.95	2,823.54
Rostherne	968.75	1,130.21	1,291.66	1,453.12	1,776.03	2,098.96	2,421.87	2,906.24
Sandbach	992.84	1,158.31	1,323.78	1,489.25	1,820.19	2,151.14	2,482.09	2,978.50
Shavington-cum-Gresty	968.42	1,129.82	1,291.22	1,452.62	1,775.42	2,098.23	2,421.04	2,905.24
Siddington	947.04	1,104.87	1,262.71	1,420.55	1,736.23	2,051.91	2,367.59	2,841.10
Smallwood	944.11	1,101.46	1,258.81	1,416.16	1,730.86	2,045.57	2,360.27	2,832.32
Snelson	948.20	1,106.23	1,264.26	1,422.29	1,738.35	2,054.42	2,370.49	2,844.58
Somerford	964.78	1,125.58	1,286.37	1,447.17	1,768.76	2,090.36	2,411.95	2,894.34
Sound, Austerson, Baddiley, Baddington, Broomhall, Coole Pilate	941.22	1,098.09	1,254.96	1,411.83	1,725.57	2,039.32	2,353.05	2,823.66
Spurstow	948.14	1,106.17	1,264.19	1,422.21	1,738.25	2,054.31	2,370.35	2,844.42
Stapeley, Batherton	948.62	1,106.72	1,264.82	1,422.92	1,739.12	2,055.33	2,371.54	2,845.84
Stoke, Hurlleston	946.85	1,104.66	1,262.46	1,420.27	1,735.88	2,051.51	2,367.12	2,840.54
Styal	951.12	1,109.63	1,268.15	1,426.67	1,743.71	2,060.75	2,377.79	2,853.34
Sutton	947.87	1,105.85	1,263.82	1,421.80	1,737.75	2,053.72	2,369.67	2,843.60
Swettenham	950.33	1,108.72	1,267.10	1,425.49	1,742.26	2,059.05	2,375.82	2,850.98
Tabley	945.62	1,103.23	1,260.83	1,418.43	1,733.63	2,048.85	2,364.05	2,836.86
Tatton	936.19	1,092.22	1,248.25	1,404.28	1,716.34	2,028.41	2,340.47	2,808.56
Twemlow	958.24	1,117.95	1,277.65	1,437.36	1,756.77	2,076.19	2,395.60	2,874.72
Wardle	952.20	1,110.90	1,269.60	1,428.30	1,745.70	2,063.11	2,380.50	2,856.60
Warmingham	957.78	1,117.40	1,277.03	1,436.66	1,755.92	2,075.18	2,394.44	2,873.32
Weston, Basford	955.70	1,114.98	1,274.26	1,433.54	1,752.10	2,070.67	2,389.24	2,867.08
Willaston	946.58	1,104.34	1,262.10	1,419.86	1,735.38	2,050.91	2,366.44	2,839.72
Wilmslow	954.49	1,113.57	1,272.65	1,431.73	1,749.89	2,068.06	2,386.22	2,863.46
Wincle	936.19	1,092.22	1,248.25	1,404.28	1,716.34	2,028.41	2,340.47	2,808.56
Wistaston	948.70	1,106.82	1,264.93	1,423.05	1,739.28	2,055.52	2,371.75	2,846.10
Worleston, Poole, Aston Juxta Mondrum	944.18	1,101.55	1,258.91	1,416.27	1,730.99	2,045.73	2,360.45	2,832.54
Wrenbury-cum-Frith	951.90	1,110.54	1,269.19	1,427.84	1,745.14	2,062.44	2,379.74	2,855.68
Wybunbury	958.84	1,118.65	1,278.45	1,438.26	1,757.87	2,077.49	2,397.10	2,876.52

