

Corporate Overview and Scrutiny Committee Agenda

Date: Thursday, 3rd September, 2020
Time: 2.00 pm
Venue: Virtual Meeting

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

It should be noted that Part 1 items of Cheshire East Council decision making and Overview and Scrutiny meetings are audio recorded and the recordings will be uploaded to the Council's website

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

1. **Apologies for Absence**
2. **Minutes of Previous Meeting** (Pages 3 - 14)

To approve the minutes of the meeting held on 4 June 2020, and note the appended responses from officers to questions and comments raised at the last meeting.

For any apologies or requests for further information, or to give notice of a question to be asked by a member of the public:

Contact: Joel Hammond-Gant
Tel: 01270 686468
E-Mail: joel.hammond-gant@cheshireeast.gov.uk

3. **Declarations of Interest**

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

4. **Declaration of Party Whip**

To provide an opportunity for Members to declare the existence of a party whip in relation to any item on the agenda.

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

A total period of 15 minutes is allocated for members of the public to make a statement(s) on any matter that falls within the remit of the Committee. Individual members of the public may speak for up to 5 minutes, but the Chairman will decide how the period of time allocated for public speaking will be apportioned, where there are a number of speakers.

Members of the public wishing to make a statement should provide notice in writing at least three clear working days before the meeting takes place.

6. **Covid-19: Update on Response and Recovery** (Pages 15 - 64)

To consider a report on the work that the council has undertaken in response to the Covid-19 public health emergency, and the work being carried out to support the recovery from the pandemic.

Included alongside the reports for this item is the guidance published by the Ministry for Housing, Communities and Local Government on 24 August, 2020 on 'Local government income compensation scheme for lost sales, fees and charges'.

7. **Capital, Investment and Treasury Management Strategies Annual Review 2019/20** (Pages 65 - 112)

To consider a review of the Capital, Investment and Treasury Management Strategies for the 2019/20 financial year.

8. **Forward Plan** (Pages 113 - 126)

To review the council's Forward Plan of key decisions.

9. **Work Programme** (Pages 127 - 136)

To review the committee's work programme.

Membership: Councillors Q Abel, C Bulman, JP Findlow, R Fletcher, M Hunter, A Moran, B Murphy (Vice-Chairman), J Saunders, M Simon, R Vernon, L Wardlaw and J Clowes (Chairman)

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Corporate Overview and Scrutiny Committee**
held on Thursday, 4th June, 2020 at Virtual Meeting

PRESENT

Councillor J Clowes (Chairman)
Councillor B Murphy (Vice-Chairman)

Councillors Q Abel, C Bulman, JP Findlow, R Fletcher, A Moran, J Saunders,
M Simon, R Vernon and L Wardlaw

PORTFOLIO HOLDERS IN ATTENDANCE

Councillor J Rhodes, Portfolio Holder for Public Health and Corporate
Services
Councillor A Stott, Portfolio Holder for Finance, ICT and Communication

OFFICERS IN ATTENDANCE

Jan Bakewell, Director of Governance and Compliance
Jane Burns, Executive Director of Corporate Services
Frank Jordan, Deputy Chief Executive and Executive Director of Place
Mark Palethorpe, Executive Director of People
Alex Thompson, Director of Financial and Customer Services

1 DECLARATIONS OF INTEREST

There were no declarations of interest.

2 MINUTES OF PREVIOUS MEETING**RESOLVED –**

That, subject to it being noted that Council Macfarlane had substituted for Councillor Butterill and Councillor Beanland had for substituted Councillor Saunders, and to the word 'earmarked' being deleted in bullet point one in respect of minute 63 2019/20- Quarter 3 Review (Finance), the minutes of the meeting held on 2 February 2020 be confirmed as a correct record and signed by the Chairman.

3 DECLARATION OF PARTY WHIP

There were no declarations of the existence of a party whip.

4 PUBLIC SPEAKING TIME/OPEN SESSION

There were no members of the public present who wished to speak.

5 CORPORATE PERFORMANCE SCORECARD 2019/20 QUARTER 3

The Committee considered a report of the Executive Director for Corporate Services containing performance data relating to the Corporate Directorate for period relating to quarter 3 in the 2019/20 financial year.

The Committee made the following observations:

- In future the committee would like to receive printed copies of performance information on A3 sized paper.
- Members requested additional Information on Housing Benefit over-payments relating to COVID in the context of the Council's financial year comparing past and future years.
- A written answer was sought to a question regarding the £1million overspend in relation B4B to clarify whether this was a result of consultancy fees or agency staff.

RESOLVED –

That the report be received and noted.

6 2019/20 OUTTURN

The Committee gave detailed consideration to the Financial Outturn Report 2019/20 and made the following observations:

- Members expressed concern regarding the Council's budgetary position on reserves and associated risks, as contained in the report of the Director of Finance and Customer Services.
- That In accordance with Government guidance and guidance from the Centre for Public Scrutiny (CfPS), this Committee would be reviewing Council spending on COVID-19 related matters and as such, this area of scrutiny would be included on future Committee agendas as a standing item.
- The Committee expressed concern regarding the level of overspend on Corporate Services.
- The Committee noted the level of overspend relating to the Best4Business programme,

RESOLVED –

- (a) That the report be received

- (b) That in view of the concern expressed regarding reserves, Cabinet be requested to provide up to date financial information on a regular basis, to allow the Committee to keep a watching brief on the reserve position in future.
- (c) That in view of the concern expressed regarding Corporate Services Directorate budget spending, assurances be sought from Cabinet that measures will be put in place to ensure that future policies obviate the need for overspends in the Corporate Services Directorate in the medium and long term.
- (d) That Cabinet be requested to provide more detailed information on the Best4Business programme in future to enable greater scrutiny of the programme as it affects this Council.
- (e) That COVID 19 Related Financial Matters be added to future agendas of the committee as a standing item for the foreseeable future.

7 BEST 4 BUSINESS (B4B) UPDATE

The notes of a meeting of the Best4Business joint scrutiny working group held on 15 May 2020 were submitted.

Councillor Paul Findlow a member of the joint working group also provided an oral update and explained that the two authorities had recently taken greater control of the B4B programme and it had been suggested that the terms of reference for the joint committee should be extended to match those of the joint services committee.

RESOLVED –

- (a) That the minutes of the Best4Business joint scrutiny working group held on 15 May 2020 be received, and the update provided by Councillor Findlow noted.
- (b) That Best4Business remain as a standing item on future agendas of this committee.

8 CORPORATE PEER CHALLENGE

The Committee considered a report of the Executive Director of Corporate Services relating to a Corporate Peer Challenge facilitated by the Local Government Association involving a peer team consisting of councillors and senior officers from local authorities around the UK. The report produced by the peer team was due to be considered by Cabinet on 9 June 2020

During the review, the peer team spoke to over 180 people and spent around 270 hours collectively on site to determine their findings.

RESOLVED –

That the following comments be submitted to Cabinet for consideration at its meeting to be held on 9 June 2020:

- (a) That Cabinet be invited to acknowledge Recommendation 8 of the report that Overview and Scrutiny is and will remain an important element of the Council's political management arrangements arising from processes of "internal challenge and improvement", as this Council moves toward the introduction of a new committee system. This Committee acknowledges the role that existing Scrutiny Members will contribute in leading that process by reviewing matters relating to strategy, finance and governance as the committee system proposals progress.
- (b) The Comments made by the Committee in relation to reserves and future budgets as described in the 19-20 outturn report (notwithstanding COVID related issues), suggest that it is timely for the committee to scrutinise the Corporate Plan and therefore Cabinet be requested to ensure that appropriate measures are put in place to allow adequate and timely scrutiny of this key policy document.

9 FORWARD PLAN

The Committee reviewed the Council's Forward Plan of key decisions.

RESOLVED –

That the forward plan be noted.

10 WORK PROGRAMME PROGRESS REPORT

The Committee reviewed its work programme.

RESOLVED –

That the following amendments to the work programme be approved:

- Corporate Peer Challenge and link this item to the item relating to the review of the Council's Political management structure– further update in 6 month's time
- Loan to Cheshire and Warrington LEP – delete

- That the item relating to Members facilities Accommodation and Culture task and finish group be held in abeyance.

The meeting commenced at 2.00 pm and concluded at 4.39 pm

Councillor J Clowes (Chairman)

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Corporate Scrutiny Action Log – 4th June 2020			
	Action required	By Whom	Response
1	Chair asked all to note that Corporate will be giving focus to Covid-19 spending in addition to 'business as usual' as part of the co-ordinated work with A&G committee	Alex Thompson/Mark Nedderman/Joel Hammond-Gant	This issue is noted.
2	Members of Corporate Overview and Scrutiny expressed concern regarding the Council's budgetary position on reserves and associated risks, as contained in the report of the Director of Finance and Customer Services. The Committee therefore requests that Cabinet provide up to date financial information, to allow the Committee to keep a watching brief on the reserve position in future.	Alex Thompson	A Covid-19 Progress Report was provided to Cabinet on 7 th July and the Audit and Governance Committee on 30 July. This included up to date information on the financial impact on Cheshire East Council of COVID-19. Further updates, including the forecast impact on reserves, will be provided as announcements are released from Central Government and to align with the Council's financial monitoring cycle.
3	In accordance with Government guidance and guidance from the Centre for Public Scrutiny, the Committee will review Council spending on COVID-19 related matters. This area of scrutiny is now included on future Committee agendas as a standing item.	Alex Thompson/Mark Nedderman/Joel Hammond-Gant	Noted. Published items referred to in response to Question 2 (above) will be available to support the work of scrutiny.
4	The Committee expressed concern regarding the level of overspend on Corporate Services and seeks assurances from Cabinet that measures will be put in place to ensure that future policies obviate the need for overspends in the Corporate Services Directorate in the medium and long term.	Jane Burns	There are a number of legacy/historical issues in terms of the Corporate Services Budget which have not been fully addressed to date. For example: <ul style="list-style-type: none"> • Unrealistic and unachievable savings targets, e.g. Digital Project and MARS • Unachievable income targets, particularly in Business Change and Legal Services

			<ul style="list-style-type: none"> • Permanent senior leadership structure funded by temporary/fixed-term funding. • Incomplete restructures due to delays negotiating a new pay and grading structure. <p>2019/20 Budget Corporate Services had been reporting an overspend from the point of the Mid-Year Review.</p> <p>The final outturn position is an overspend of £1.6m. This included two risks which materialised in Quarter 4 and which had a detrimental impact on the overspend:</p> <ul style="list-style-type: none"> • £0.6m additional revenue costs relating to B4B costs which are addressed elsewhere; and. • £500m under-recovery of income on the Benefits Payments System. <p>A budget remediation plan is being put in place to address the structural gaps by restricting controllable expenditure in the first instance, through for example vacancy management, stopping supplies and services spend, reducing agency costs etc.</p>
5	Additional Information requested on Housing Benefit over-payments relating to Covid-19 in the context of the Council's financial year comparing past and future years.	Alex Thompson	<p>Each year the Council administers Housing Benefit payments for c.11,000 claimants at a value of c.£60m. Overpayments can occur in several circumstances particularly around issues with fraud and error but also in relation to delays in processing payments. Where it is possible to recover overpayments the Council will use options such as reductions in future claims, deductions from other benefits or the issue of an invoice.</p> <p>Although accuracy in processing claims is over 98% it is clear that if claimant numbers increase then this also</p>

			<p>increases the potential number of overpayments. The potential losses from overpayments are difficult to forecast, but in 2019/20 the estimated level of debt increased causing a potential overspend at year-end as reported in the Outturn Report.</p> <p>Local claimant numbers have significantly increased with the economic impact of COVID-19, with c.5,000 new Universal Credit claims being recorded in April 2020 alone. The impact the pandemic may have on potential overpayments will be monitored. Any information that links the financial impact to the Council's MTFS will be recorded and reported to MHCLG as part of the financial tracking arrangements in place. Locally this information will be reported as part of the Council's financial monitoring process.</p>
6	Question about the £1million overspend in relation to the Best4Business Programme – was this as a result of consultancy fees or agency staff?	Alex Thompson	As shown in the outturn report 2019/20, the overspend on B4B was £0.6m. The additional costs were incurred on business change work and the 50:50 sharing of costs of staff working on the B4B project employed by both Cheshire East and Cheshire West Councils.
7	Question on Cheshire East Council apprenticeships	Sara Barker	<p>Apprenticeships – Current Target 165</p> <p>Cheshire East Council met its internal target for the number of apprenticeships starts in 2018/2019 and the statutory return on the number of apprentices across Cheshire East Council for 2018/19. Challenges do continue around the number of apprenticeships starts within maintained schools, which form part of the overall target that was submitted to the Department for Education in September 2019.</p>

			<p>Since then, work has continued to build on that already carried out over the last three years, implementing a strategic approach to apprenticeships, linked to identified skills' gaps.</p> <p>The total number of new starts for all apprenticeships for 2019/2020 was 70. The breakdown for this is as per below:</p> <ul style="list-style-type: none"> • Corporate - 20 • People - 18 • Place - 19 • Schools - 8 • ASDVs – 5 <p>The figures for 2019/2020 have been affected by the ongoing budget cuts and the recruitment freeze that was put in place during the year.</p> <p>There are currently 12 new starts in place for 2020/2021. Breakdown for these is:</p> <ul style="list-style-type: none"> • Corporate - 1 • People - 9 • Place - 1 • School - 1 <p>Further work is underway to explore the options to transfer levy funds and understand the model to be used in Cheshire East Council. It has not been possible to progress this work during the COVID-19 crisis, but work will be progressed as soon as possible.</p>
7	Question on sickness absence during COVID-19	Sara Barker	<p>The Council has been monitoring staff absences on a daily basis during the Covid-19 emergency.</p>

			<p>At the time of the question, there were 103 staff self-isolating due to being symptomatic or living in a household with someone who is symptomatic. Self-isolation is either 7 or 14 days based on Government guidelines. The number of isolating staff has varied throughout the emergency as staff go into and come out of the isolation period. These absences are not recorded as sickness absence and the majority of these staff have been able to work from home during this period, All staff who are self-isolating remain on their normal pay.</p> <p>In addition, since 1 March to 31 May 2020, 34 staff were recorded absent with Covid-19 related sickness absence (after the period of self-isolation), In reality this number may be higher as testing was not introduced widely until mid-April. These absences are not counted towards sickness triggers or further action under the attendance management policy.</p> <p>The Council is providing extensive support to staff during these times. This includes well-being and mental health support, Talk Listen Chat call for all staffs and Champion virtual/telephone sessions, hints and tips for working at home and managing caring arrangements in addition to virtual team contact to maintain team meetings. Regular staffing briefings and FAQs also ensure that staff are kept abreast of changes to government guidelines, working arrangements available support.</p>
7	The committee to receive a further update on the Corporate Peer Challenge in 6 months' time.	Jane Burns/Natalie Robinson	To be added to the work programme and report by December 2020.
8	Draft Corporate Plan – to be kept under review with a view to having say on consultation	Jane Burns/Natalie Robinson	COVID-19 delayed the work on a new Corporate Plan. The intention is to begin consultation on a new draft Plan later in September.

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Working for a brighter future together

Key Decision Y
Date First
Published: 31/07/20

Cabinet

Date of Meeting: 8 September 2020

Report Title: Covid-19 – Update on Response and Recovery

Portfolio Holder: Cllr Sam Corcoran - Leader of the Council

Cllr Craig Browne - Deputy Leader of the Council

Senior Officer: Lorraine O'Donnell - Chief Executive

1. Report Summary

- 1.1. Cabinet have received reports in June and July on how the Council, working with its partners, continues to respond to the COVID-19 pandemic.
- 1.2. This report provides a further update of the work that has been undertaken in response to this national and international public health emergency.
- 1.3. In addition, this report provides a further update on the work being undertaken to support the recovery from this pandemic.
- 1.4. Furthermore, the report provides a more detailed update on the financial impact the pandemic has had on the council to date. The financial impact is significant and represents additional expenditure and losses in income compared the 2020/21 Budget, which was balanced when set in February 2020.
- 1.5. The report includes the government funding received to date in response to the financial pressures faced by local authorities. This comprises both un-ringfenced funding and funding provided for specific purposes.
- 1.6. The financial implications of COVID-19 are likely to affect the Council's Medium-Term Financial Strategy for several years. This report identifies financial allocations of funding to date but also identifies possible mitigating actions required to manage the future financial strategy.

2. Recommendations

2.1. That Cabinet:

- 2.1.1. Notes the issues outlined in the report;
- 2.1.2. Notes the significant financial implications relating to COVID-19 as detailed in Section 7 and Appendix 1; and
- 2.1.3. Continues to lobby to press the Government to fund the total financial impact of the pandemic on Cheshire East Council.

3. Other Options Considered

- 3.1. Not applicable.

4. Background

- 4.1. As at 11 August 2020, over 200 countries/territories have been affected; there were 20,075,600 confirmed cases globally; and 736,372 confirmed deaths. (Source WHO)
- 4.2. In the UK, as at 11th August, there were 311,641 confirmed cases and 46,526 confirmed deaths. In Cheshire East there were 2284 confirmed cases and 430 registered deaths . (*Source GOV.UK*)
- 4.3. In terms of the daily confirmed case rate, this has increased. The contingency plans that have been put in place across all public services including health and social care have enabled essential services to be able to continue throughout the period of this pandemic to date.
- 4.4. The latest international, national and local statistics are available from the following data dashboards:
 - 4.4.1. <https://covid19.who.int/>
 - 4.4.2. <https://coronavirus.data.gov.uk/>
 - 4.4.3. <https://lginform.local.gov.uk/reports/view/lga-research/covid-19-case-tracker>

5. Response

5.1. Sub-regional

- 5.1.1. The sub-regional response continues to be led by the Cheshire Local Resilience Forum (LRF), which includes Cheshire East, Cheshire West and Chester, Halton and Warrington Councils, Cheshire Constabulary, Cheshire Fire and Rescue, Public Health England and the NHS.
- 5.1.2. The Council is a major LRF partner and has played a significant role at all levels of response – participating in the strategic coordinating groups (SCG) and tactical coordinating groups (TCG) and resourcing all the multi-agency support cells established to manage the sub-regional response to the pandemic.

5.2. Council Actions

- 5.2.1. Cheshire East Council continues to respond to the Coronavirus pandemic. At the same time the Council has continued to strive to:
- deliver essential local services
 - protect our most vulnerable people
 - support our communities and local businesses.
- 5.2.2 The response phase is still likely to continue for some time to come. In addition, the Council is planning for potential second waves of the pandemic and/or localised outbreaks. A summary of the actions that have continued to be delivered by the Council is provided below.
- 5.2.3 *Test and Trace and Outbreak Management* – Cheshire East Council is supporting the national approach to Test, Trace, Contain and Enable through the creation of a Test and Trace hub within the council and supporting a Cheshire and Merseyside hub with staff who have been trained as call handlers. The Cheshire and Merseyside Test and Trace hub and the Cheshire East Test and Trace Hubs are both working in a shadow form as staff are recruited and trained. These hubs will be responsible for the local elements of the Test and Trace programme where cases and contacts are more complicated and local knowledge is needed.
- 5.2.4 Locally the programme is supported by several boards. A Local Health Protection Board provides technical advice. A Local Engagement Board focusses on the role of our elected members and communications. This is overseen by the Cheshire East Health and Wellbeing Board.

- 5.2.5 The Director of Public Health attends regular meetings with the other Directors across the North West. This allows the lessons learned from areas with higher levels of Covid-19 to be added into our planning and response.
- 5.2.6 Rates of infection in Cheshire East Council have risen to 8.9 per 100,000 population for the last 7 days. These rates are still lower than the England average and much lower than the areas in the North West where enhanced lockdown measures have been put in place.
- 5.2.7 Recent small outbreaks are situated in care homes. These are being identified as a result of the whole home tracing programme. These cases have been symptom free and this means that we have been able to identify them early and put in infection control measures to prevent a larger outbreak. (An outbreak in a care home is where there are at least 2 cases who test positive regardless of whether or not they have symptoms).
- 5.2.8 Contact tracing for known cases is robust; The local contact tracing work being carried out by Public Health England and the Cheshire and Merseyside contact tracing hub has successfully followed up 100% of the cases that have been referred to it. For Cheshire East residents followed up by the national NHS Test and Trace system 67% are completed.
- 5.2.9 Our Public Health Intelligence team review information on cases and contacts daily including mapping the cases and looking to identify any patterns or trends that would allow us to take prompt and targeted action. At least once a week the Intelligence team review the data with specialists from Public Health England.
- 5.2.10 We continue to work with local authorities and PHE across Cheshire, Merseyside and Staffordshire to share intelligence and good practice.
- 5.2.11 *Communities - People Helping People* is a service created by Cheshire East Council which works collaboratively with new and existing Voluntary, Community, Faith and Social Enterprise (VCFSE) sector partners and local volunteers to channel community-based support to meet the needs of our residents. The service is delivered for the local community, by the local community. To date the service has provided support to over 3600 residents with 1400 active cases still receiving support. This service has been instrumental in reducing immediate

demands on public services so will continue during August and September.

- 5.2.12 The government shielding service was paused on 31st July 2020. Previously, residents of the borough identified as clinically vulnerable were invited to register with the NHS central system and their support needs were assessed then met by local (PHP) and central Government (food parcel) resources. In line with Cheshire East's Outbreak Prevention, Management and Support Plan, a contingency plan has been developed to detail how the shielding response will be reinstated in the event of a local, regional or national lockdown.
- 5.2.13 The reintroduction of shielding in a local area is a decision that must be taken by ministers on advice of the Chief Medical Officer (CMO). Similarly, the decision to end shielding also rests with minister's advice of the CMO. The shielding contingency plan outlines the preparations underway for any future shielding periods, and how the response will be reinstated if required. The Cheshire East Shielding Cell remains in place and emergency food supplies are held at Macclesfield Community Centre, with commitment from all logistical partners ongoing.
- 5.2.14 The Communities Team are leading on the 'high risk places, location and communities' and 'vulnerable people' workstreams of the Test, Trace, Contain and Enable plan. Extensive mapping has taken place to identify the locations/settings where communities gather, in addition to categorising vulnerable residents into target groups, including clinically vulnerable (shielded) and non-shielded vulnerable people (NSVP). The information gathered informs the wider outbreak plan in addition to identifying channels for proactive and reactive communications.
- 5.2.15 Cheshire East Council has worked alongside the Social Action Partnership to mobilise various voluntary and statutory organisations to become Volunteer Coordination Points (VCPs). The VCPs locally co-ordinate residents who have volunteered their help and match them with vulnerable people in their community. VCPs have formed local networks to share best practice, volunteers and a range of resources. Social Action Partnership are working with VCPs to develop their infrastructure and provide support to sustain delivery of this mutual aid approach.
- 5.2.16 The Covid-19 Community Response and Recovery Fund was launched at the end of June 2020 and has since provided funding to 21

successful applicants, totalling just over £68,000. The fund supports VCFSE organisations to adapt to new ways of offering support to communities, both during and following the coronavirus pandemic. In addition, a further grant of nearly £330,000 nationally has been made available from the MHCLG to support VCFSE sector groups who are addressing Covid-related food poverty in their community. This additional funding will build on the success of our community response and recovery fund and will be available in the coming weeks.

- 5.2.17 *Adult Social Care* - The Commissioning Team have provided significant support for the Adults Social Care Market during the Covid-19 pandemic to ensure market stability and the safe provision of care for the residents of Cheshire East. This includes Care Homes, Care at Home (Domiciliary Care), Complex Needs and Supported Living. Continued actions are set out below.
- 5.2.18 Infection Prevention Control training, including the safe use and removal of PPE, continues to be delivered to our Care Providers. Commissioners have increased communications and support for our Care Providers which includes the provision of regular briefings and updates on the national guidance and developments with the national PPE Portal; the facilitation of virtual mutual aid calls; regular support calls from Contract Managers and Quality Assurance Officers; and ongoing support from our Infection Prevention Control Team.
- 5.2.19 There has been a strong focus on support for Care Homes, and our Care Home recovery planning includes the development of an Outbreak Plan for each Care Home; supported by an Outbreak Management Toolkit; Care Home visiting guidance; ongoing PPE support in emergencies or when Providers experience difficulties with their PPE supply chain; and Infection Prevention Control (IPC) recovery visits to provide advice and support. Commissioners are also undertaking scenario planning including localised outbreaks and also the possibility of second wave in conjunction with winter planning such as flu vaccinations. Commissioners have also commissioned an 'Emotional & Psychological Support' service specifically for Care Home Staff (Project 5) which is now underway. The aim of the service is to support the mental health and wellbeing of the care workforce who have worked on the frontline of Covid-19 for the past 6 months. Healthwatch are also assisting the Council to look at emotional and physical impact on residents and how we can improve outcomes.

5.2.20 “Care Homes” is one of the seven mandated workstream areas for the Test and Trace Programme within our Local Outbreak Plan. This includes the Whole Home Testing Programme, which ensures the testing of Care Home staff weekly and residents monthly, underpinned by a Test and Trace standard operating procedure linked to Test and Trace alerts within Care Homes.

5.2.21 PPE support has been key to our Covid-19 response and recovery. The position changes rapidly but the current position at the time of writing is as follows:

- The Local Authority have been supplied with PPE via the Local Resilience Forum (LRF) and the Department for Health and Social Care (DHSC) since the 24th March 2020. The Council have distributed PPE to eligible organisations across Cheshire East. We have been notified that this will now close at the end of August.
- All registered adult social care providers, opticians, pharmacists and urgent dental care have now been requested to register on to the government PPE Portal to continue to access free supplies. Orders are subject to limits according to capacity. Providers are asked to continue to develop their own supply chain. However, it is widely recognised that PPE market has not recovered from the impact of Covid-19.
- To ensure all agencies are supported and services are able to deliver safe care to local residents, as well as protecting the care workforce, we are currently reviewing various options and opportunities to support external Care Providers to access PPE in emergencies or when they have issues with their PPE supply chain.
- A stock has been locally purchased as part of the Council’s recovery and outbreak planning, and we continue to replenish stock to meet the needs internally to resume services for example the re-opening of Day Services.
- A survey will be distributed to Care Providers to fully understand the impact of COVID-19 re PPE, current needs and issues.

5.2.22 Adults and Children’s Commissioning - Commissioners have worked closely with our ‘Early Intervention and Prevention’ ‘Community Wellbeing’ and ‘Public Health’ contracted providers which have adapted but continued to deliver effective services during the Covid-19 Pandemic. Contingency Plans were implemented straight away with our Providers during the response phase of the Pandemic, and now Commissioners are working with Providers to implement their recovery Plans. Examples of recovery plans include: Substance Misuse

Services, Healthy Child Programme, Social Action Partnership and Carers Hub:

- Substance Misuse Service: The Community Hubs delivered by our Provider CGL in Crewe and Macclesfield have remained open during Covid for the purpose of needle exchange, blood clinics and drug screening. The service runs a 24-hour help and advice line which has been well utilised during the pandemic allowing service users 24-hour access to advice and support. CGL have implemented new fingerprint drug testing technology during the pandemic. This has helped support local people and to keep them safe. Fingerprint drug testing is a new way to carry out standard drug testing in a safe way. This has worked effectively for completing drug screening during this time. The pandemic offered a clear opportunity to use this technology in line with social distancing and shielding. At the beginning of the pandemic 100% of Opioid Service users have received a risk assessment, and as a result, service users received safety deposit boxes for drug treatments and also naloxone (an overdose intervention). CGL continue to provide several ways to access the service for all service users via online, telephone, face to face and home visits for the most vulnerable, abiding by Covid-19 risk assessments.
- Healthy Child Programme: Wirral Community Health and Care NHS Foundation Trust were awarded the new contract for the Healthy Child Programme that goes live in October 2020. Mobilisation for the new service is going well despite the Covid-19 pandemic, and the service are working closely with Commissioners to implement the new service model that has been co designed with partners, children and young people.
- During the pandemic the service has worked innovatively to reach and support families, children and young people in Cheshire East, delivering a large number of virtual and telephone consultations. The service has been able to deliver aspects of the healthy child programme including antenatal contacts, new birth contacts, 4-8 week, 9-12 months and 2-year reviews, and 353 packages of care have been delivered to families like behaviour management.
- The service has continued to contribute to support some of our most vulnerable children attending 1312 safeguarding meetings during the pandemic. Home visits have been available for those most in need of support. Staff members have attended multiagency meetings to support families during the pandemic. The service has continued to support families with breastfeeding via the Cherubs offer. The Cherubs Facebook page has facilitated

2059 engagements in videos and 572 parent-to-parent support conversations. 6115 people are members of the Cherubs support group. There has also been 241 face to face breastfeeding support appointments delivered.