TOTAL COUNCIL TAX

	VALUATION BAND							
	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£	£	£	£	£	£	£	£
Acton, Edleston, Henhull	1,117.61	1,303.87	1,490.14	1,676.40	2,048.93	2,421.48	2,794.01	3,352.80
Adlington	1,120.60	1,307.36	1,494.13	1,680.89	2,054.42	2,427.96	2,801.49	3,361.78
Agden	1,111.06	1,296.23	1,481.41	1,666.58	2,036.93	2,407.29	2,777.64	3,333.16
Alderley Edge	1,150.40	1,342.13	1,533.86	1,725.59	2,109.05	2,492.53	2,875.99	3,451.18
Alpraham	1,120.74	1,307.53	1,494.31	1,681.10	2,054.67	2,428.27	2,801.84	3,362.20
Alsager	1,157.69	1,350.63	1,543.58	1,736.52	2,122.41	2,508.32	2,894.21	3,473.04
Arclid	1,117.63	1,303.90	1,490.17	1,676.44	2,048.98	2,421.54	2,794.07	3,352.88
Ashley	1,120.56	1,307.32	1,494.07	1,680.83	2,054.34	2,427.88	2,801.39	3,361.66
Aston-by-Budworth	1,111.54	1,296.79	1,482.05	1,667.30	2,037.81	2,408.33	2,778.84	3,334.60
Audlem	1,132.55	1,321.30	1,510.06	1,698.81	2,076.32	2,453.85	2,831.36	3,397.62
Barthomley	1,124.73	1,312.18	1,499.63	1,687.08	2,061.98	2,436.90	2,811.81	3,374.16
Betchton	1,109.84	1,294.81	1,479.78	1,664.75	2,034.69	2,404.65	2,774.59	3,329.50
Bickerton, Egerton	1,112.39	1,297.78	1,483.18	1,668.57	2,039.36	2,410.17	2,780.96	3,337.14
Bollington	1,142.81	1,333.27	1,523.74	1,714.20	2,095.13	2,476.08	2,857.01	3,428.40
Bosley	1,116.53	1,302.61	1,488.70	1,674.78	2,046.95	2,419.14	2,791.31	3,349.56
Bradwall	1,115.93	1,301.91	1,487.90	1,673.88	2,045.85	2,417.84	2,789.81	3,347.76
Brereton	1,123.48	1,310.72	1,497.97	1,685.21	2,059.70	2,434.20	2,808.69	3,370.42
Brindley, Faddiley	1,114.22	1,299.92	1,485.62	1,671.32	2,042.72	2,414.14	2,785.54	3,342.64
Buerton	1,115.96	1,301.95	1,487.94	1,673.93	2,045.91	2,417.91	2,789.89	3,347.86
Bulkeley, Ridley	1,116.35	1,302.41	1,488.46	1,674.52	2,046.63	2,418.76	2,790.87	3,349.04
Bunbury	1,126.28	1,313.99	1,501.70	1,689.41	2,064.83	2,440.27	2,815.69	3,378.82
Burland	1,115.06	1,300.90	1,486.74	1,672.58	2,044.26	2,415.96	2,787.64	3,345.16
Calveley	1,137.79	1,327.42	1,517.05	1,706.68	2,085.94	2,465.22	2,844.47	3,413.36
Chelford	1,130.19	1,318.56	1,506.92	1,695.28	2,072.00	2,448.75	2,825.47	3,390.56
Cholmondeley, Chorley	1,118.00	1,304.33	1,490.66	1,676.99	2,049.65	2,422.33	2,794.99	3,353.98
Cholmondeston, Wettenhall	1,113.72	1,299.34	1,484.95	1,670.57	2,041.80	2,413.06	2,784.29	3,341.14
Chorley	1,116.00	1,302.00	1,487.99	1,673.99	2,045.98	2,418.00	2,789.99	3,347.98
Church Lawton	1,118.23	1,304.60	1,490.97	1,677.34	2,050.08	2,422.84	2,795.57	3,354.68
Church Minshull	1,118.88	1,305.36	1,491.83	1,678.31	2,051.26	2,424.24	2,797.19	3,356.62
Congleton	1,160.20	1,353.56	1,546.93	1,740.29	2,127.02	2,513.76	2,900.49	3,480.58
Cranage	1,124.05	1,311.38	1,498.72	1,686.06	2,060.74	2,435.43	2,810.11	3,372.12
Crewe	1,137.25	1,326.79	1,516.33	1,705.87	2,084.95	2,464.05	2,843.12	3,411.74
Crewe Green	1,121.46	1,308.37	1,495.27	1,682.18	2,055.99	2,429.83	2,803.64	3,364.36
Disley	1,153.74	1,346.03	1,538.31	1,730.60	2,115.17	2,499.77	2,884.34	3,461.20
Dodcott-cum-Wilkesley	1,120.33	1,307.04	1,493.76	1,680.48	2,053.92	2,427.37	2,800.81	3,360.96
Doddington, Blakenhall, Bridgemere, Checkley-cum-Wrinehill, Hunsterson, Lea	1,110.85	1,295.99	1,481.13	1,666.27	2,036.55	2,406.85	2,777.12	3,332.54
Eaton	1,119.03	1,305.54	1,492.04	1,678.54	2,051.54	2,424.57	2,797.57	3,357.08
Gawsworth	1,126.45	1,314.19	1,501.93	1,689.67	2,065.15	2,440.65	2,816.12	3,379.34
Goostrey	1,131.67	1,320.27	1,508.88	1,697.49	2,074.71	2,451.94	2,829.16	3,394.98
Great Warford	1,114.95	1,300.77	1,486.59	1,672.41	2,044.05	2,415.71	2,787.36	3,344.82
Handforth	1,128.89	1,317.03	1,505.18	1,693.32	2,069.61	2,445.92	2,822.21	3,386.64
Hankelow	1,126.78	1,314.57	1,502.37	1,690.16	2,065.75	2,441.35	2,816.94	3,380.32
Haslington	1,125.93	1,313.58	1,501.23	1,688.88	2,064.18	2,439.50	2,814.81	3,377.76
Hassall	1,127.94	1,315.93	1,503.91	1,691.90	2,067.87	2,443.87	2,819.84	3,383.80
Hatherton, Walgherton	1,115.48	1,301.39	1,487.30	1,673.21	2,045.03	2,416.87	2,788.69	3,346.42
Haughton	1,109.94	1,294.93	1,479.91	1,664.90	2,034.87	2,404.87	2,774.84	3,329.80
Henbury	1,126.73	1,314.51	1,502.30	1,690.08	2,065.65	2,441.24	2,816.81	3,380.16
High Legh	1,113.45	1,299.02	1,484.59	1,670.16	2,041.30	2,412.46	2,783.61	3,340.32
Higher Hurdfield	1,114.25	1,299.95	1,485.66	1,671.36	2,042.77	2,414.20	2,785.61	3,342.72
Holmes Chapel	1,157.27	1,350.14	1,543.02	1,735.89	2,121.64	2,507.41	2,893.16	3,471.78
Hough, Chorlton	1,124.32	1,311.70	1,499.09	1,686.47	2,061.24	2,436.02	2,810.79	3,372.94
Hulme Walfield & Somerford Booths	1,143.14	1,333.66	1,524.18	1,714.70	2,095.74	2,476.80	2,857.84	3,429.40
Kettleshulme	1,145.71	1,336.65	1,527.60	1,718.55	2,100.45	2,482.36	2,864.26	3,437.10
Knutsford	1,141.99	1,332.32	1,522.65	1,712.98	2,093.64	2,474.32	2,854.97	3,425.96
Little Bollington	1,112.53	1,297.94	1,483.36	1,668.78	2,039.62	2,410.47	2,781.31	3,337.56
Little Warford	1,104.14	1,288.16	1,472.18	1,656.20	2,024.24	2,392.30	2,760.34	3,312.40
Lower Peover	1,121.46	1,308.37	1,495.27	1,682.18	2,055.99	2,429.83	2,803.64	3,364.36
Lower Withington	1,127.27	1,315.15	1,503.02	1,690.90	2,066.65	2,442.42	2,818.17	3,381.80
Lyme Handley	1,104.14	1,288.16	1,472.18	1,656.20	2,024.24	2,392.30	2,760.34	3,312.40
Macclesfield	1,130.65	1,319.09	1,507.53	1,695.97	2,072.85	2,449.75	2,826.62	3,391.94
Macclesfield Forest / Wildboardclough	1,104.14	1,288.16	1,472.18	1,656.20	2,024.24	2,392.30	2,760.34	3,312.40
Marbury-cum-Quoisley, Norbury, Wirswall	1,118.83	1,305.30	1,491.77	1,678.24	2,051.18	2,424.14	2,797.07	3,356.48
Marton	1,124.96	1,312.45	1,499.94	1,687.43	2,062.41	2,437.41	2,812.39	3,374.86
Mere	1,115.78	1,301.74	1,487.70	1,673.66	2,045.58	2,417.52	2,789.44	3,347.32

TOTAL COUNCIL TAX

	VALUATION BAND							
	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H
	£	£	£	£	£	£	£	£
Middlewich	1,160.74	1,354.19	1,547.65	1,741.10	2,128.01	2,514.93	2,901.84	3,482.20
Millington	1,119.08	1,305.59	1,492.10	1,678.61	2,051.63	2,424.67	2,797.69	3,357.22
Minshull Vernon, Leighton, Woolstanwood	1,117.03	1,303.20	1,489.37	1,675.54	2,047.88	2,420.24	2,792.57	3,351.08
Mobberley	1,120.99	1,307.82	1,494.65	1,681.48	2,055.14	2,428.82	2,802.47	3,362.96
Moston	1,123.55	1,310.81	1,498.06	1,685.32	2,059.83	2,434.36	2,808.87	3,370.64
Mottram St Andrew	1,116.21	1,302.25	1,488.28	1,674.31	2,046.37	2,418.46	2,790.52	3,348.62
Nantwich	1,176.57	1,372.66	1,568.75	1,764.84	2,157.02	2,549.22	2,941.41	3,529.68
Nether Alderley	1,140.73	1,330.85	1,520.97	1,711.09	2,091.33	2,471.59	2,851.82	3,422.18
Newbold Astbury-cum-Moreton	1,131.09	1,319.60	1,508.11	1,696.62	2,073.64	2,450.68	2,827.71	3,393.24
Newhall	1,110.41	1,295.48	1,480.54	1,665.61	2,035.74	2,405.89	2,776.02	3,331.22
North Rode	1,116.50	1,302.58	1,488.66	1,674.74	2,046.90	2,419.08	2,791.24	3,349.48
Odd Rode	1,131.15	1,319.67	1,508.19	1,696.71	2,073.75	2,450.81	2,827.86	3,393.42
Ollerton / Marthall	1,122.32	1,309.37	1,496.42	1,683.47	2,057.57	2,431.69	2,805.79	3,366.94
Over Alderley	1,113.96	1,299.62	1,485.27	1,670.93	2,042.24	2,413.58	2,784.89	3,341.86
Peckforton	1,117.61	1,303.88	1,490.14	1,676.41	2,048.94	2,421.49	2,794.02	3,352.82
Peover Superior	1,122.64	1,309.74	1,496.85	1,683.95	2,058.16	2,432.38	2,806.59	3,367.90
Pickmere	1,128.46	1,316.53	1,504.61	1,692.68	2,068.83	2,444.99	2,821.14	3,385.36
Plumley with Toft and Bexton	1,128.91	1,317.05	1,505.20	1,693.35	2,069.65	2,445.96	2,822.26	3,386.70
Pott Shrigley	1,120.83	1,307.63	1,494.43	1,681.23	2,054.83	2,428.45	2,802.06	3,362.46
Poynton with Worth	1,153.99	1,346.31	1,538.64	1,730.97	2,115.63	2,500.30	2,884.96	3,461.94
Prestbury	1,126.41	1,314.14	1,501.87	1,689.60	2,065.06	2,440.54	2,816.01	3,379.20
Rainow	1,116.35	1,302.40	1,488.46	1,674.51	2,046.62	2,418.75	2,790.86	3,349.02
Rope	1,109.13	1,293.99	1,478.84	1,663.69	2,033.39	2,403.12	2,772.82	3,327.38
Rostherne	1,136.70	1,326.15	1,515.59	1,705.04	2,083.93	2,462.85	2,841.74	3,410.08
Sandbach	1,160.79	1,354.25	1,547.71	1,741.17	2,128.09	2,515.03	2,901.96	3,482.34
Shavington-cum-Gresty	1,136.37	1,325.76	1,515.15	1,704.54	2,083.32	2,462.12	2,840.91	3,409.08
Siddington	1,114.99	1,300.81	1,486.64	1,672.47	2,044.13	2,415.80	2,787.46	3,344.94
Smallwood	1,112.06	1,297.40	1,482.74	1,668.08	2,038.76	2,409.46	2,780.14	3,336.16
Snelson	1,116.15	1,302.17	1,488.19	1,674.21	2,046.25	2,418.31	2,790.36	3,348.42
Somerford	1,132.73	1,321.52	1,510.30	1,699.09	2,076.66	2,454.25	2,831.82	3,398.18
Sound, Austerston, Baddiley, Baddington,	1,109.17	1,294.03	1,478.89	1,663.75	2,033.47	2,403.21	2,772.92	3,327.50
Broomhall, Coole Pilate								
Spurstow	1,116.09	1,302.11	1,488.12	1,674.13	2,046.15	2,418.20	2,790.22	3,348.26
Stapeley, Batherton	1,116.57	1,302.66	1,488.75	1,674.84	2,047.02	2,419.22	2,791.41	3,349.68
Stoke, Hurlleston	1,114.80	1,300.60	1,486.39	1,672.19	2,043.78	2,415.40	2,786.99	3,344.38
Styal	1,119.07	1,305.57	1,492.08	1,678.59	2,051.61	2,424.64	2,797.66	3,357.18
Sutton	1,115.82	1,301.79	1,487.75	1,673.72	2,045.65	2,417.61	2,789.54	3,347.44
Swettenham	1,118.28	1,304.66	1,491.03	1,677.41	2,050.16	2,422.94	2,795.69	3,354.82
Tabley	1,113.57	1,299.17	1,484.76	1,670.35	2,041.53	2,412.74	2,783.92	3,340.70
Tatton	1,104.14	1,288.16	1,472.18	1,656.20	2,024.24	2,392.30	2,760.34	3,312.40
Twemlow	1,126.19	1,313.89	1,501.58	1,689.28	2,064.67	2,440.08	2,815.47	3,378.56
Wardle	1,120.15	1,306.84	1,493.53	1,680.22	2,053.60	2,427.00	2,800.37	3,360.44
Warmingham	1,125.73	1,313.34	1,500.96	1,688.58	2,063.82	2,439.07	2,814.31	3,377.16
Weston, Basford	1,123.65	1,310.92	1,498.19	1,685.46	2,060.00	2,434.56	2,809.11	3,370.92
Willaston	1,114.53	1,300.28	1,486.03	1,671.78	2,043.28	2,414.80	2,786.31	3,343.56
Wilmslow	1,122.44	1,309.51	1,496.58	1,683.65	2,057.79	2,431.95	2,806.09	3,367.30
Wincle	1,104.14	1,288.16	1,472.18	1,656.20	2,024.24	2,392.30	2,760.34	3,312.40
Wistaston	1,116.65	1,302.76	1,488.86	1,674.97	2,047.18	2,419.41	2,791.62	3,349.94
Worleston, Poole, Aston Juxta Mondrum	1,112.13	1,297.49	1,482.84	1,668.19	2,038.89	2,409.62	2,780.32	3,336.38
Wrenbury-cum-Frith	1,119.85	1,306.48	1,493.12	1,679.76	2,053.04	2,426.33	2,799.61	3,359.52
Wybunbury	1,126.79	1,314.59	1,502.38	1,690.18	2,065.77	2,441.38	2,816.97	3,380.36

COUNCIL MEETING – 22ND FEBRUARY 2018**A 'PATIENT PASSPORT' - DELIVERING ACCESS TO HEALTH AND CARE RECORDS**

Cabinet recommends to Council the approval of a Supplementary Revenue Estimate of £2.665m for 2018/19, fully funded from the Estates and Technology Transformation Fund monies.

Extract from the Minutes of the Cabinet meeting on 6th February 2018

107 **A 'PATIENT PASSPORT' - DELIVERING ACCESS TO HEALTH AND CARE RECORDS**

The Chairman had agreed that this matter be considered as an urgent item of business as a decision could not wait until the next meeting.

Cabinet considered a report on the Patient Passport project which proposed that the Council act as delivery partner.

RESOLVED

That Cabinet

1. authorises the Executive Director People (in consultation with the Director of Legal Services) to agree the terms of and enter into an agreement under Section 75 of the National Health Act 2006 to document delivery partner arrangements with the Eastern Cheshire Clinical Commissioning Group including the receipt of £2.665m Estates and Technology Transformation Fund monies;
2. **recommends to Council the approval of a Supplementary Revenue Estimate of £2.665m for 2018/19, fully funded from the Estates and Technology Transformation Fund monies; and**
3. notes that thereafter officers will take all necessary actions to deliver the electronic care passport scheme.

COUNCIL IS ASKED TO APPROVE RECOMMENDATION 2 ABOVE.

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Cheshire East Council

Cabinet

Date of Meeting:	6 February 2018
Report of:	Linda Couchman, Acting Strategic Director of ASC & Health
Subject/Title:	A 'Patient Passport' – Delivering Access to Health and Care Records
Portfolio Holder:	Cllr Liz Wardlaw

1. Report Summary

- 1.1. In the summer of 2016 Eastern Cheshire Clinical Commissioning Group's (ECCG) 'Caring Together' IT Group (of which the Council is a partner) submitted a bid to the NHS England Estates and Technology Transformation Fund (ETTF) for a project entitled "Patient Passport". In December 2017 the CCG was notified that it had been awarded £2,665,025. The award is 100% revenue monies from NHS England and must be spent by the CCG by 31st March 2018.
- 1.2. It has been agreed in principle that Cheshire East Council (CEC) act as a delivery partner and that the fund is transferred to CEC Finance.
- 1.3. This funding will be used to develop an electronic "care passport" on the Live Well portal for Adult Health and Social Care; which will enable local people to unlock their information and advice and have direct control over what data they want to be shared and when. It is envisaged that the project will deliver a prototype, secure personal care information store. This will contain such information as test results, assessments and letters to which the person concerned is alerted by text, email or chosen channel. In addition, there will be a digital personalised care and support diary which will provide a holistic view of the events that support coordinated and sympathetic patient care.
- 1.4. ECCG will write formally to the Council outlining the original bid, the broad areas that it covers, and formally request that CEC act as their delivery partner. CEC will then be in a position to respond, setting out the basis of any agreed involvement. This agreement will be in the form of a formal agreement under Section 75 of the National Health Act 2006.