- Social Action Partnership: The Social Action Partnership Service launched at 1st April 2020. As this was during the Covid-19 crisis, the focus of delivery was diverted from 'business as usual' functions to supporting the Council's Communities Team Covid-19 People Helping People response. Working with People Helping People they have set up a Virtual Volunteer Network consisting of 15 Volunteer Co-ordination Points (VCPs). The VCPs cover all 8 Care Community areas using a 'hub and spoke' model with the VCP being the key hub in their local area. Whilst many were mobilised using existing community support groups some were established from the ground up by SAP (e.g. Haslington Support Group). VCPs are being supported with Recovery workshops to consider the impact of Coronavirus on their local area and identify where support is needed. Going forward the Social Action Partnership will be working with the Communities team to see how the VCPs can fit with the Neighbourhood and Town Partnerships and avoid duplication of work.
- The 974 volunteers that signed up to support People Helping People were signposted to the VCPs. VCPs supported volunteers with guidance packs developed by the Social Action Partnership. The next focus is to keep the level interest in volunteering and build on the response both for recovery phase and for future social action. The Social Action Partnership are working with our Community Development Officers on a volunteer skills audit.
- The Social Action Partnership is also starting to move to business as usual and their core service provision, including the Social Value Charter, Social Value Award, the Social Action Charter, and further raising the profile of the service through relationship building and links into other partnerships including building the connections between the public sector, business and industry and the Voluntary, Community, Faith and Social Enterprise Sector.
- Carers Hub: n-Compass are the Provider of the Carers Hub and have made a number of changes to the delivery of the service during the Covid-19 Pandemic including virtual appointments reduced face-to face, they are moving forward with their recovery plan and are planning a part time return to their offices from September. They have enhanced risk assessments and PPE in place for face to face assessments of Carers. These are only to

be carried out if necessary and have to be approved by managers before going ahead. They plan to continue to offer digital assessments and support first, over face to face visits. Face to face groups are still on hold; as Carers are supporting vulnerable people, and they are aware that many may not want to risk attending a group session.

- Following the success of online activities held during Carers Week, the Carers Hub have set up a further rolling programme of online zoom activities. These include craft sessions, cooking, bingo and a choir. They are also holding weekly coffee and chat groups over zoom, including an evening session. For Young Carers the Hub are continuing to hold a weekly Facebook Live session for young carers and their families. They have also recently completed a time capsule project. They have recently sent out an email briefing and are planning to return to a postal newsletter in October.
- Wishing Well were awarded a grant through the Carers Choice Awards for a Carers café, but due to Covid-19 have been unable to run it. They have changed the project slightly and have worked with the Carers Hub to deliver afternoon teas directly to Carers identified as needing a break. Seeing the positive impact this project has had on Carers, the Hub have worked with Poynton Tea Room so Carers in the north of the borough are able to benefit as well.
- As referral numbers have dipped following lockdown the Carers Hub are delivering online briefings for local partners in order to raise the profile of the service and let referrers know how the Carers Hub has adjusted to be able to support people.

5.2.23 *Children's Social Care*- All children open to Children's Social Care are receiving face to face visits unless it is not safe to do so, e.g. due to the risk of this to them as a result of their complex health needs or where children are living in an area with additional lockdown restrictions. A risk assessment is in place for the small number of children not receiving face to face visits. We have now been able to transition children to live with their adoptive families following the delay during lockdown. Staff are working with the courts to progress effective court hearings. Despite the revised arrangements for courts, children and young people within the court process will experience significant delays, which will also impact on demand and costs to services. The number of cared for children is likely to increase over the next few months.

- 5.2.24 We are supporting more of our care leavers to remain in their current accommodation as they turn 18 so that they are not isolated, and we have the opportunity to complete the independence work that has been delayed during the lockdown period. We continue to be worried about the impact of Covid-19 and the economic recession as it will disproportionately impact on our care leavers, particularly their ability to secure employment, apprenticeships and training. We are working to ensure their needs are prioritised in recovery groups.
- 5.2.25 We have continued to hold weekly Safeguarding Children Partnership meetings throughout this period to ensure the needs of children who are at risk of harm are prioritised. All services will be supporting children, young people and families with the return to education in September, as we recognise that this will be a real challenge for some families after being out of their routines for so long.
- 5.2.26 Services have seen an increase in the level of need from families, with needs escalating very rapidly for some families. We expect to continue to see an increase in the demand for services both in the coming months as children return to school, and also in the longer term as we start to see the economic impact of Covid-19 on families which will increase the number of children living in poverty and will exacerbate current inequalities.
- 5.2.27 *Prevention and Early Help* - The same picture of increasing need and complexity is also being found within Prevention and Early Help; cases open to the Cheshire East Family Service are increasingly becoming more complex. Lockdown has had an impact on the mental health of our children, young people and parents/carers so our intervention and existing plans and priorities within them are changing as a result. Face to face visits are now being carried out with families within their homes which is supporting effective safeguarding and support. We are providing a targeted face to face Summer Activity Programme for families and young people who need additional support, and this is working well.
- 5.2.28 The number of open early years settings has reduced following school closure from over 200 in July to 127 at 7 August. Settings that have closed are predominantly on school sites, or where the demand for childcare is low due to the summer holiday period. We expect to see the number of open settings increase again in September. There have been some instances of confirmed Covid-19 cases within settings, and these have been managed well.

- 5.2.29 *Education and Home to School Transport* - Over 11,200 pupils attended schools following the phased opening in June. The Department for Education (DfE) thanked us for our high attendance. Schools believe this is a result of the phased approach we agreed in Cheshire East, which allowed them to engage with parents and reassure them on all the measures that were being taken to make schools safe, and that our high attendance reflected parental confidence in the safety of our arrangements. Over 1,500 vulnerable children were attending school before the end of term, which was very positive, with the main area of increase being children with an Education, Health and Care plan (EHCP).
- 5.2.30 The majority of pupils continued to receive remote education during the summer term. We asked schools to ensure that children who were due to transition between schools in September were supported, and developed a minimum offer for our expectations on transition. We also asked schools to review their home learning arrangements and support for pupils' wellbeing, and ensure that they had regular contact with all children who were not invited back into school to encourage and support learning and wellbeing.
- 5.2.31 We have established a referral process for schools that have concerns about possible attendance in September, or for families that are anxious and need support to facilitate the return to school, so we can support these families over the summer to encourage attendance. We have developed a communications strategy around the return to school and key messages will be shared each day from mid August until September. We would appreciate support from members and services in promoting and sharing these messages widely.
- 5.2.32 We have developed a set of principles around expectations on attendance for all our schools. We are aware that some parents and children may be anxious about the return in September, and our focus will be on working with families and schools to support children back into education.
- 5.2.33 The Education Recovery Group has continued to meet over the summer to plan for the full opening of schools from September. As with the phased opening, we have discussed and agreed arrangements for September with all key stakeholders; teaching unions, the diocese, school heads and the Cheshire East Parent Carer Forum.
- 5.2.34 We are continuing to provide intensive support to schools around how to implement the DfE guidance to ensure we have a consistent and safe approach across all schools. We have provided all schools with a new

risk assessment checklist on their arrangements for pupils from September. Our 68 maintained schools were required to submit the risk assessment checklist before they finished for the summer to provide us with assurance that their risk assessment covers all the appropriate controls. We have reviewed these for all 68 schools to ensure they comply with the guidance as we did for the phased opening from June. We are establishing a process for schools to report positive cases of Covid-19 so we can manage potential outbreaks.

- 5.2.35 We are working with maintained schools to identify where curriculum support may be needed in September. A continual professional development programme will be put in place with a focus on remote learning, emotional wellbeing support for pupils, and catch up strategies.
- 5.2.36 The government has announced a £1 billion 'catch up' fund. This recognises that all young people have lost time in education as a result of the pandemic, regardless of their income or background. £650 million will be shared across all state primary and secondary schools over the academic year 2020-21. Schools' allocations will be calculated on a per pupil basis, providing each mainstream school with a total of £80 for each pupil in years reception through to 11. Special, Alternative Provision and hospital schools will be provided with £240 for each place for the 2020 to 2021 academic year.
- 5.2.37 £350 million will fund a National Tutoring Programme which will increase access to high-quality tuition for the most disadvantaged young people. This will help accelerate their academic progress and prevent the gap between them and their more affluent peers widening. The programme will comprise of at least 2 parts in the 2020 to 2021 academic year, including a 5 to 16 programme that will make high-quality tuition available to 5 to 16 year olds in state-funded primary and secondary schools from the second half of autumn term 2020 and a 16 to 19 fund for school sixth forms, colleges and all other 16 to 19 providers to provide small group tutoring activity for disadvantaged 16 to 19 students whose studies have been disrupted as a result of coronavirus (COVID-19).
- 5.2.38 We recognise the impact that Covid-19 has had on mental health and wellbeing. We will be developing an emotional wellbeing package for use in schools from September. This will include a suite of resources for schools to use with pupils and will provide clarity on the support that is available for schools and families. The pack will include resources for

carrying out debriefings with pupils and parents on the impact of lockdown. Training will be available to support teachers.

- 5.2.39 We have worked with schools to develop a set of principles for travel to school from September. These principles set out what the local authority and schools will do, along with expectations from parents and pupils. Based on these principles, we have been working to establish the travel to school arrangements required from September 2020. Two surveys have been conducted with families; one for those who are eligible to receive home to school transport from the local authority; the other is aimed at secondary school pupils, in particular to identify those who use public transport.
- 5.2.40 On 8 August, the government announced funding for transport to enable local authorities to provide additional transport capacity for journeys to schools and college for the first term. The government guidance on transport to school and other places of education was published on 11 August. This guidance sets out a number of requirements for local authorities and schools to ensure that arrangements for children's travel to school in September are as safe as possible. Whilst this is broadly in line with what we expected, there are some additional considerations, including the need to work with colleges, and the recommendation that the LA advises people aged 11 and over to wear a face covering when travelling on dedicated school transport to secondary school or college from the start of the autumn term.
- 5.2.41 Capacity on public transport could be limited to take into account social distancing; this will be particularly challenging for children and young people who travel to school or college by bus. We have been working with Transport colleagues and Transport Service Solutions on a number of solutions, including additional dedicated school transport for children who currently travel to school by public transport, supported by government funding that was allocated this week.
- 5.2.42 Promoting active travel to schools remains a key priority. We have launched a campaign #backtoschool and #activetravel in Cheshire East leading up to the full opening of schools.
- 5.2.43 Transport for pupils with special educational needs and/or disabilities (SEND) is being prioritised to ensure 'meet and greets' can take place between families and drivers to help children and young people feel settled and supported and arrive at school prepared to learn.

- 5.2.44 Once all pupils return to school, this will increase the visibility of children and the impact of Covid-19 on all our children and young people will become clearer. There is growing evidence of a gap in knowledge between pupils who have completed home learning and those who haven't, and a need for an intensive review of the curriculum. We are yet to understand the impact of the lack of examinations for young people who would have taken their GCSEs and A Levels this year. As a result, we expect to see an increased demand on services within Education, and wider Children's Services.
- 5.2.45 *Environmental Services* – all kerbside household waste and recycling collections are operating as normal. All household waste and recycling centres are open. Access is restricted at Crewe only, based on vehicle licence plates due to nearby roadworks causing queues.
- 5.2.46 *Neighbourhood Services* – All Cheshire East libraries have now re-opened, including the Mobile Library Service, although there are restrictions to opening hours, services and activities to ensure the safety of staff and customers. The Council's leisure centres, operated by Everybody Sport & Recreation, re-opened on a phased basis during July, August and September, again with new protocols in place to ensure a safe environment for staff and customers. Play areas and outdoor gyms were also able to re-open from 6 July. Daily cleaning is being undertaken at the 15 largest play areas, with social distancing and hand hygiene promoted at all 150 sites.
- 5.2.47 *Homelessness and Rough Sleepers* - Cheshire East's Housing Options Team continue to work to prevent residents from becoming homeless and provide assistance to those who present as homeless. During June and July 96 households presented as homeless of which 74 were provided with accommodation. The number of rough sleepers varies between 3 – 10 some of which are transient and do not wish to stay in Cheshire East. The Rough Sleepers Team continue to work proactively with them where they wish to engage with services.
- 5.2.48 The service have worked with MHCLG to repurpose the funding allocated through the Rough Sleepers Initiative to enable us to commission emergency accommodation and support to those who present with complex issues. We are also working with MHCLG and Housing Providers to co-produce a bid to the Next Steps fund, which was recently announced by Government. If successful this will enable us to provide additional accommodation and support for those leaving

emergency accommodation and enabling better access to the private rented sector.

- 5.2.49 *Town Centres* - Traffic Management measures have been introduced to facilitate social distancing thereby supporting businesses to open and operate safely. A new streamlined, low cost process for obtaining Pavement Licences has been developed to facilitate bars, cafes and restaurants looking to expand onto pedestrian areas to improve viability. Working collaboratively with Town Councils a '*Welcome back - We've missed you campaign*' was launched with posters, banners and bunting to encourage people to support local town centre businesses, supplemented by media releases asking residents to support their local centre and utilise the Government's '*Eat out to Help out*' scheme. A grant application has been submitted seeking ERDF Reopening High Street Safely Funding proposing further town centre focused communications and public realm measures subject to funding being available.
- 5.2.50 *Highways, Transport & Parking* - All highway maintenance operations and improvement projects continue to be delivered and are following Government COVID guidelines. Other activity has also increased on the network, with traffic flows at around 80% of pre COVID levels and utility companies dealing with a backlog of works. Parking Service operations have been fully remobilised as of the 17 August. Usage has recovered to approximately 60% of 2019 levels, whilst income sits at around 55% reflecting shorter stays in our car parks. A two phase programme of active travel measures are progressing across the borough following considerable engagement from community groups, local ward councillors and town and parish councils. The local bus network continues to grow with service levels back to around 85% pre COVID and the Council's FlexiLink back into operation, with overall patronage levels at around 30%.
- 5.2.51 *Workforce and Workplace* - Those staff who can work from home were encouraged to do so when the lockdown was introduced. That has continued to be the case. We have made a significant investment in mobile IT to allow staff to operate as effectively remotely.
- 5.2.52 We are continuing to monitor COVID-19 related absences on a regular basis, including the numbers of staff self-isolating and/or off sick. There are currently 23 staff self-isolating, 94 off sick, 1995 staff working from home and 795 on leave. We have recently carried out a Pulse Survey of staff to get their feedback on how we have responded

to COVID-19. Appendix 2 presents the headline results. It is pleasing to note that 4 out of 5 staff agree that communications from the organisation has been effective and the 3 out of 4 staff agree that the council has provided effective wellbeing support during COVID-19.

5.2.53 As part of our recovery planning, a cell has been established which is developing arrangements for COVID-secure workplaces, designed to keep staff safe. An important element of the cell's work is risk assessment. We have adopted a 3-level model: Level 1 in the Workplace; Level 2 as a Workforce, Level 3 as an individual. This has been done in consultation with and good co-operation from the Trade Unions. Another important element is culture, building on the work the Council has done to embed a positive culture. We are also looking at what our estate could be in the light of the changing demands and to maximise the return on the IT investment we have made.

5.2.54 *Governance and Decision Making* - The Council moved quickly to facilitate remote meetings. All Members were provided with laptops and support to operate effectively. Since May, 32 formal remote meetings have been held. All categories of meeting have taken place – Cabinet, Overview and Scrutiny Committees, Audit and Governance Committee, Staffing Committee and Planning Committees. The July meeting of Council was cancelled as there was no urgent business. In addition, 13 Working Groups meetings/forum have been held and 29 school appeals. The Council has participated in an LGA Webinar to share our learning with other councils.

6 Recovery

6.1 Cheshire East Council continues to lead and support the Local Resilience Forum in developing its future planning for the recovery from this pandemic. The Strategic Co-ordinating Group of the LRF has established a Strategic Recovery Co-ordinating Group leading on this Recovery. This is chaired by the Chief Executive of Cheshire East Council and includes senior colleagues from local authorities, the NHS, Public Health, Police and Fire.

6.2 This group is focused on longer-term recovery with the strategic aims: to enable the sub-region to deliver its ambitions around delivering continued economic growth in a sustainable and inclusive way, to instil confidence and provide clarity to our communities and business in relation to recovery and to take advantage of the opportunities that the response to the pandemic has created.

6.3 The initial focus of the group has been to co-ordinate the easing of restrictions and supporting the reopening of high streets and town centres across the sub-region including the management of the reopening of the night-time economy. The group is now co-ordinating the sub-regional approach relating to:

- Anticipating and managing future demands on public services such as additional safeguarding referrals, increases in domestic abuse, increases demand on health services and social care
- Planning for winter in relation to the management of Covid-19 related pressures on top of the winter pressures such as seasonal flu, and adverse weather events.
- Reviewing and managing any issues that arise in relation to community safety, crime and community cohesion.
- Developing a sub-regional strategy for economic recovery.
- Providing future support packages relating to mental health, skills development and employment support
- Developing appropriate plans to support the effective day to day running of the sub-region e.g. support for transport and traffic management.
- Reviewing the sub-regional risk assessments and management of risks associated with EU Exit.

6.4 Within the Borough the Council is anticipating and preparing for the longer-term impacts of the Pandemic

6.4.1 *Community* - the Council and its partners anticipate that there will significant long-term impacts on communities in Cheshire East. For example, there is expected to be a significant increase in unemployment and reduction in household income. It is expected that services will see an increase in demand as referrals increase in relation to safeguarding, domestic abuse and social care support. The council, working with its partners will be ensuring that it continues to support vulnerable people as well providing appropriate support in relation skills, employability, mental health and personal resilience.

6.4.2 *Economy* - Cheshire East Council continues to work with local businesses and business organisations (including Chambers of Commerce, Cheshire and Warrington Local Enterprise Partnership, Federation of Small Businesses and National Farmers Union) to channel business-based support to meet local need and to enable businesses to support each other.

- 6.4.3 In response to these issues the council and its partners have started to put measures in place to support people as they face unemployment. This includes a job matching service which sign post available jobs that are available, the running of jobs fairs and the provision of skills training, work experience and apprenticeships.
- 6.4.4 The Council has also delivered three phases of funding through its Discretionary Business Grant Scheme. 327 Businesses have been provided with support through this scheme and total of £2.7m has been awarded to date. Phase Three of the scheme was launched on Friday 7 August and closed on Monday 17 August. It is anticipated that the full grant amount will be allocated to businesses by end of September.
- 6.4.5 Furthermore, the Council and its partners have developed plans for the longer term economic recovery of the Borough. This approach includes:
- Understanding how the pandemic has impacted on the economy and development in the Borough including the opportunities this presents for the Borough for future inward investment.
 - Understanding the implication of these impacts on income for the council and on key strategic services such as Planning, Economic Development and Strategic Transport.
 - Support to businesses in the Borough including a focus on the sectors most likely to be impacted by the pandemic such as the hospitality sector. In addition support will continue to be provided to the key businesses and key sectors in the local economy.
 - Continuing to support our town centres and businesses that operate from them.
 - Developing a future pipeline of development and regeneration projects that can stimulate the local economy
 - Ensuring that the Borough has an effective place marketing approach so that it is able to promote itself for inward investment in the future.

7 Implications of the Recommendations

7.1 Legal Implications

- 7.1.1 The Coronavirus Act 2020 received Royal Assent on 25 March 2020. The Act has extensive schedules setting out a wide framework to life under lockdown. The Act has been followed with copious and frequent guidance notes, frequently with implementation dates ahead of what is

practically possible, e.g. Household Waste and Recycling Centres, administration of School Admission Appeals, restrictions on and subsequent opening of certain business premises, Test and Trace.

- 7.1.2 The Coronavirus Act also set out a framework by which Local Authorities could reduce their statutory duties in relation to the Care Act 2014, for Adult Social Care. These Care Act Easements could be implemented should the capacity of Adult Social Care staff become so reduced that it could not continue to meet its duties. To date Cheshire East Council has not initiated any Care Act Easements.
- 7.1.3 Any necessary urgent decisions have followed the process set out in the Constitution. To date 12 urgent decisions have been made. This are reported elsewhere on the agenda.
- 7.1.4 Local authority meetings - on Friday 31 July 2020, the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) (Amendment) Regulations 2020 came into force and will expire on 7 May 2021 unless extended. It removes the requirements to hold annual meetings; allows councils to hold all necessary meetings virtually, to alter the frequency and occurrence of meetings, without the requirement for further notice and to enable members, officers and the public to attend and access meetings and associated documents remotely. However, the amended regulations do not specifically mention 'hybrid' meetings.
- 7.1.5 The Health Protection (Coronavirus, Restrictions) (England) (No 3) Regulations 2020 came into force on 18 July 2020 and will expire at the end of 17 January 2021. They give local authorities (LA) power to give directions which impose prohibitions, requirements or restrictions relating to premises, events and public outdoor spaces, more commonly known as local lockdowns in order to tackle local coronavirus outbreaks. The LA must ensure the conditions set out in the Regulations are met before it can give such a Direction. It must also have regard to advice from its Director of Public Health when deciding whether or not to make a Direction. If a Direction is made, the Secretary of State (SoS) must be notified as soon as reasonably practicable, and the Direction must be reviewed at least once every seven days to ensure the conditions for making it are still met. Similarly, the SoS has the power to direct a LA to make a Direction under the Regulations, if the SoS considers the conditions for making a Direction are met.

- 7.1.6 Directions relating to premises may require closure of premises, restriction of entry or restrictions relating to the location of persons in the premises. A LA may not make a Direction relating to premises which form part of essential infrastructure.
- 7.1.7 Directions may be given in relation to specified events or events of a specified description.
- 7.1.8 If the LA gives a direction which imposes a prohibition, requirement or restriction on a person specified by name, the LA must give notice in writing to that person and also publish the notice to bring to the attention of persons who may be affected by it. Persons who are given a direction under the Regulations have a right of appeal against the direction to a magistrate's court and also to make representations to the SoS.
- 7.1.9 LA designated officers and constables have enforcement powers. Persons who contravene directions under the Regulations or obstruct persons carrying out functions under the Regulations commit offences.

7.2 Finance Implications

- 7.2.1 An update on the COVID-19 response was reported to Cabinet on 7 July 2020 and the Audit & Governance Committee on 30 July 2020. This report presents the latest financial position and identifies Government funding supplied to date. The extraordinary impact of the pandemic creates significant uncertainty for the Council that must continue to be managed throughout the 2020/21 financial year. All councils are currently analysing the impacts of the latest financial allocations and their projections.
- 7.2.2 The financial issues facing Cheshire East Council are just part of a significant national issue for public services, and the UK economy as a whole. Public Sector deficits and reductions in GDP are at levels not seen before, and Central Government continues to react with funding support packages both for general and specific purposes. The Council has continued to support MHCLG in gathering evidence, on a monthly basis, of the potential costs and income losses for 2020/21 based on information and guidance available at the date of the government return. The information from the Council contributes to the ongoing negotiations between the LGA, MHCLG, HM Treasury and other government departments and sector led organisations such as the County Councils Network.

7.2.3 The nature of financial issues, and the approach to funding costs and income losses associated with the pandemic, has inevitably changed over time as lockdown measures have eased. This creates issues with producing an accurate forecast of financial consequences compared to the Council's Medium-Term Financial Strategy which had been approved by Council on 20 February 2020. This is not just a Cheshire East issue. Recent estimates from the Institute for Fiscal Studies suggests that councils, for example, only have access to useable reserves equal to half of the required costs of the COVID-19 Pandemic response and recovery. This observation is further complicated by the mix of Revenue, Capital and Collection Fund budgeting required by a Local Authority. The IFS report is available here:

<https://www.ifs.org.uk/publications/14977>

7.2.4 Cheshire East Council's MTFS is under unprecedented pressure due to the response required to protect both the health and economic wellbeing of local people and businesses during the COVID-19 Pandemic. When responding to the MHCLG data requests in June, of gross the cost financial impact of COVID-19 in 2020/21, the local costs were estimated at £70m. The high-level detail behind this estimate was considered by the Audit & Governance Committee on 30th July. The Committee was advised that estimates were due to significant change due to ongoing relaxation of the lockdown (allowing some facilities to re-open), changing guidelines (particularly in relation to home to school transport) and the emerging approach by Central Government to fund some elements via direct funding (such as the PPE requirements of local care providers).

7.2.5 This report considers the latest estimates of the financial impact of COVID-19 on the Council. A further MHCLG return is due on 4th September, which will be submitted by the S.151 Officer based on the forecasts available on that day. Due to the emerging nature of the financial position and the overlapping timing of reporting to Scrutiny and Cabinet, the MHCLG figures may at any point in time be out of date and subject to change. Every effort is made to ensure members are suitably informed, and where changes to the Council's budget are required this will be reported in accordance with the Council's constitution.

7.2.6 The returns to Central Government identify three main types of financial pressure:

(i) Un-ringfenced Expenditure and Income Losses

Appendix 1 provides an indication of the latest forecasts of the financial pressures from COVID-19 on the Council's 2020/21 budget. This level of detail provides further information, at Director level, as requested by the Audit & Governance Committee and supported by members of the Corporate Overview and Scrutiny Committee. The information in the appendix also reiterates the most significant areas of financial pressure, both revenue and capital.

Grant funding to support un-ringfenced expenditure and income losses is detailed in Table 1 below, in a format consistent with previous Cabinet and Audit & Governance Committee reports.

(ii) Collection Fund

Collection Fund potential losses relate to Council Tax and Business Rates income. At the time of writing, the Council expects to have to bear these losses, but to be permitted to spread the impact over the next three years. There is ongoing consideration from MHCLG and the LGA on this issue and further information will be provided when it is available.

(iii) Ringfenced Expenditure

Table 2 below provides information about the activities the Council has been undertaking which have received specific government funding.

Table 1: The approach to un-ringfenced funding has changed over time

Announced	Funding for CEC (England total)	Notes
19th March	£9.150m (£1.6bn)	Adult Social Care based payment
18th April	£10.539m (£1.6bn)	Payment per capita to help reflect lost income
Sub-Total	£19.689m (£3.2bn)	
2nd July	£2.712m (£0.5bn) for Expenditure	Adult Social Care / deprivation based payment
Total	£22.401m (of £3.7bn)	
2nd July	£n/k (£n/k) for Income	Paid at 75p in £1 above 5% losses.

		(Note: Guidance has been issued and a claims process is being established for the 2020/21 Financial Year. No recompense to date).
2nd July	£nil for Collection Fund	Defer Collection Fund Deficit over 3yrs

7.2.7 Based on the latest guidance and changes to direct funding via specific grants the value of un-ringfenced Revenue, Capital and Collection Fund financial impacts are currently estimated to be in the region of **£50m**. Taking in account the government funding received to date, as detailed in Table 1 (above) is currently £22.401m the estimated shortfall currently stands at c.£28m.

To understand the potential shortfall between un-ringfenced financial impacts and the funding provided by Government, the Council is engaged in several activities:

1. Continuing to manage and review the financial forecasts in response to emerging guidance and the local response to the emergency and how this affects the Council's revenue budget.
2. Analysing the Government proposals to compensate losses from Sales, Fees and Charges.
3. Analysing the level of Collection Fund losses across the three financial years 2021/22 to 2023/24.
4. Reviewing the consequences of funding shortfalls on the Council's capital programme and how this impacts on the Council's long term funding of capital expenditure.