2. Recommendation

2.1. That Cabinet:-

- a) Authorises the Executive Director People (in consultation with the Director of Legal Services) to agree the terms of and enter into an agreement under Section 75 of the National Health Act 2006 to document delivery partner arrangements with the Eastern Cheshire Clinical Commissioning Group including the receipt of £2.665m Estates and Technology Transformation Fund monies.
- b) Recommend to Council the approval of a Supplementary Revenue Estimate of £2.665m for 2018/19, fully funded from the Estates and Technology Transformation Fund monies.
- c) Note that thereafter officers will take all necessary actions to deliver the electronic care passport scheme.

3. Reasons for Recommendation

- 3.1 The ETTF bid was produced by the Council and ECCG as part of the CCG's Caring Together IT work-stream and submitted in June 2016. The bid was drafted taking into account the NHS Policy document "The Power of Information" (2012). The introduction to this states:

'This strategy sets a ten-year framework for transforming information for health and care. It aims to harness information and new technologies to achieve higher quality care and improve outcomes for patients and serviceusers. Underpinned by the Health and Social Care Act 2012, it covers public health, healthcare and social care in adult and children's services in England.

As citizens, patients and users of care services, this strategy sets out how a new approach to information and IT across health and care can lead to more joined up, safer, better care for us. The strategy spans information for patients, service users, carers, clinicians and other care professionals, managers, commissioners, councillors, researchers, and many others. Information and transparency can drive up standards, leading to safer, more integrated care and more effective prevention of ill health.'

- 3.2 NHS England's Estates and Technology Transformation Fund (ETTF) is a multi-million pound investment (revenue and capital funding) in general practice facilities and technology across England (between 2015/16 and 2019/20). It is part of the 'General Practice Five Year Forward View' commitment for more modernised buildings and better use of technology to help improve general practices services for patients. The ETTF funding comes out of the £1bn Primary Care Infrastructure Fund which as well as providing a funding boost for estates and technology has invested in other areas of general practice such as workforce.

- 3.3 ECCG has indicated that there is flexibility on the nature of the implementation which may diverge from the details in the bid in terms of scope of delivery, system selection, and procurement timescales. There is no specific reporting requirement by NHS England. Benefits will apply to health rather than Social Care.
- 3.4 The main components of the bid opportunity are:
- a) Citizen access to records held about them (for example, Cheshire Care Record).
 - b) Citizen access to a document repository which the person can then elect to share with a care professional of their choice. This could contain records about them (for example letter from clinic to GP), or produced by them (e.g. results of home-based monitoring).
 - c) Citizen appointments diary relating to any care setting (for example, GP appointments, outpatient appointments).
 - d) Alignment with the Council's drive towards a more digitally enabled interface with our residents
- 3.5 Because of the delay in the decision about the funding being made available, ECCG would be unable to implement the project themselves before the end of March and thus would lose the funding. The CCG have confirmed that transferring the funds before the 31st March 2018 will satisfy the "must be spent" criteria imposed by the funding body, NHSE. Therefore, by forming a partnership with the council as a delivery partner, the money can be transferred to CEC and then carried forward with expenditure occurring during 2018 – 2019.
- 3.6 CEC is positioned to act as delivery partner for the following reasons:
- a) The Live Well platform is a potential gateway to patient passport facilities. It is recognised by health as a citizen-first, self-help resource co-produced by citizen groups and has further development phases planned with ongoing consultation and co-production (for example online self assessments).
 - b) It is proposed that this funding is used to develop an electronic "care passport" on the Live Well portal for Adult Health and Social Care; which will enable local people to unlock their information and advice and have direct control over what data they want to be shared and when. It is envisaged that the project will deliver a prototype secure personal care information store which will contain such information as test results, assessments and letters to which the person concerned is alerted by text, email or chosen channel. In addition, it will incorporate a digital personalised care and support diary which will provide an holistic view of the events that support coordinated and sympathetic patient care.

- c) This is largely a project which will use existing health and council resources to produce a proposal for an electronic patient passport solution specification, which will then be subject to a formal tender process to engage a delivery partner (contractor). The key output will be a prototyped electronic information store and care diary with a view to live implementation of the solution; subject to information governance approval.
 - d) Cheshire East Council has the experience, skills, and resource to tackle the information governance and communication elements of a project of this scope and complexity.
 - e) The Adults, Childrens and Public Health Digital Programme and its vision, has suitable governance and compatible development initiatives to support a wider collaborative effort, ultimately to the benefit of the citizen as this will provide more joined up and accessible health and care data. This is chaired by the Director of Public Health who will act as Senior Responsible Officer for the delivery of the project.
 - f) The Council is proactively developing its digital relationship with residents.
- 3.7 The People Digital Board will take responsibility for the governance and delivery of the project. This is chaired by the Director of Public Health who will act as Senior Responsible Officer. A project delivery group will be established.
- 3.8 The proposed Patient passport would have benefits across a wider Cheshire geography, and as the Cheshire Care Record is already used on a whole Cheshire footprint, the potential to extend the partnership to South Cheshire CCG and West Cheshire CCG will be explored. In addition Chester University and the Innovation Agency have an interest in developing an application to facilitate the public's access to their health and care record so connecting with these organisations will also be a priority to ensure best use is made of the funding and we avoid a duplication of effort.

4. Other Options Considered

- 4.1. The option to not progress this arrangement would almost certainly lead to the loss of the £2.6million from the Eastern Cheshire Health and care economy and the opportunity to introduce a patient passport would be lost.

5. Background

- 5.1. The drafting of the bid to the ETTF began in the summer of 2016 when the Fund was first announced and bids were invited. It was through ECCG's Caring Together IT Group (which the Council is a member of) that the bid was developed.

- 5.2. There was a significant delay in the announcement from NHS England regarding successful bids and ECCG only received confirmation of the award of the money in December 2017 – but with a requirement to have spent it by the end of March 2018.

6. Wards Affected and Local Ward Members

- 6.1. All

7. Implications of Recommendation

7.1. Policy Implications

- 7.1.1. Progressing the Patient Passport would build upon the successful implementation of the Cheshire Care Record (CCR). The CCR allows for more effective sharing of information about a patient or social services client between health and care professionals, with data from separate record systems being shared through the Care Record's digital interface. The Patient Passport would provide residents with electronic access to their health and care information, but also facilitate the co-ordination of appointments and management of letters, reports, and other medical or social care documentation received by an individual. This aligns with the Council's drive to move towards a more digitally enabled relationship with our residents.

7.2. Legal Implications

- 7.2.1. Pursuant to Section 75 of the National Health Service Act 2006 and the NHS Bodies and Local Authorities Partnership Arrangements Regulations 2000 (the "Regulations"), NHS bodies and local authorities can enter into partnership arrangements for the exercise of specified functions. The regulations define the nature of the partnership arrangements.
- 7.2.2. They provide for the establishment of a fund made up of contributions from the partners out of which payments may be made towards expenditure incurred in the exercise of their functions; for the exercise by NHS bodies of local authority functions and for the exercise by local authorities of NHS functions; and require the partners to set out the terms of the arrangements in writing. A written agreement can therefore clearly outline the roles and responsibilities of each party.
- 7.2.3. The specific objectives for implementing Section 75 Agreements are:
- 7.2.3.1. To facilitate a co-ordinated network of health and social care services, allowing flexibility to fill any gaps in provision;
 - 7.2.3.2. To ensure the best use of resources by reducing duplication (across organisations) and achieving greater economies of scale; and

- 7.2.3.3. To enable service providers to be more responsive to the needs and views of users, without distortion by separate funding streams for different service inputs.
- 7.2.4. The Council will be working in partnership with Health colleagues to produce a proposal for an electronic patient passport solution. Following production of a specification the Council intends to appoint a contractor via a competitive process to develop a prototype electronic information store and care diary. The Service (and ICT) must engage with legal and procurement officers to ensure that the competitive procurement is carried out in accordance with EU regulations and the Council's own contract procedure rules (and that appropriate authority is obtained in accordance the proposed contract value/s). Consideration will also need to be given to information governance, data sharing, patient consent and compliance with data protection and information law and legal advice should be obtained as the project develops.
- 7.2.5. The funding has been provided via a grant from NHSE and it is imperative that the Service ensures it is familiar with the terms of that funding. The s75 agreement should also include terms which ensure compliance by the parties with the NHSE funding terms (and safeguard the Council in the event of clawback and/or abortive costs).

7.3. Financial Implications

- 7.3.1. Three main financial issues need to be addressed as part of the Council agreeing to act as delivery partner. Firstly, the funding condition that the money can be transferred to the council and carried forward to the new financial year to be spent in a realistic timeframe allowing for appropriate governance procedures, procurement rules etc. all to be delivered. The CCG have confirmed the funding condition allows this to take place. Secondly, the benefits outlined in the bid need to be assigned to partners. The CCG have confirmed that they will responsible for delivery of 100% of the benefits anticipated by delivery of the bid. Finally, commitment is needed to meeting any ongoing revenue costs (e.g. licenses) that result from the delivery of the bid. The CCG have confirmed they will meet all of these costs. All of issues will form part of the S75 agreement.
- 7.3.2. The Council is therefore asked to approve a Supplementary Estimate of £2.665m for 2018/19, fully funded from external monies received before the start of the 2018/19 financial year.

7.4. Equality Implications

- 7.4.1. It is acknowledged that for some people, a digital solution is not appropriate because they are unable to use or afford computers, tablets or mobile phones. This will be taken into account as the project develops. There is separately a piece of work under way to identify the most

effective means of increasing digital inclusion and supporting those who cannot currently make use of technology to do so in the future.

7.5. Rural Community Implications

- 7.5.1. None specifically, but it could be that the co-ordination of appointment information through the Patient Passport might help reduce wasted journeys for cancelled appointments or missed appointments, which in more rural areas have greater impacts because of travel distances and access to transport.

7.6. Human Resources Implications

- 7.6.1. Some of the funding will be used to put in place project management resource to ensure that the Patient passport is delivered within budget and timescale.

7.7. Health and Wellbeing Implications

- 7.7.1. These are set out in the bid document and are copied below:
- 7.7.2. *This scheme articulates an ambition for using technology and information so that people who want to manage their own care can do so whilst via access to joined up information and systems, clinicians and care professionals are freed to focus on their practice rather than administration.*
- 7.7.3. *Getting in the way is that people who need care and support, their family, their friends and their carers, need to arrange their lives within the constraints set by the health and care system. These constraints are derived from traditional operations where a scarce resource (general practitioner, practice nurse, specialist care services) is located within a facility (practice, hospital, independent living centre) whose services are organised to get the most out of the most valuable asset. By thinking about what we can do now, as a health and care system, that we couldn't do before, we can think about directing the attention and concentration of trained clinicians and care professionals where this will be of most value, whilst reclaiming time and resources giving improved access to effective personalised care.*
- 7.7.4. *We are also proposing reclaiming time and attention of our public – patients and other local people who use care and support services. An example is test results. Rather than calling during a two hour window, we propose that people have secure access to their own care information and are alerted if new information becomes available. This is giving people the choice to choose how and when they hear information, meaning that primary care can spend more time caring for those who need that extra support. This is stepping back from a paternalistic relationship between health and care organisations and the public to a*

peer to peer relationship that recognises the agency and capacity of local people who want to own their own wellbeing and support.

7.7.5. *We want to reshape that relationship, using the gifts and opportunities of ubiquitous technologies and tools already used by millions, to unlock true and authentic choice and control. The building blocks are both technical and cultural – as although technology opens the door – we need a reason to walk through it. The building blocks of our scheme are:*

- To articulate, champion and support a positive, pragmatic risk approach to information governance that prioritises supporting and meeting the needs of local people throughout commissioner and provider organisations in Cheshire East including agreed consent and privacy models. This is to take information governance and security out of the too hard box, enabling rapid service redesign based on agreed approaches and frameworks for information governance.*
- Working in partnership with adult social care, we will support the care home market to progress into the digital realm. Through wifi connectivity in care homes, accreditation of provider organisations via the IIG toolkit (for those who meet the necessary criteria) and seamless continuous access for visiting GPs, nurses and social workers, the practice or support base will travel with the professional including the ability to conduct remote consultations.*
- To start with establishing a care passport, this will enable local people to unlock their information and advice. Much like a physical passport allows travel abroad, the care passport will prove somebody is who they say they are and enable them to choose when and how to share their information. We will do this by establishing a trusted and accredited identity registration service in Eastern Cheshire which will in turn make possible an authentication and identity management process – passport and customs. This will enable the sharing of confidential information not just between professionals but also between the patient and clinician or practitioner enabled by a transparent trust relationship.*
- We will continue to engage with local people. This includes patients, people receiving care and support, the people who care for them both as professionals and informally to ensure that our care passport is co-produced and holds no surprises. We will aim to deliver dynamic privacy and information sharing management to take the anxiety out of information sharing. We will work with behavioural experts to better understand the factors behind a community or personal response to sharing*

information between health and social care and to managing their care and support without paper.

- We will follow the care passport with a digital personalised care and support diary. This is unlocked by the care passport and can be shared by the person whose diary it is. This care diary for local people is to take real control of what happens when so that appointments and visits do not consume their daily lives and those of their families, carers and friends. The impact on services will be improved attendance at appointments including video calling.*
- To set up a secure personal care information store wherein information such as test results, assessments and letters can be stored to which the person concerned is alerted by text, email or chosen channel. This will reduce administration whilst strengthening information security arrangements. In addition, this has the potential to reduce anxiety in patients and enables a system response, with automated signposting to community support and advice alongside the test result.*
- With our patient representatives, voluntary, community and faith sector organisations as well as others who receive care and support, their families and carers, we will design a rollout model and a pipeline for the secure, robust and prioritised take on of additional digital services. This is to enable the benefits of other digital services – be that online social care assessments, healthy weight advice, mobile health solutions such as diabetes monitoring or video consultations – to be realised at pace and scale.*

7.8. Implications for Children and Young People

- 7.8.1. The Patient Passport will apply to Children and Young People providing access to their own health and care data through their parents / carers and themselves when of an appropriate age.

7.9. Overview and Scrutiny Committee Implications

- 7.9.1. None specifically.

7.10. Other Implications (Please Specify)

- 7.10.1. None specifically

8. Risk Management

- 8.1. There is significant work to be done to turn the concept of the Patient Passport into reality. This will require robust project management and effective and well managed partnership working. To ensure delivery of an

appropriate solution a number of key tests (stipulated by NHS England as part of the ETTF) will be put in place at different stages of the project for example:

- Test: the proposed solution can meet at least one of the three fundamental concepts of a patient passport (item 3.4 in section 3).
- Test: the solution can be replicated across care settings or care economies.
- Test: the solution is something that Citizens want or will find useful in their daily lives that opens up access to care and health that is not currently available.
- Test: a suitable technology can be found that offers core functionality of benefit to Citizens and will deliver in at least two care settings.