Table 2: Specific Grants are valued at c.£185m

Activity (National Total)	Spending forecast	Funding	Variance
Test & Trace (£300m)	£1,533,331	£1,533,331	£0
Rough Sleeping (£32m)*	£229,530	£6,000	(£223,530)
Active Travel (£225m)	£774,000	£774,000	£0
Opening High Streets (£500m)	£339,533	£339,533	£0
Infection Control (£600m)**	£5,320,292	£5,320,292	£0
Business Grants (£12.3bn)	£86,500,000	£95,514,000	c.£9,000,000

Disc. Business Grants (£617m)	£4,200,000	£4,287,250	£87,250
Business Rate Holiday (£9.7bn)	£61,371,000	£58,785,655	(£2,585,345)
CT Hardship (£500m)	£2,500,000	£2,062,635	c.£500,000
Local Bus Network (£167m)	£229,632	£229,632	£0
Emergency Assistance (£63m)	£326,292	£326,292	£0
Towns Fund Capital (£5bn)	£750,000	£750,000	£0
Additional Dedicated Home to School and College Transport (£400m)	£294,536	£294,536	£0
Wellbeing for Education Return (£8m)	£55,403	£55,403	£0
Food and basic necessities (essential supplies)	£326,393	£326,393	£0
Bus Service Support Grant (CBSSG) Restart scheme	£122,769	£156,600	£33,831

7.2.8 The Business Grants and Discretionary Business Grants schemes close to new applicants on 28th August. The Council has run three phases of the discretionary scheme and will ensure the full allocation of this scheme is provided to local businesses.

7.2.9 In relation to other Business Grants, linked to the Business Rates database, staff and members have been using all forms of media and even visiting premises to ensure eligible businesses received their funding allocations. BEIS have confirmed that unspent funding provided for these schemes should be returned to government. The amount of funding allocated to Cheshire East Council, which could potentially be returned to government, is estimated at £9m. The Council will continue to lobby and support the LGA, the FSB and other bodies in requesting that this funding is retained locally to provide further support to the local economy.

7.2.10 The LGA and CCN collate returns from all member councils, though the types of financial pressure vary from council to council depending on their circumstances. For example, whether they provide social care, have a strong tourist economy or the extent of deprivation. The overall impacts are similar across councils and Cheshire East Council is not an outlier. The Council will continue to support lobbying by the LGA and CCN in their aim to ensure fair settlement of the financial pressures facing local authorities.

7.3 Policy Implications

7.3.1 COVID-19 is having a wide-ranging impact on many policies. Any significant implications for the council's policies are outlined in this report.

7.4 Equality Implications

7.4.1 Implications of the changes will continue to be reviewed. We are carrying out individual risk assessments for staff with protected characteristics, particularly in relation to BAME colleagues and staff with a disability.

7.5 Human Resources Implications

7.5.1 Paragraphs 5.2.51 to 5.5.53 provide information in relation to the Council's workforce and workplace. Throughout the pandemic, there has been regular communication with staff and good co-operation with the Trade Unions.

7.6 Risk Management Implications

7.6.1 Risk registers have been maintained as part of the Council's response to date and the plans for recovery. Business Continuity Plans are being kept under review and plans have been tested against concurrent risks.

7.7 Rural Communities Implications

7.7.1 COVID-19 is having an impact across all communities, including rural communities. The support for small businesses will support rural business.

7.8 Implications for Children & Young People/Cared for Children

7.8.1 There are implications for children and young people. There are implications for schools, early help and prevention and children's social care which are summarised in the report.

7.9 Public Health Implications

7.9.1 COVID-19 is a global pandemic and public health emergency. There are implications for Cheshire East which are summarised in the report.

7.10 Climate Change Implications

7.10.1 They have been positive benefits of fewer cars on the road. This includes most staff who have been working from home. There has also been lower demand for heating/lighting offices. This is outlined in paragraph 6.5.14.

8 Ward Members Affected

8.1 All Members.

9 Consultation & Engagement

9.1 Formal consultation activities have been paused due to the lockdown restrictions. The Council is considering how and when they can be restarted.

10 Access to Information

10.1 Comprehensive reports on COVID-19 can be found on the Council's and the Government's websites.

11 Contact Information

11.1 Any questions relating to this report should be directed to the following officers:

Frank Jordan, Executive Director Place and Deputy Chief Executive

Mark Palethorpe, Executive Director People

Jane Burns, Executive Director Corporate Services

Covid19 Financial Update by Directorate

People Directorate

2020/21 Outturn Review	2020/21 Budget	Covid Financial Pressures		Forecast Over / (Underspend)	2019/20 Outturn
(GROSS Revenue Budget £647.2m)	(NET)	Expenditure	Income		
£000	£000	£000	£000	£000	£000
Directorate	881			-	883
Children's Social Care	40,190	1,176		1,176	36,995
Education & 14-19 Skills - Revenue	15,068	215	944	1,159	14,471
Education & 14-19 Skills - Capital	-	2,000		2,000	
Prevention & Early Help	8,351	69	35	104	8,221
Adult Social Care - Operations	28,077			-	24,743
Commissioning	88,778	6,674	1,146	7,820	85,121
Public Health	-	78		78	-
Public Sector Transformation	-			-	-
People	181,345	10,212	2,125	12,337	170,434

The most significant element of expenditure incurred by the Council involves financial support to the social care market, and some funding has already been provided to support care providers in dealing with increasing costs linked to demand, staffing shortages and PPE. Current forecasts indicate that total costs in this area could be up to £4m, although this does reflect the risk of potential future outbreaks and further increases in demand.

The other significant area of expenditure is the provision of Personal Protective Equipment (PPE), both to external care providers and for the Council's employees. This is estimated to be in the region of c£2m.

The cost of the shielding hub, as shown under Public Health, is estimated to be £78k, in addition to this there are additional staffing resources from across the Council services involved in shielding.

The loss of fees and charges and increased debt from Adult Social Care is expected to be in the region of £1m.

The increased cost of children's social care is £1.176m mainly due to the rise in agency placements. Loss of income from school catering services is estimated to be £0.9m.

Delays in the schools building programme are expected to lead to additional costs in the second part of the year.

Place Directorate

2020/21 Outturn Review	2020/21 Budget	Covid Financial Pressures		Forecast Over / (Underspend)	2019/20 Outturn
(GROSS Revenue Budget £647.2m)	(NET)	Expenditure	Income		
£000	£000	£000	£000	£000	£000
Directorate	977			-	654
Environment & Neighbourhood Services	40,744	3,640	1,569	5,209	39,607
Environment & Neighbourhood - Capital	-	255		255	
Growth & Enterprise	20,434	809	3,351	4,160	20,547
Highways & Infrastructure - Revenue	11,909	1,133	4,375	5,508	
Highways & Infrastructure - Capital		4,300		4,300	12,312
Place	74,064	10,137	9,295	19,432	73,120

The Council's wholly owned company ANSA has experienced significant challenges in delivering waste and environmental services throughout this pandemic. The cost of employing additional agency staff, purchasing PPE and the increased tonnage from kerbside collections is estimated to be over £2m.

The bereavement service has incurred additional costs including a contribution to a body storage facility.

The loss of income from fees and charges is significant for the Place directorate, car parking income losses alone is estimated to be over £3m, income from cultural activities such as Tatton Park is expected to be down by £2.4m and income from planning fees is expected to have a shortfall £0.9m.

Additional costs relating to the running of the leisure centres and the loss of income is estimated to be in the region of £1m.

Delays in major highway construction schemes are expected to lead to additional costs in the second part of the year although these may be able to be absorbed within existing contingency budgets for these capital projects.

Corporate Directorate

2020/21 Outturn Review	2020/21 Budget	Covid Financial Pressures		Forecast Over / (Underspend)	2019/20 Outturn
(GROSS Revenue Budget £647.2m)	(NET)	Expenditure	Income		
£000	£000	£000	£000	£000	£000
Directorate	693			-	778
Finance & Customer Services	8,678	1,322	740	2,062	7,550
Governance & Compliance Services	9,984	57	931	988	9,994
Transformation - Revenue	-	558		558	
Transformation - Capital	14,728	2,780		2,780	12,047
Corporate	34,083	4,717	1,671	6,388	30,369

To enable council employees to work from home since the start of the pandemic has required the ICT service to accelerate and extend of deployment of Windows 10 mobile

Appendix 1

devices. An increased number of devices have been purchased and the resources required to deliver this redeployment in a short space of time has placed significant pressure on the service.

ICT has also delivered a number of specific projects specifically to facilitate the remote working environment, these include e-signatures, virtual council meetings, virtual child protection conferences, virtual hearings for both internal and external participants, remote door solution etc.

The registration service is expecting a loss of income from marriage services in the region of £859k.

The loss of Housing Benefit overpayment recoveries and the loss of court cost income for Council Tax and Business Rates is also expected to be in the region of £740k.

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PULSE SURVEY HEADLINES – EXECUTIVE SUMMARY – APPENDIX 2



Covid-19 Response

Key findings

Response rate: 55%

No of responses: 1977 of 3601

djs
employee
research
Part of the DJS Research group



83%

Happy with level of line manager communication



83%

Agree communication from the organisation has been effective



75%

Agree the council has provided effective wellbeing support during Covid-19



72%

Have had access to necessary systems and equipment



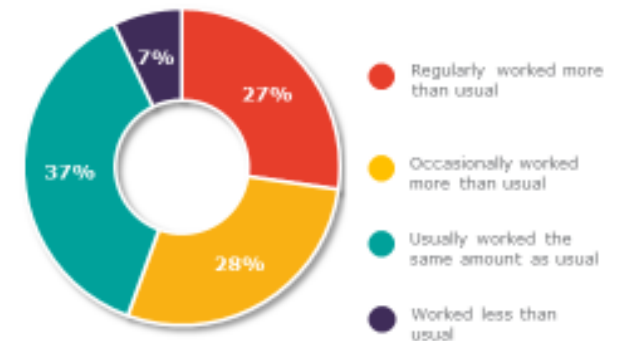
50%

Have been migrated to Teams

Top areas of concern in relation to working at usual working location(s)	% concerned
The use of 'hot-desks' / shared-desks	79%
The use of shared kitchens to make drinks, prepare and eat food	74%
That people will follow public health guidelines relating to social distancing when we all start returning to the 'new normal'	73%
The ventilation of working spaces	73%
The use of shared equipment (e.g. printers)	72%

Concerns: what are employees most concerned about in relation to working at their usual place of work?

Since lockdown in March 2020, have you...



Working patterns: how have workloads changed during Covid-19?

3

OFFICIAL

The council's Covid-19 response



Part of the DJS Research group

Views of the management of the response

The council has provided effective wellbeing support during Covid-19

75%

I have the systems / equipment to work from home effectively

72%

Communication from the council has been effective
83%

I am happy with the amount of communication I have had with my manager

83%

The council's response to implementing social distancing and hygiene measures has been effective

65%

Top safety concerns when returning to usual work location

The use of 'hot-desks' / shared desks

79%

The use of shared kitchens to make drinks, prepare and eat food

74%

The use of shared equipment (e.g. printers)

72%

That people will follow social distancing guidelines

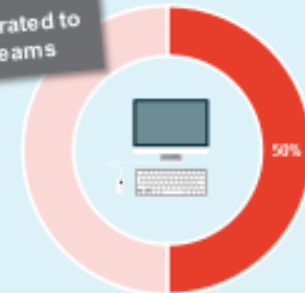
73%

The ventilation of workspaces

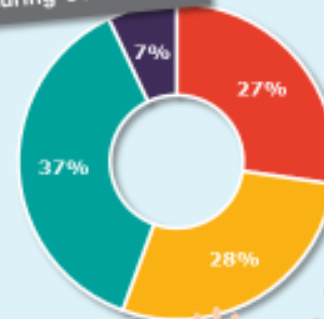
73%

% concerned

50% have migrated to Microsoft Teams



Change in workload during Covid-19



- Regularly worked more than usual
- Occasionally worked more than usual
- Usually worked the same amount as usual
- Worked less than usual

Data collection in June 2020.
Response rate: 55%. No. of responses: 1,977 of 3,601

Guidance

Local government income compensation scheme for lost sales, fees and charges

Guidance for local authorities on how to access the local government income compensation scheme for lost sales, fees and charges as a result of COVID-19.

Published 24 August 2020

From: [Ministry of Housing, Communities & Local Government](#)

Applies to: **England**

Contents

1. Background
2. Eligibility
3. Scope of the scheme
4. Operating the scheme
5. Annex A: Worked Examples
6. Annex B: Guidance on filling out the Delta Return

Background

What is the scheme?

1. COVID-19 has impacted local authorities' ability to generate revenues in several service areas as a result of lockdown, government restrictions and social distancing measures, related to the pandemic. This new, one-off income loss scheme (the scheme) will compensate for irrecoverable and unavoidable losses from sales, fees and charges income generated in the delivery of services, in the financial year 2020/21.

2. The scheme will involve a 5% deductible rate, whereby authorities will absorb losses up to 5% of their planned 2020/21 sales, fees and charges income, with government compensating them for 75p in every pound of relevant loss thereafter. By introducing a 5% deductible government is accounting for an acceptable level of volatility, whilst shielding authorities from the worst losses.

3. The definition of an eligible loss is one that meets the principles set out in [paragraphs 14 – 16](#) of this guidance. [Annex A](#) of this guidance provides worked examples of how to apply the principles, which can be used to help inform local judgements as to whether losses will be eligible.

4. New data collection exercises will be used to collect information on relevant losses from all eligible local authorities, and this will be done three times throughout the year. [Annex B](#) of this guidance contains instructions on how to fill out the data return. Payments will be made to compensate for losses in line with the scheme periodically throughout the year as set out in [paragraph 25](#).