There is also a requirement for a communications and information governance strategy to be put in place. Additionally, the scope for delivery is staged ensuring required outputs are realistic and achievable.

- 8.2. Additional risks include that NHS England demand a return of all or part of the funding. This risk would be mitigated at CEC through a robust agreement with ECCG (the recipient of the award) or that there is disagreement with ECCG or one of its partners leading to an inability to deliver the project. This risk would be mitigated by clarifying and recording agreed governance to manage project delivery, resource allocation, and spend.

9. Access to Information

- 9.1. Link to 'The Power of Information' (2012)

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/213689/dh_134205.pdf

10. Contact Information

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CHESHIRE EAST COUNCIL

Council

Date of Meeting:	22 nd February 2018
Report:	Head of Strategic Human Resources
Subject/Title:	Pay Policy Statement 2018/2019
Portfolio Holder:	Cllr Paul Findlow

1.0 Report Summary

- 1.1 Section 38 of the Localism Act 2011 requires Local Authorities to produce a Pay Policy Statement by 31 March on an annual basis. Regard continues to be given to any guidance from the Secretary of State in producing this statement and the Local Government Transparency Code 2015.
- 1.2 The Pay Policy Statement for 2018/19, which reflects the expected position as at 1st April 2018, is attached as **Appendix 1**. Changes since last year's Statement are outlined in Section 12 of this report.

2.0 Recommendations

- 2.1 That the changes since the 2017/18 Pay Policy Statement be noted as outlined in Section 12.2 of this report.
- 2.2 That the attached Pay Policy Statement for 2018/19 recommended by Staffing Committee, be approved by Council and published accordingly.

Reasons for Recommendations

- 3.1 A Pay Policy Statement has been required to be produced annually since 2012/2013 under Section 38 of the Localism Act 2011. Local Authorities must have their Pay Policy Statement approved by full Council and published on their web site no later than the 31st March, prior to the financial year to which it relates.

4.0 Background

- 4.1 The purpose of the Pay Policy Statement is to increase accountability, transparency and fairness with regard to the Council's approach to pay, with particular focus on its Chief Officers.

5.0 Wards Affected

- 5.1 Not applicable.

6.0 Local Ward Members

6.1 Not applicable.

7.0 Policy Implications

7.1 Any decisions relating to the pay and remuneration of Chief Officers must comply with the Pay Policy Statement in place at the time for that financial year and, whilst the Statement can be amended during the year, should the need arise, changes are subject to the approval of full Council.

8.0 Implications for Rural Communities

8.1 Not applicable.

9.0 Financial Implications

9.1 There are no direct financial implications associated with approving the updated Pay Policy Statement 2018/19 and no budgetary adjustments are proposed in relation to this report.

10.0 Legal Implications

10.1 The Council is required to produce and publish a Pay Policy Statement, agreed by Council each year, under Section 38 of the Localism Act.

10.2 In addition, the Local Government Transparency Code 2015 requires information on organisational structure, senior salaries and pay multiples to be published annually each year.

10.3 This report and accompanying Pay Policy Statement, with associated links in Annex 1, once approved and adopted, ensures that Council complies with these requirements.

11.0 Risk Management

11.1 If the Council does not follow specific aspects of the guidance issued by DCLG and therefore not achieve appropriate levels of openness and accountability, DCLG can take steps to require the Council to adapt particular policies.

12.0 Key updates to the Pay Policy Statement

12.1 The Pay Policy Statement 2018/19 follows the style and format of the Statement published in 2017/18. The Statement focuses on the broad principles and policies regarding pay and has links to further information and statistical data available on the Council's website and associated policies. The Statement has again been designed to be user friendly for public consumption and should require minimal

updates each year. The links to further information will be updated, as appropriate, though the coming year.

12.2 The changes since the last Pay Policy Statement are:

- Section 3.5 - reflects a small change in the broad remuneration ranges for Chief Officers (Tiers 1 – 3) due to a 1% national pay increase in April 2017.
- Section 3.6 - updates on the development of a new national NJC pay structure and pay spine and possible impact on grading structure for Chief Officers.
- Section 4 - outlines an increase in the National Living Wage from 1st April 2018 announced in the Government's Autumn Statement and the potential impact of the national NJC pay spine review.
- Section 5 - updates on a change in the Council's Constitution regarding any new post whose remuneration is more than £100,000 and also arrangements to source interim Chief Officers, ensuring compliance with the HMRC IR35 requirements within the public sector.
- Section 10 - outlines the Mutually Agreed Resignation Scheme agreed at Cabinet on 6th February 2018.
- Section 14 - outlines the requirement to publish annually Gender Pay Gap data in line with recent government legislation.

13.0 Access to Information

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

Name: Rosie Ottewill
Job Title: Organisational Development Manager
Tel No: 01270 685883
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Pay Policy Statement 2018/19

1. Introduction and Purpose

Under Section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”. This Pay Policy Statement (the ‘statement’) sets out the Council’s approach to pay policy in accordance with the requirements of Section 38-43 of the Localism Act 2011 and due regard to the associated Statutory Guidance including the Supplementary Statutory Guidance issued in February 2013 and guidance issued under the Local Government Transparency Code 2015.

The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its senior employees (excluding teaching staff, employees working in local authority schools and academies and alternative service delivery vehicles) by identifying:

- The methods by which salaries of all employees are determined;
- The detail and level of remuneration of its most senior employees i.e. ‘Chief Officers’, as defined by the relevant legislation;

“Remuneration” for the purposes of this statement includes three elements - basic salary, pension and all other allowances arising from employment.

Once approved by Council, this policy statement will come into immediate effect, superseding the 2017/18 statement and will continue to be reviewed on an annual basis.

2. Background

In determining the pay and remuneration of all of its employees, the Council takes account of the need to ensure value for money in respect of the use of public expenditure. This is balanced against the need to recruit and retain employees in an increasingly competitive market who are able to deliver the Council’s Residents First commitment and meet the requirements of providing high quality services, which are delivered effectively and efficiently and at times at which those services are required.

The Council complies with all relevant employment legislation and codes of practice. The Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of job evaluation mechanisms and the application of key criteria, which directly establish the relative levels of posts in grades according to the requirements, demands and responsibilities of the role.



3. Pay Structure

Senior Management

3.1 Principles

There are a number of overriding principles which govern the Council's approach to senior management reward:

- The policy will be affordable; with reward being commensurate with individual and corporate performance.
- Reward policy for senior post-holders will be transparent, clearly defined and readily understood.
- The policy will offer the flexibility to reward for job size, capability, performance (objectives and behaviour), and market rates (where relevant, with evidence).
- Reward for senior roles will be fair and proportionate to reward for the wider workforce.

3.2 Reward components

For the majority of senior posts, reward will comprise basic salary, an annual performance related pay incentive and a range of benefits.

The components are described as follows:

- **Basic salary (Achieving Rate):** this is guaranteed fixed cash remuneration, paid monthly. The level of basic salary is contractual.
- **'Exceeding' Performance Award:** this is paid as a lump sum annually with basic salary for the previous year's performance. After the year, it is withdrawn unless re-earned. This element is pensionable.
- **Benefits:** the Council provides a range of benefits, some of which are guaranteed and form a part of the contract of employment. Generous holiday and access to the Local Government Pension Scheme are principal benefits.

A small number of the Council's most senior managers no longer receive a performance related pay incentive. This has been replaced by an inclusive salary which comprises basic pay, plus a market supplement, where appropriate.



3.3 Job Evaluation and Banding

The Council uses the Hay Group job evaluation to position roles into the Cheshire East Senior Management bands. The bands are linked to Hay Job Evaluation point's ranges which have been determined as part of the Council's operating model.

3.4 Senior Manager Pay Structure

This defined pay structure determines the salaries of senior managers on JNC (Joint National Council for Local Government Services). All other jobs are evaluated under the national Job Evaluation Scheme and the evaluated job scores will equate to a pay band on the Council's salary scale.

Each grade within the senior management population has an achieving rate and the potential for a defined exceeding performance award, within each role. The defined pay structure which determines the salaries of senior managers who are on JNC conditions of service can be seen by accessing the [senior manager pay and grading structure](#).

In addition, a number of public health employees transferred to the Council on 1/4/2013. A small number of those employees who have transferred remained, after transfer, on the terms and conditions of their previous employer under TUPE Regulations.

3.5 Chief Officer remuneration

When applying the senior manager pay structure, for the purposes of this statement, the definition of Chief Officers is as set out in Section 43 of the Localism Act.

The posts falling within the statutory definition are set out below, with details of their salary package as at 1st January 2018.

Chief Executive – Tier 1

- The salary package of the post is within the range of £153,015 to £163,015

Chief Officer – Tier 2 (direct reports to the Chief Executive, plus the Monitoring Officer)

- The salary package of these posts fall within a range of £91,809, to £137,508

Deputy Chief Officer – Tier 3 (direct reports to Tier 2 managers)

- The salary package of these posts fall within a range of £62,430 to £112,211



3.6 Pay and grading structure for staff

The [pay and grading structure for staff](#) on NJC (National Joint Council) is available.

During 2018/19 the NJC national employers will complete their review of the national pay structure and pay spinal points. This will impact on the Council's current pay structure and will require the Council to introduce a revised pay structure during this financial year. This could also require a review of the JNC grading structure for Chief Officers due to a potential overlap of the two grading structures and the need to establish clear differentials, if required.

4. Living Wage

The Council implemented a Local Living Wage on 1st November 2015 of £7.85 per hour. The National Living Wage is (due to increase to £7.83 per hour on 1st April 2018), and is projected to rise to £9 per hour by 2020.

As outlined in the previous section regarding the NJC Pay Spine Review, it is expected that the proposed changes to the spinal points will supersede the need for a local living wage. The position continues to be monitored.

5. Recruitment of Chief Officers

The Council's policy and procedures with regard to recruitment of Chief Officers is set out in the Council's Constitution and Scheme of Delegation and is undertaken by an Appointment Panel made up of members of the Staffing Committee in accordance with Constitutional arrangements. Full Council approval will be sought for the establishment of a post on a salary package exceeding £100,000 where remuneration departs from the pay policy statement.

When recruiting to all posts, the Council will take full and proper account of all provisions of relevant employment law and its own Recruitment Policy and Procedure, Disability Confident Commitment, Mindful Employer, Redeployment Policy and Procedure and Equality in Employment Policy.

The determination of the remuneration to be offered to any newly appointed Chief Officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment and in line with this Pay Policy Statement. New appointments will normally be made at the achieving rate for the grade, although this can be varied on an exceptional basis where necessary to secure the best candidate and will take into account the appointee's existing pay and their relevant experience and qualifications taking account of equal pay within the Council.

From time to time, it may be necessary to take account of the external pay levels in the labour market in order to attract and retain employees with



particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using data sources available from within the local government sector and outside, as appropriate. Any such payments will be reviewed at regular intervals to ensure their ongoing suitability and appropriateness.

Where the Council is unable to recruit Chief Officers, or there is a need for interim support to provide cover for a substantive Chief Officer post, the Council will, where necessary, put in place the most effective arrangements to engage individuals. These arrangements will comply with HMRC IR35 requirements, relevant procurement processes and ensure the Council is able to demonstrate maximum value for money.

6. Additions to Chief Officers' Salaries

The following payments can be applied to Chief Officers' salaries:

- Returning and Deputy Returning Officers' Fees
- Travel Allowances and Expenses
- Salary Sacrifice Lease Car Scheme
- Relocation Expenses
- Professional Fees and Subscriptions

Further details of [additions to Chief Officers' salaries](#), are published in the Council's Transparency Data and in the Statement of Accounts. A link to these documents is included in Appendix 1 of this Statement

7. Local Government Pension Scheme

Details of the [Local Government Pension Scheme](#), the discretions exercised, contribution bands, actuarial rates, and discretions policy application are available.

8. Redundancy Payments and Payments on Termination

The Council has a Redundancy Scheme which is applicable to all employees and is based on the statutory formula, and payment for any leave for employees leaving the Council's employment with accrued leave which by agreement is untaken at the date of leaving.

The Voluntary Redundancy Scheme is also applicable to all employees. Employees who leave on grounds of voluntary redundancy will normally be entitled to receive a redundancy payment in accordance with the statutory formula but based on the employee's actual week's pay plus an additional severance payment of 0.8 times the statutory payment, bringing the total



payment to 1.80 times the statutory formula and up to a maximum of 50 week's pay.

The government continues to consult on a range of wider reforms to exit payments across the public sector and the Council's position will be considered once these changes are published. The Council reserves the right to change all discretionary elements.

The Council's approach to statutory and discretionary payments on termination of employment of Chief Officers, prior to reaching normal retirement age, is set out within the Redundancy Policy and Procedure and for those eligible for retirement, in the Retirement and Severance Policy and are in accordance with the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Local Government Pension scheme Regulations 2007. All payments under this section are subject to the approval process set out in the Redundancy Policy and Procedure.

9. Severance and Retirement on Grounds of Efficiency

In line with the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006, the Council also operates a voluntary scheme to facilitate early retirement or severance on grounds of efficiency to enable the Council to continue to achieve effective use of resources and provide value for money. The terms of this are set out in the discretionary policy.

10. Mutually Agreed Resignation Scheme

The Council also has a Mutually Agreed Resignation Scheme (MARS) which enables individual employees, including Chief Officers, in agreement with the Council, to choose to leave their employment voluntarily in return for a discretionary 'severance' payment. This scheme creates resourcing flexibility to avoid compulsory redundancies in the future, enable the redeployment of resources to higher priority areas of work and reduce costs in lower priority areas. MARS is non contractual and has no pension liabilities. The terms of this are set out in the discretionary policy.

11. Settlement Agreements

The Council currently uses settlement agreements as a matter of course for all voluntary redundancies / severance and this applies to all employees, including Chief Officers. The use of settlement agreements on this basis minimises any risk of future claims against the Council and can ensure that any threatened or pending legal proceedings and their associated legal costs can be avoided. The Council follows the current guidance for public sector settlement agreements in these circumstances.



12. Pay Multiples

The Council publishes a range of information to meet the Transparency Code requirements and has used the recommended formulae in the code guidance and LGA guidance to calculate the relationship between the rate of pay for the lowest paid, median and Chief Officers, known as [pay multiples](#).

13. Re-employment or re-engagement

Any decision to re-employ an individual (including Chief Officers) already in receipt of a Local Government Pension (with same or another local authority) will be made on merit, taking into account the use of public money and the exigencies of the Council.

In particular, the Voluntary Redundancy Scheme provides that former Cheshire East/ Legacy Authority employees who left their employment on grounds of voluntary retirement or severance will not be re-employed or re-engaged in any capacity, except in exceptional circumstances and subject to the agreement of the Head of Strategic HR in consultation with the Leader and the relevant Portfolio Holder. Re-engagement includes all types of contractual relationships whether they are a contract of employment, contract for service's etc. and whether the individual is appointed as an employee or engaged as an interim, direct consultancy or via an agency or other supplier.