Explaining the parameters

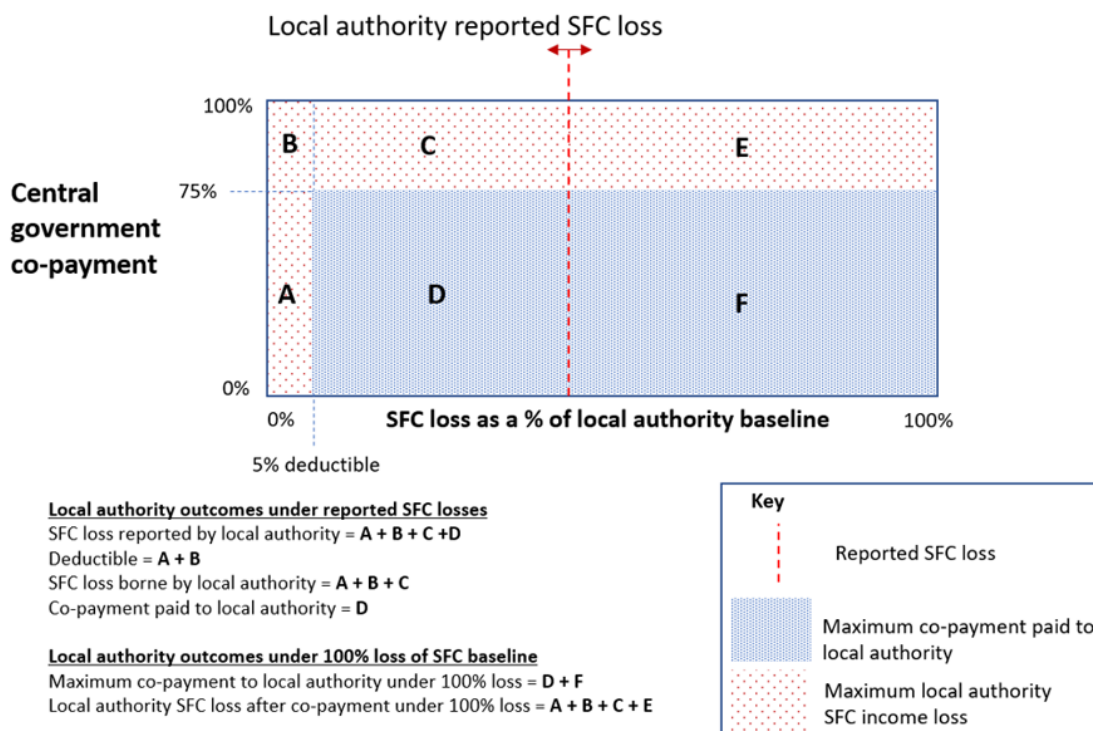
5. The amount an authority can be expected to receive through the scheme will be calculated by a set of parameters. The parameters are set out below and figure 1 illustrates how the scheme will operate and the following formula can be used to help authorities understand the parameters in more detail:

6. The baseline [X axis of figure 1] – The gross income that an authority budgeted to collect in relation to relevant income streams at the start of the year which should be directly linked and reconciled to the published balanced budget set by the authority. More details on calculating this are included in [Annex B, section 1](#).

7. The deductible [A + B in figure 1] – An amount equivalent to 5% of budgeted income from eligible sales, fees & charges losses included in a local authority's claim will be deducted from the losses claimed for, which local authorities will be expected to absorb.

8. The co-payment rate [D in figure 1] – Thereafter there will be a cost splitting arrangement where 75% of relevant losses will be compensated for by government, with the remainder being met by local authorities, up to a maximum of the baseline in paragraph 6.

Figure 1

Sales, fees & charges (SFC) co-payment scheme: illustrative local authority outcomes**Eligibility**

9. The scheme is open to eligible authorities in England which have incurred relevant income losses and have been eligible for other coronavirus emergency funding for local government. Eligible authorities are:

- county councils (which may be a unitary)
- district councils (which may be a unitary)
- London borough councils;
- the Common Council of the City of London
- the Council of the Isles of Scilly
- combined authorities
- fire and rescue authorities (which are constituted by a scheme under section 2 or the Fire and Rescue Services Act 2004 or a scheme to which section 4 of that Act applies, or which are created by an order under section 4A of that Act) and the London Fire Commissioner

10. Police and crime commissioners are not eligible for this scheme but should refer to separately issued guidance from the Home Office. Parish and town councils are not eligible for the scheme.

Scope of the scheme

What income losses can be claimed for under the scheme?

11. The scheme will compensate authorities for eligible losses of income from sales, fees and charges which they had forecast to collect through the usual delivery of local services in 2020/21. This guidance sets out principles for determining whether losses are eligible. The principles-based approach acknowledges that individual authorities will be best placed to determine what losses from their forecast income are within scope of the scheme as set out in the guidance.

12. All claims for compensation under the scheme must comply with the principles set out at paragraphs 14 to 16 of this guidance, and this must be certified by the authority's section 151 officer. The Department may require authorities to provide evidence to support claims and may make any payments conditional on such evidence being provided. Grant paid out may also be clawed back if it becomes clear that an authority has not complied with the principles included in this guidance. More details of this are set out in the 'operating the scheme' section of the guidance.

13. [Annex A](#) provides a series of worked examples which have been included to assist local judgements on which losses will be covered under the scheme.

The principles defining relevant losses

14. Principle one: The income is transactional income from customer and client receipts (excluding commercial and residential rents and investment income), which is generated from the delivery of goods and services and which was budgeted for in 2020/21.

- Revenues that are collected in exchange for a good or service where demand has been reduced because of COVID-19, including budgeted management fee income.
- Income collection must be directly linked to the delivery of goods and/ or local services and must be categorised as such when submitting the data return.
- Income from traded services which generate the same types of income could be eligible where the losses meet the principles. However, commercial investment revenues and rental income are not eligible losses and will not be compensated for under this scheme.

15. Principle two: As a result of COVID-19, and consequent reductions in economic activity, this income has been unavoidably lost and will not be recovered in this financial year.

- This principle is intended to apply where reductions in economic activity because of lockdown and social distancing restrictions directly lead to lost revenues.
- "Unavoidably lost" means that factors outside of the authority's control caused the loss to be incurred. Voluntary decisions, which were made locally, and which were not aligned to relevant government guidance at

the time, are not covered by this (e.g. closure of services by choice rather than because of government guidance). Authorities should use their judgement to determine whether a voluntary decision was made with the intention of supporting relevant government guidance, or whether it represented a departure from guidance in place at the relevant time. These judgements will be in scope of the assurance processes referred to in this guidance.

- “Will not be recovered in this financial year” means that, at the point of claim, the income is irrecoverable and will not be collected before 31 March 2021. Deferred income meeting other principles, but which can be recovered within this year, will not be compensated for. The end of year reconciliation process will ensure that only irrecoverable losses are compensated for.

16. Principle three: Compensation will be based on net losses. Where a local authority has been able to reduce expenditure, or has received other compensation, compensation will only be provided for the residual loss.

- Compensation will be provided to mitigate the net budget gap which irrecoverable service income losses have created in the local authority’s balanced budget set before the start of the year. Where possible, authorities should have taken action to mitigate the impact of losses, e.g. by reducing expenditure such as stock purchases or running costs.
- If other funding has been provided in relation to specific (e.g. other emergency government grant, or furloughing staff) it should also be netted off as this would have contributed to closing the net budget gap in the relevant service area.
- Where possible, the temporary reallocation of employees to deliver other services which have been supported by emergency grant funding should be appropriately accounted for as a net saving in the service that the unfunded income loss relates to. This is in order to identify and compensate for the net pressure the loss of income has had on the authority’s budget.

What isn’t eligible

17. Income losses which are not covered by the principles, and so which are outside the scope of the scheme, include:

18. Investment income

- Income losses resulting from investments are not eligible, as they are not transactional income (principle one). This covers all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit/surplus (e.g. investment property portfolios and investments that are managed as part of normal treasury management processes).
- Other commercial income such as from advertising, is outside the scope of the scheme (principle one).

19. Rental income

- Rental losses are not eligible, as they are not transactional income (principle one).

20. Compensation paid to third parties for loss of revenue

- Some local authority services are contracted out, such that the authority does not directly deliver the service.
- In some cases, local authorities subsidise services either directly or through a management charge. These authorities may have seen an unplanned increase in this budgeted expenditure because of COVID-19, which may be irrecoverable. This additional spending would not be in scope of the scheme, as the subsidisation of services through increased payments does not represent a loss of income to the authority (principle one).
- In other cases, authorities are making additional payments to a) ensure the wider sustainability of providers and/or b) support the extra costs of providing leisure services in a COVID-19 compliant way. These payments would not be in scope of the scheme as they do not represent a loss of income (principle one).

21. Income which was not included in the authority's general fund budget for 2020/21

- For a loss to be eligible under the scheme the local authority must have a related budget amount built into its general fund revenue budget for 2020/21. Any other income losses (e.g. losses incurred directly by a local-authority owned school, or a local-authority owned company) will not be eligible (principle one).
- If a service is transferred back to the authority during the year this will not be covered under the scheme on the basis that it did not form part of the authority's budget at the start of the year (principle one).

22. Income that can reasonably be recovered later in the financial year

- Where an authority knows that it can recover a loss within the financial year, the Department expects the authority to take reasonable steps to recover that income and that loss will not be eligible (principle two).
- However, the Department acknowledges that authorities may not yet know whether some of these income losses may be recoverable. As such, authorities may claim for a loss if they have a reasonable basis to believe that recovery is unlikely (principle two).
- A reconciliation process (paras 26 – 28) will be carried out after the end of the financial year, and any grant paid in respect of losses that were ultimately recovered will be repayable to government.

23. Income losses which can be mitigated by reductions in expenditure, or which have already been compensated for by other government funding

- Whilst a reduction of service delivery may have led to a loss in income, it may have also led to some savings in planned expenditure. Where this is the case, an authority should only claim for the net loss. This will mean

that the income scheme only funds the net budget pressure in relation to the service – (principle three).

- In the data collection exercise local authorities will be required to give adequate details of what steps they have taken to reduce associated expenditure, and if that has not been possible, why that is the case.

Operating the scheme

Period covered

24. The scheme compensates eligible authorities for irrecoverable losses compared to budgets that have been set for the period from 1 April 2020 to 31 March 2021.

Schedule of payments

25. This guidance supports the data collections which will be used to collect and calculate the compensation that each authority will receive under the scheme. The schedule of data collections is planned to be as follows:

Release of data collection and payment	Period of loss covered
September 2020 data return (intended payment October 2020)	1 April 2020 - 31 July 2020
December 2020 data return (intended payment January 2021)	1 August 2020 - 30 November 2020
April 2021 data return (intended payment May 2021)	1 December 2020 - 31 March 2021

Reconciliation

26. All payments made under this scheme will be subject to a reconciliation process after the three data collections and payments have been conducted. This is necessary because the full picture on some losses may emerge over time and some losses claimed for in the early part of the scheme may ultimately be recoverable, and others might ultimately be irrecoverable when recoverability was originally considered possible.

27. This process will therefore be compulsory for any authority who has accessed compensation under the scheme throughout the year. It will ask for information which will calculate the actual losses over the course of the whole year. This will be reconciled against payments made to ensure that the correct level of compensation has been awarded to each authority. Further details on this process will be set out in due course. The reconciliation may potentially be combined with the final payment.

28. Any authority who does not comply with the reconciliation process, which will form part of the grant conditions, will be required to pay back any grant that has been awarded to the authority under the scheme. Any excess grant that has been paid, where losses were recovered later in the year will also be repayable to government.

Local responsibility for validating losses

29. Individual local authorities will be responsible for making sure that the claims they make under the scheme meet the principles set out above. For each return, the authority's Section 151 officer must certify that the claim is accurate, reasonable, and made in accordance with the principles.

The department's assurance process

30. Payment of grant will also be conditional on the accuracy and reasonableness of the claims made. The Department may require authorities to provide evidence to support their claims. Where the Department requires such evidence, grant payments will either not be made until the relevant evidence has been provided or will be clawed back if a payment has already been made.

31. Authorities may also be required to provide evidence on the basis of random sample checking, or on the basis of potential discrepancies identified by the Department once submitted claims are made.

32. The Department intends to use the monthly COVID-19 data monitoring (section C) to assess whether claims made under this scheme are consistent with the amounts that the authority reported to the Department earlier in the year. There might be a difference in the figures that are submitted in the different returns, and these justifications should be included where relevant.

33. In addition, the Department will also check to ensure that claims are proportionate to the size and profile of the authority. It may be reasonable that an authority has income losses that are disproportionately high relative to its size, and in this instance justifications should be provided by the authority.

34. Failure to supply evidence to the Department could result in a grant payment not being paid. Where the Department is not satisfied that an authority's claim has been made in accordance with the principles it will not pay those parts of the claim that it considers to be outside the scope of the principles. If payment has already been made this may be clawed back.

35. Instructions in [Annex B](#) outline how to fill in the relevant data form, and the authority must be able to justify the figures it submits in each return, with relevant evidence from its internal accounting records and other relevant financial information.

36. An authority may choose to engage their internal auditors to provide review and challenge on the appropriateness of the claims that are submitted in line with this guidance, and the Department would consider relevant internal auditor reviews as appropriate evidence in its the assurance processes.

Contacting the department

37. Authorities may contact the Department if they have any queries regarding the scheme by using the following email address: lgfcoviddata@communities.gov.uk.

38. This guidance will be kept under review and may be updated with each scheduled data collection/payment throughout the duration of the scheme.

Annex A: Worked examples

Example 1: A local authority owned car park is largely left empty due to lockdown measures which have restricted social movement.

39. The car park generates revenues for the authority when visitors use the facility. The authority reasonably budgets to collect revenues each year. The impact of lockdown measures has meant that revenue collection has substantially fallen. Lost revenues from that period will not be replaced when government restrictions are lifted.

40. The car park might have been closed or made free of charge during this period to save on expenditure costs associated with the service on the assumption that the facility would only be used for essential purposes. Where this has happened, the savings on expenditure should be netted off the claim that is made for lost revenues.

41. The car park might be linked to another asset such as a shopping centre. In this instance, the revenues from the car park should be included in isolation. Supporting documentation will need to be provided if requested to show the relevant budgets for the car park revenue collection.

42. Voluntary decisions to keep the car park closed for extended periods contrary to relevant government guidance at the time, or making the car park free of charge on specific days to encourage local residents to the local area would not be compensated for.

Example 2: A local authority owned museum is closed due to lockdown measures. The museum normally generates income which cover the costs of offering the service.

43. A local authority charges visitors to enter the facility and budgets to collect an anticipated amount for the year. This service must close in order to comply with lockdown measures. This reduces the revenues collected and could not have been expected.

44. The authority decides to furlough their staff whilst the facility remains closed, or redeploys the staff to work on other service areas. Where possible, these expenditure savings should be netted off from the claims that are made for lost revenues.

45. Once the facility opens, it needs to operate at reduced capacity to comply with social distancing measures. This means that revenue collection is still below budgeted levels. These amounts can be claimed for. However, voluntary

decisions to keep the service closed cannot be compensated for as this is a decision that has been made at the local authority's discretion.

Example 3: A local authority with a relevant planning function sees a large-scale reduction in planning applications where the pre-set fees aim to cover the costs related to running the service.

46. A local authority processes (and provides advice on) local planning applications, for which it charges. A budget is set at the beginning of the year based on expected demand. Lockdown measures slowdown demand for planning fees which the authority could not have foreseen. The authority might be able to redeploy staff in its service during this time resulting in an internal recharge which would likely result in staff costs being chargeable to services which expenditure grant has been provided for. If this has contributed to a saving to the service, the authority should claim for the estimated net loss.

47. These revenues might pick up quickly once activities pick up. However, it will be difficult to know how recoverable the lost revenues are. In this instance local judgement is needed to estimate what amounts are irrecoverably lost in relation to the 2020/21 budget.

48. At the end of the year, the reconciliation process will seek to assess the true extent of irrecoverable revenue loss for 2020/21.

Example 4: A local authority runs a catering service where income is generated from meals sold based on contracts, for example, with local schools. Due to school closures, revenues have been lost which couldn't have been budgeted for.

49. A local authority runs a catering facility where it has contracts with local schools to provide meals at a charge to pupils. Schools have been unexpectedly shut which will have reduced the revenues the authority budgeted to collect. These revenues will not materialise in the future.

50. The local authority might have been able to reduce some expenditure if it has purchased less stock than it planned to purchase at the start of the year. In addition, staff may have been redeployed. These savings should be netted off from the lost revenues that are claimed for.

Example 5: A local authority has a contract with an operator to provide local leisure services. The local authority budgets to receive a monthly management fee which has not been paid because of the closure of these facilities.

51. A local authority has a contract with a provider/operator to run a local leisure facility it owns. The contract between the provider and authority entitles the authority to a monthly income stream. Since the unexpected closure of these facilities none of the pre-agreed income has been paid to the authority.

52. These income streams are unlikely to be recovered in the future and the authority will consequently be left with a budget gap. The authority will be able to claim for the lost revenues which create an adverse variance compared to their set budget.

53. The authority may also have agreed to make additional payments to the operator/provider to help manage their financial pressures. These amounts

cannot be compensated for under this scheme as they do not represent losses against an authority's forecast income.

Example 6: A fire and rescue authority (or function integrated into a relevant authority) offers a training function to external clients which generate revenues. During the lockdown period these services have not been able to run as planned.

54. A fire and rescue authority runs a training programme where it charges clients for its services. It budgets to collect revenues which it uses to balance its annual budget. Lockdown measures have meant the authority cannot run its training programme; this results in lost revenues which will not be recovered in the future.

55. The authority might be able to save expenditure by reducing its rental of relevant training facilities and/or by purchasing less equipment. These savings should be netted off from the lost revenues that are claimed for.

Example 7: A local authority registrar service experiences a drop in planned revenues since wedding ceremonies are postponed because of government restrictions on these events. Later in the year, there is a subsequent increase in demand.

56. A local authority budgets to collect revenues from its registrars' service throughout the course of the year. Due to lockdown measures, wedding ceremonies are put on hold which leads to an unplanned drop in revenue collection from these charges. The authority might also lose revenues from venue hire.

57. It is not known how these charges will recover, and it might be the case that budgeted collection is still possible over the course of a full year. However, the authority might reasonably also determine that a portion of the revenues that have been lost are irrecoverable in the current year. Local discretion should be used to inform the claim that is made and the local authority could claim for losses based on the best information at the time. Any change across the remainder of the year which could not reasonably be currently known at the time of a claim will then be taken account of in the reconciliation.

Example 8: A combined authority has received funding from the Department for Transport, for the continuity of bus and light rail services but is seeing losses in this area net of the grant allocation.

58. Any revenue loss on light rail services that is net of the Department for Transport light rail grant, is not eligible for the scheme. Any revenue loss on supporting bus operators that is in net of the Department for Transport bus support grant, is not eligible for the scheme.

59. Any revenue losses linked to a Combined Authority's transport functions and is essential to providing a service, but not directly linked to the continuity of bus and light rail services (i.e. Departure Charges, Travel Passes) is likely to be eligible to be compensated through the scheme.

60. Any savings on expenditure should be netted off the claim that is made for lost revenues.

Example 9: A local authority planned to run a local event this summer, which might be a one-off or recurrent. It has had to be cancelled this year.

61. A local authority hosts a local festival which it sells tickets for. At the start of the year, the local authority budgeted to sell out the event. The event has had to be cancelled this year and will not take place. These revenues are irrecoverably lost.

62. Depending on when the event was due to take place, the authority might have been able to save on some expenditure costs by cancelling orders. It is also reasonable to assume that some costs were committed and therefore cannot be avoided.

63. The authority should estimate the net loss that cancelling the event has had on its budget. This is the loss that the authority should claim for.

Example 10: A local authority has lost revenues from its adult social care budget in relation to charges that it assumed it would collect at the start of the year. The authority has received funding to support the care market and maintain service provision through COVID.

64. A local authority's adult social care service may include income from services it offers which might have reduced as a result of COVID-19.

65. The authority should only claim for income losses which it can demonstrate have resulted in a net pressure on the authority after emergency grant funding has been applied. Adequate evidence would need to be provided to demonstrate how a reduction in revenues had contributed to a net pressure on the authority's service budget.

66. Charges that are voluntarily waived by the authority should not be claimed for.

Example 11: A local authority museum chooses to remain closed after the government has announced that these venues may re-open.

67. The government has announced that museums can re-open or be it at a reduced capacity. Despite the guidelines changing, a local authority makes a voluntary decision to keep its service closed. This means that revenues continue to be lost.

68. In this instance, the authority may claim for losses up until restrictions requiring it to remain closed were lifted. Thereafter, losses should not be claimed for as the authority has made a local decision to keep its facility closed and continued lost revenues would have been a variable considered in that decision.

69. If the facility opens it might need to operate at reduced capacity to comply with social distancing measures. This means that revenue collection is still below budgeted levels. These amounts can be claimed for.

Example 12: A local authority owns an asset and budgets to generate investment income which may not materialise because of wider economic impacts.

70. A local authority owns a local asset which generates rental income from tenants who occupy the facility. Tenants have struggled to meet their rental commitments which has meant that the local authority has a reduced revenue collection which contributes to an adverse variance on its budgetary position.

71. The authority may not claim to have these amounts compensated for as the lost revenues are not covered by the principles of this scheme.

Example 13: The local authority holds financial investments which have generated less revenue than planned because of reductions in interest rates.

72. A local authority budgets to generate revenues from its treasury management investments. Unexpected drops in interest rates mean that the local authority has generated less of a return on its investment than it expected to collect.

73. The income streams are not directly related to the delivery of service and is not covered in the principles of this scheme. Therefore, the loss should not be claimed for.

Annex B: Guidance on filling out the Delta Return

74. One return per round should be submitted by each eligible authority. Users will be sent access to a DELTA form at the relevant times which they should use to enter all relevant losses for the relevant period under consideration.

75. Creating/accessing an account

- If an existing user has recently accessed the DELTA system in order to complete the local government monitoring survey or any other MHCLG return, this account can be used to access the form. Please be aware, users may be required to reset their password if the account has not been accessed recently. The department will email out to the accounts it expects to complete the return.
- If an authority does not have a user registered to a DELTA account, and is an eligible authority for this scheme, please visit the DELTA website at: <https://delta.communities.gov.uk/login>, where the authority can now self-register a user. Once complete, the new user should proceed to the My Account section and select the relevant access options. Please also inform the department that the authority requires access to this DELTA form by using the email address given in [paragraph 37](#) of this guidance.

76. If an authority is unable to self-register or has any questions about registration, all DELTA registration requests and queries can be directed to delta@tso.co.uk or 0333 202 5084.

77. This form will require completion and submission by one person who will then be unable to certify the return. The section 151 officer certifying the form following submission must not have submitted it at any stage.

78. The below section sets out how to complete the DELTA form by outlining what data should be included in each part of the form. This section will be kept under review and may be updated with each scheduled data collection/payment throughout the duration of the scheme.

Section 1

79. Eligible General Fund Sales, Fees and Charges Income Budgets 2020/21

- Please include all eligible budgets which relate to the sales, fees and charges losses that the authority is claiming for under the scheme. These budgets should reflect what the authority planned to collect in 2020/21 when it set its balanced budget ahead of the year. This amount is required to calculate the 5% deductible which forms part of the scheme. Without this information it will not be possible to make payments to authorities to compensate for losses incurred.
- Please be prepared to provide evidence of how this budget figure fits into the approved budget that the authority has set, and the departmental control totals for each service area. Sufficient evidence would also include an illustration of relevant budgets which are quoted from the accounting ledger and/or budget book compiled by the authority.
- Any loss that is claimed across the year will require a relevant budget figure to be submitted which will then form part of the total budget which the 5% deductible is calculated from.

80. Income source

- This column refers to the individual income sources where budgeted income has been lost because of COVID-19. Please only include the income sources which meet the principles set out in this guidance. Authorities must be ready to provide justifications and provide appropriate evidence for each claim it wishes to make.
- Certain categories of income (Highways & Transport and Cultural & Related) have already been populated. These have been chosen based on the monthly COVID monitoring returns. The list of income streams set out is not exhaustive and authorities may include other streams that have been affected by Covid-19 by using the drop-down menu section of the form. The drop-down menu lists relevant service level categories from pre-existing government data returns.

81. Actual losses –April Net Losses

- Please include the relevant, net irrecoverable income lost during April under this heading. Net losses should account for the steps it has taken to reduce the impact of lost income, for example by saving on associated expenditure (e.g. furloughing staff or from saving on service-related purchases).

82. Actual losses - May Net Losses

- Please include the relevant, net irrecoverable income lost during May under this heading. Net losses should account for the steps it has taken to reduce the impact of lost income, for example by saving on associated expenditure (e.g. furloughing staff or from saving on service-related purchases).

83. Actual losses – June Net Losses

- Please include the relevant, net irrecoverable income lost during June under this heading. Net losses should account for the steps it has taken to reduce the impact of lost income, for example by saving on associated

expenditure (e.g. furloughing staff or from saving on service-related purchases).

84. Actual losses – July Net Losses

- Please include the relevant, net irrecoverable income lost during July under this heading. Net losses should account for the steps it has taken to reduce the impact of lost income, for example by saving on associated expenditure (e.g. furloughing staff or from saving on service-related purchases).

85. Description on primary reason(s) for losses being incurred

- Please provide a brief description of the reasons why the reported losses have been incurred (e.g. car parking tickets not being collected due to lower visitor numbers)

86. Mitigation – Description of measures taken to reduce ‘net loss’ by minimising expenditure

- Please provide a brief description of the steps the authority has taken to mitigate losses wherever possible (e.g. we furloughed our on-street parking staff). This should be a descriptive entry to highlight the calculation which was made to fill out the losses reported in the relevant months.

87. Difference compared to losses submitted in COVID-19 monitoring (Highways & Transport and Cultural & Related)

- In the relevant sections of the form, losses that an authority reported in the monthly COVID-19 collections from these specific service areas will be pre-populated.
- Where an authority submits a figure which is different to what was reported in the separate data collection an explanation should be provided.

Section 2

88. Difference compared to losses submitted in COVID-19 monitoring (Total lost sales fees and charges)

- In the relevant sections of the form, total losses that an authority reported in the monthly COVID-19 collections will be pre-populated. As this is a total, it will include the specific losses from Highways & Transport and Cultural & Related service areas which have separate difference validations. Authorities should clarify whether the variation in this section is covered by justifications given in Section 1, or if there are other reasons for the variation from other claims.

89. The rest of this section does not require local authorities to fill out any information. This section should pre-populate based on the data submitted in section 1 and 2. The purpose of this section is to allow an authority to see what their estimated compensation is likely to be, based on the parameters of the scheme, and the data that has been submitted.

90. Actual payments will be subject to the assurance process outlined in this guidance. As a result, payments may be subject to change from what is presented on the DELTA return.

Published 24 August 2020



Working for a brighter future together

Cabinet

Date of Meeting: 08 September 2020

Report Title: Capital, Investment and Treasury Management Strategies Annual Review 2019/20

Portfolio Holder: Cllr Amanda Stott - Finance, IT and Communication

Report Author: Alex Thompson – Director of Finance & Customer Services (Section 151 Officer)

Senior Officer: Jane Burns – Executive Director of Corporate Services

1. Report Summary

- 1.1. The report includes a review of the Capital, Investment and Treasury Management Strategies for the 2019/20 financial year.
- 1.2. The Treasury Management Policy requires an annual report on the performance of the Council's treasury management operation. This report contains details of the activities in 2019/20 for Cheshire East Council.
- 1.3. The attached Appendices set out details of the Council's activities in 2019/20:

Appendix 1 – Capital Strategy 2019/20 – Provides the final capital outturn position for the period 1st April 2019 to 31st March 2020.

Appendix 2 – Treasury Management Annual report – includes details of treasury activity during 2019/20.

Appendix 3 – Investment Strategy 2019/20 – includes details of investment activity during 2019/20.