14. Publication and access to information

Upon approval by Council, this Statement will be published on the Council's website. Additionally, in line with Code of Practice and Accounts and Audit Regulations, salary, allowances and bonus compensation and employers pension contributions will be published for:

- a) Senior employees whose salary is £150,000 or more (who will also be identified by name)
- b) Senior employees whose salary is £50,000 or more.

The Council will also publish Gender Pay Gap data during the 2017/18 financial year and annually thereafter, in line with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Prepared by: HR Strategy and Policy Team
 Date: February 2018
 Review date: February 2019



Annex 1 – Links

All of the relevant policies and procedures as referred to in the Pay Policy Statement can be found using the links in section 1 below. Please contact HRCommunications@cheshireeast.gov.uk should you have any difficulties accessing this information.

Section 1. Additional information

- Link 1 – [Pay and grading structure for senior managers and staff](#)
- Link 2 – [Additions to Chief Officers' salaries](#)
- Link 3 – [Local government pension scheme](#)
- Link 4 – [Pay multiples](#)

[Statement of Accounts for 2016/17](#)

Section 2. Internal intranet links to the further relevant policies, procedures and other relevant information:

[Payment of Market Supplements](#)

[Pay and Allowances Policy](#)

[Pensions Discretions Policy](#)

[Redundancy Policy and Procedure](#)

[Retirement and Severance Policy](#)

[Recruitment Policy **and** Procedure](#)

[Disability at Work Commitment](#)

[Mindful Employer](#)

[Redeployment Policy **and** Procedure](#)

[Equality in Employment Policy](#)

[Relocation Expenses Policy](#)

For those seeking to access copies of policies externally via www.cheshireeast.gov.uk please contact HRCommunications@cheshireeast.gov.uk to request copies of the policies.

CHESHIRE EAST COUNCIL

Council

Date of Meeting:	22 February 2018
Report of:	Head of Democratic Services and Governance
Subject/Title:	Election of Mayor and Deputy Mayor for the 2018-19 Civic Year

1.0 Report Summary

- 1.1 Council is required to to consider nominations for the office of Mayor and Deputy Mayor for 2018-19.

2.0 Recommendation

- 2.1 Council is requested to:-

Resolve that Councillor Lesley Smetham be designated as Mayor Elect and that a second Member be designated as Deputy Mayor Elect, with a view to their formal election and appointment as Mayor and Deputy Mayor for Cheshire East for 2018-19, at the Mayor Making ceremony to be held on 23 May 2018.

3.0 Reasons for Recommendations

- 3.1 The reasons for the recommendations are to ensure that appropriate arrangements can be made for the Mayor Making ceremony on 23 May 2018 and to agree a process to ensure that matters affecting the Mayoralty can be dealt with in a timely manner, with appropriate Member input.

4.0 Policy Implications

- 4.1 None.

5.0 Financial Implications

- 5.1 None.

6.0 Legal Implications

The meeting of Annual Council must formally elect the Mayor and appoint a Deputy Mayor.

7.0 Risk Management

- 7.1 There are no risks in respect of the recommendations. There is advantage in Council designating Members as Mayor and Deputy Mayor Elect in advance of the Annual Meeting, in order for there to be certainty prior to the beginning of the new civic year.

8.0 Background and Options

- 8.1 This report asks Council to agree which Members will be put forward for election as Mayor and Deputy Mayor, at the Annual Council meeting. Such a decision will assist the proposed civic office holders, and officers, in making arrangements for the new civic year.

9.0 Access to Information

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

Officer: Brian Reed Head of Democratic Services and Governance

Tel No: 01270 686670

Email: brian.reed@cheshireeast.gov.uk

Background Documents: None

COUNCIL – 22 FEBRUARY 2018**NOTICES OF MOTION**

Submitted to Council in Accordance with paragraph 1.34 of the Council Procedural Rules

1. Alternative Forms of Governance

Proposed by Councillor J Nicholas and Seconded by Councillor B Walmsley

To convene a cross-party Working Group, at the start of the next municipal year, to consider the implementation of alternative forms of governance, with the recommendations being presented to this Council.

2. Cheshire East Road and Footpath Network

Proposed by Councillor I Faseyi and Seconded by Councillor N Mannion.

This Council notes concerns in respect of a managed decline of our road network and supports the LGA's call for the government to deal with the disparity in funding between national roads (Motorways & Major trunk Roads) and local roads.

Whilst the building of new roads and by-passes funded via Central government capital grants is welcome, it merely highlights the increasingly dilapidated state of a large proportion of the rest of the Cheshire East's road and footpath network.

The hard winter, combined with a lack of any meaningful programme of preventative road maintenance on all but the main trunk roads in Cheshire East in recent years, has resulted in many local & estate roads now rapidly deteriorating to the verge of becoming a danger to road users and pedestrians in places.

The ongoing reliance on merely filling potholes with "blobs" of tarmac rather than a programme of proper structural repairs is both only a temporary, and also an inefficient use of the shrinking available resources-a case of "penny wise, pound foolish"?

Reference: See page 4 of FIRST Magazine, February Issue.
<https://www.local.gov.uk/about/news/first-magazine>

3. Deprivation Levels

Proposed by Councillor S Brookfield and Seconded by Councillor L Jeuda

This Council notes the view that it is widely acknowledged that Cheshire East is a diverse unitary authority with some areas having recognised 'Executive Wealth' status; and that it is therefore disturbing to note that deprivation levels in some parts of the Borough have declined further since 2010 with disparity widening. According to Public Health England (July 2017) 'life expectancy is 10.3 years lower for men and 8.3 years lower for women in the most deprived areas of Cheshire East.

As the elected representatives of most of these wards, the Labour Group requests a comprehensive report be prepared that details the plans that Cheshire East Council has in place to tackle the nationally recognised deprivation in wards within Crewe and Macclesfield, as well as detailing current initiatives to improve the health and well-being of residents living in those wards and how current funding will be used to support those initiatives.

4. Licensing of Taxis and Private Hire Vehicles

Proposed by Councillor D Flude and Seconded by Councillor B Roberts

This Council notes the concern that the Licensing of Taxis and Private Hire Vehicles (Safeguarding and Road Safety) Bill was 'talked out' by Sir Christopher Chope (Christchurch) (Con) in Parliament.

Cheshire East Children and Family's Scrutiny report, at points 14.2 and 14.3 made relevant recommendations upon Child Sexual Exploitation recommended Taxi and Private Hire Licensing, it is disappointing and regrettable that this important legislation was talked out.

This Council requests that all of Cheshire East's Members of Parliament re-submit the Bill.

Background documents:

<https://www.local.gov.uk/about/news/lga-responds-taxi-licensing-bill-being-talked-out>

[https://hansard.parliament.uk/commons/2018-02-02/debates/5364D0A7-BBCF-4E51-8E75-F87FD1AD192/LicensingOfTaxisAndPrivateHireVehicles\(SafeguardingAndRoadSafety\)Bill](https://hansard.parliament.uk/commons/2018-02-02/debates/5364D0A7-BBCF-4E51-8E75-F87FD1AD192/LicensingOfTaxisAndPrivateHireVehicles(SafeguardingAndRoadSafety)Bill)

5. Education Funding

Proposed by Councillor S Corcoran

This Council notes concerns that whilst local schools were threatened with funding cuts of 7.5%, some schools will now receive funding increases of 1.1%. And, that as a 1.1% increase is lower than the 3% rate of inflation it is, therefore, a cut in funding in real terms. As a result, some schools will have to consider making loyal, hardworking staff redundant if the funding settlement is not improved.

This Council therefore calls on all local MPs to campaign for more funding for our schools.

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