2. Recommendations

That Cabinet:

- 2.1. Note the content of the appendices to this report.

- 2.2. Approve in accordance with Finance Procedure Rules fully funded supplementary capital estimates over £500,000 and up to £1m (**Appendix 1, Annex B**);
- 2.3. Approve in accordance with Finance Procedure Rules capital virements over £1,000,000 and up to £5,000,000 (**Appendix 1, Annex B**);
- 2.4. Recommend to Council to approve:
 - 2.4.1. capital virements above £1,000,000 in accordance with Financial Procedure Rules as detailed in (**Appendix 1 Annex C**).
 - 2.4.2. supplementary capital estimates above £1,000,000 in accordance with Financial Procedure Rules as detailed in (**Appendix 1 Annex D**).

3. Reasons for Recommendations

- 3.1. The Council monitors in-year performance through a reporting cycle, which includes outturn reporting at year-end. Reports during the year reflect financial and operational performance and provide the opportunity for members to note, approve or recommend changes in line with the Council's Financial Procedure Rules.
- 3.2. This report provides strong links between the Council's statutory reporting requirements and the in-year monitoring processes for financial management of resources.
- 3.3. To meet the requirements of the CIPFA Code of Practice for Treasury Management in the Public Services and the Prudential Code for Capital Finance in Local Authorities.

4. Other Options Considered

- 4.1. Not applicable.

5. Background

- 5.1. The Capital, Treasury and Investment Strategies for 2019/20 were approved by Council on 21st February 2019 as part of the Medium Term Financial Strategy. Progress reports have been provided to Cabinet throughout the year as part of the Quarterly Financial and Performance Update Reports.
- 5.2. The Council complied with its legislative and regulatory requirements and remained within all of its Prudential Indicators during the year, further details are provided in Appendix 1 - Annex G and Appendix 2- Section 6.

6. Implications of the Recommendations

6.1. Legal Implications

- 6.1.1. The legal implications surrounding the process of setting the 2019 to 2022 medium term financial strategy were dealt with in the reports relating to that process. The purpose of this paper is to provide a progress report at the final outturn stage of 2019/20.
- 6.1.2. Legal implications that arise when activities funded from the budgets that this report deals with are undertaken, but those implications will be dealt within the individual reports to Members or Officer Decision Records that relate.
- 6.1.3. As noted in paragraph 4.53 of the Finance Procedure Rules in the Council's Constitution, the Council has adopted CIPFA's Code of Practice for Treasury Management in Local Authorities as this is recognised as the accepted standard for this area. Paragraphs 4.54 – 4.58 provide further information relating to treasury management practice, and the Code itself will have been developed and based upon relevant legislation and best practice. This report is presented to Cabinet under rule 4.58.

6.2. Finance Implications

- 6.2.1. The Council's financial resources are agreed by Council and aligned to the achievement of stated outcomes for local residents and communities. Monitoring and managing performance helps to ensure that resources are used effectively and that business planning and financial decision making are made in the right context.
- 6.2.2. The Council's Audit & Governance Committee is responsible for reviewing and analysing the Council's financial position at year-end. The final accounts will be approved by 30th November 2020 following external auditing and associated recommendations to the Committee.

6.3. Policy Implications

- 6.3.1. This report is a backward look at Council activities during the final quarter.
- 6.3.2. Financial management supports delivery of all Council policies. The final outturn position, ongoing considerations for future years, and the impact on general reserves will be fed into the assumptions underpinning the 2021/24 medium term financial strategy.

6.4. Equality Implications

6.4.1. Any equality implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

6.5. Human Resources Implications

6.5.1. This report is a backward look at Council activities at outturn and states the year end position. Any HR implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

6.6. Risk Management Implications

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

6.6.2. Financial risks are assessed and reported on a regular basis, and remedial action taken if and when required. Risks associated with the achievement of the 2019/20 budget and the level of general reserves were factored into the 2020/21 financial scenario, budget and reserves strategy.

6.7. Rural Communities Implications

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

6.8. Implications for Children & Young People / Cared for Children

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

6.9. Public Health Implications

6.9.1. This report is a backward look at Council activities at the fourth quarter and provides the year end position. Any public health implications that arise from activities funded by the budgets that this report deals with will be dealt within the individual reports to Members or Officer Decision Records to which they relate.

7. Ward Members Affected

7.1. All.

8. Consultation & Engagement

8.1. As part of the budget setting process the Pre-Budget Report 2019/20 provided an opportunity for interested parties to review and comment on the Council's Budget proposals. The budget proposals described in the consultation document were Council wide proposals and that consultation was invited on the broad budget proposals. Where the implications of individual proposals were much wider for individuals affected by each proposal, further full and proper consultation was undertaken with people who would potentially be affected by individual budget proposals.

9. Access to Information

9.1. The following are links to key background documents:

[Medium Term Financial Strategy 2019-22](#)

[Mid Year Review of Performance 2019/20](#)

[Third Quarter Review of Performance 2019/20](#)

[Statement of Accounts 2019/20](#)

10. Contact Information

10.1. Any questions relating to this report should be directed to the following officer:

Name: Alex Thompson

Job Title: Director of Finance & Customer Services (Section 151 Officer)

Email: alex.thompson@cheshireeast.gov.uk

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Appendix 1

Capital Strategy

Contents

1. Update on Capital Financing Budget
2. Update on 2019/20 - 2021/22 Capital Programme

Annexes:

- A. Revised Capital Programme
- B - D Supplementary Capital Estimates & Virements
- E. Capital Budget Reductions
- F. Transfers to and from the Addendum
- G. Prudential Indicators

1. Update on Capital Financing Budget

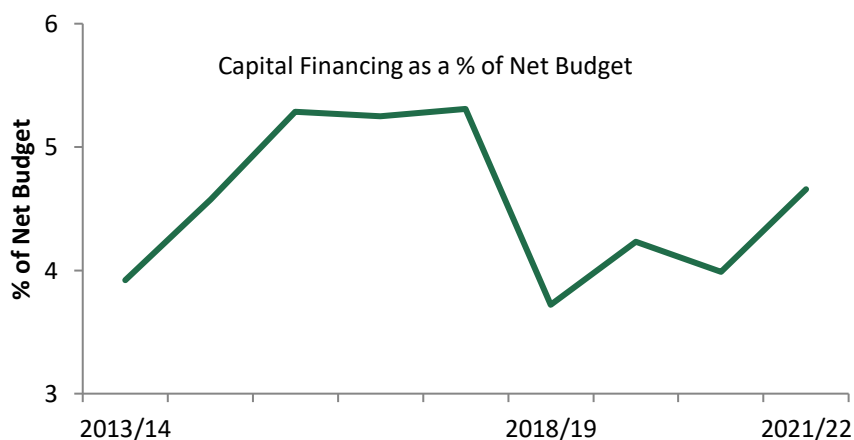
Table 1: Capital Financing Budget (CFB) for 2019/20 to 2021/22

Parameter	Value (£m)		
	2019/20 Actual	2020/21 Budget	2021/22 Budget
Repayment of Borrowing			
Minimum Revenue Provision*	9.7	10.9	13.2
External Loan Interest	4.7	5.1	4.9
Investment Income	(1.3)	(0.9)	(0.9)
Contributions from Services Revenue Budgets	(0.8)	(1.7)	(1.8)
Total Capital Financing Costs	12.3	13.4	15.4
Use of Financing EMR	(0.3)	(1.4)	(1.4)
Actual CFB in MTFS	12.0	12.0	14.0
*Capital Receipts targets	10.5	3.0	3.0
Flexible use of Capital Receipts	2.8	1.0	0.0

* Anticipated MRP based on achieving capital receipts targets

Repayment of Borrowing

- 1.1 The use of prudential borrowing allows the Council to spread the cost of funding the asset over its useful economic life. Using prudential borrowing as a funding source increases the Council's capital financing requirement (CFR), and will create revenue costs through interest costs and minimum revenue provision.
- 1.2 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). This ensures that the revenue costs of repaying debt are spread over the life of the asset, similar to depreciation.



- 1.3 The projection of the Council's Capital Financing Requirement (CFR) and external debt, based on the proposed capital budget and treasury management strategy is shown in Annex D. This highlights the level to which the Council is internally borrowed (being the difference between the CFR and external debt), and the expected repayment profile of the external debt.

- 1.4 The nature and scale of the Council's capital programme means that it is a key factor in the Council's treasury management, including the need to borrow to fund capital works. The treasury management strategy for the Council is included in Appendix 2 of this report.
- 1.5 The Council's current strategy is to use available cash balances, known as 'internal borrowing' and to borrow short term loans. As short-term interest rates are currently much lower than long-term rates this is likely to be more cost effective.

Contributions from Services

- 1.6 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.
- 1.7 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.
- 1.8 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.
- 1.9 In 2019/20 the Council received £0.8m of revenue contributions to reduce the Minimum Revenue Provision charged to the General Fund. The Council's strategy is to use further revenue contributions of £3.5m over the next two financial years to finance the Capital Programme to reduce the pressure on the Capital Financing Budget.
- 1.10 The contributions for 2019/20 include £1.432m for the schools transformation programme; £1.399m for the Weston Road site, Crewe from the purchase of an investment property; £0.261m from Everybody Sport and Recreation (ESAR) for the improvements to the Council's leisure facilities; £0.279m LED lighting replacement scheme and £0.101m from the Digital Azure upgrade programme.

Use of Financing Earmarked Reserve

- 1.11 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.
- 1.12 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.
- 1.13 In 2019/20 the Council applied £0.3m from Financing Reserve to help fund the Capital Financing Budget. The Council's current strategy is to draw-down up to £2.8m from the Financing Earmarked Reserve for the period 2020/21 to 2021/22.

2. Update on 2019/20 -2021/22 Capital Programme

- 2.1 Since the Third Quarter Review the Capital Programme has increased by £2.4m for the next three-year period.
- 2.2 The main changes are the increase in additional grant for the Council's Basic Need allocation of £3.0m for the financial year 2021/22 and a small number of Supplementary Capital Estimates within the Place Directorate totalling £0.7m. There are also several budget reductions for projects where the budget is no longer required. The most notable reduction was for the Organic Waste Transfer site at £2.6m. **Table 2** shows the movements in the last quarter.

Table 2: Summary Capital Programme

Directorate	TQR Budget 2019/22 £m	SCE's / Virements in Quarter 2019/22 £m	Transfers to/from Addendum 2019/22 £m	Budget Reductions at Outturn 2019/22 £m	SCE's at Outturn 2019/22 £m	Revised Outturn Budget 2019/22 £m
People	47.6	0.0	0.9	(0.3)	3.0	51.2
Place	446.1	1.5	0.2	(4.1)	0.7	444.4
Corporate	60.5	0.0	0.3	0.0	0.0	60.8
	554.2	1.5	1.4	(4.4)	3.7	556.4

- 2.3 The main transfers from the addendum were £0.9m for two Nursery school expansions at Beechwood and Ash Grove Primary Schools. The grant funding has been approved from the Department of Education and work will start on site in 2020/21. There was also a transfer of £0.310m for the Digital Azure upgrade within our ICT Services. These changes are shown in **Annex F**.
- 2.4 The revised programme is funded from both direct income (grants, external contributions) and the Council's own resources (prudential borrowing, revenue contributions, capital reserve).
- 2.5 The final Outturn position as the 31st March 2020 showed total capital expenditure of £124.0m against a Third Quarter forecast position of £132.8m. The slippage of £8.8m has been re-profiled into future years as shown in **Annex A**.
- 2.6 **Annex B** details requests of Supplementary Capital Estimates (SCE) up to and including £500,000 and Capital Virements up to and including £1,000,000 approved by delegated decision which are included for noting purposes only.
- 2.7 **Annex C** details requests of Supplementary Capital Estimates (SCE) up to and including £1,000,000 and Capital Virements up to and including £5,000,000 to be approved by Cabinet. This includes a virement for £2.0m for the Flooding and Weather Events project set up to deal with flooding across the borough in February 2020. The budget will be vired from within the Council's existing approved capital budgets
- 2.8 **Annex D** details requests of Supplementary Capital Estimates (SCE) over £1,000,000 to be approved by full Council. There is one Supplementary Capital Estimate of £3.0m which is the additional Basic Need Funding for the financial year 2021/22 that is not already approved within the main capital programme.
- 2.9 **Annex E** lists details of reductions in Approved Budgets where schemes are completed, and surpluses can now be removed. These are for noting purposes only.

Table 3: Revised Addendum Programme

	Budget 2019/20 £000	Budget 2019/20 £000	Budget 2019/20 £000	Total Budget 2019/22 £000
Addendum				
People	0	234	0	234
Place	0	40,967	353,756	394,723
Corporate	1,715	3,008	3,683	8,406
Total Addendum	1,715	44,209	367,439	403,363

2.10 **Annex F** shows the movements from and to the Capital Addendum since the Medium-Term Financial Strategy was approved in February 2019.

Annex A: Revised Capital Programme

CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY				
CAPITAL PROGRAMME 2019/20 - 2021/22				
	Actual 2019/20 £000	Forecast 2020/21 £000	Forecast 2021/22 £000	Total Forecast 2019-22 £000
Committed Schemes - In Progress				
People	8,159	15,584	3,302	27,045
Place	91,530	73,069	126,566	291,165
Corporate	13,433	15,887	30,934	60,254
Total Committed Schemes - In Progress	113,122	104,540	160,802	378,464
CAPITAL PROGRAMME 2019/20 - 2021/22				
	Actual 2019/20 £000	Forecast 2020/21 £000	Forecast 2021/22 £000	Total Forecast 2019-22 £000
New Schemes				
People	2,790	13,397	8,060	24,247
Place	8,088	44,482	100,654	153,224
Corporate	0	330	0	330
Total New Schemes	10,878	58,209	108,714	177,801
Total	124,000	162,749	269,516	556,265

CHESHIRE EAST COUNCIL CAPITAL PROGRAMME SUMMARY

CAPITAL PROGRAMME 2019/20 - 2021/22

	Actual 2019/20 £000	Forecast 2020/21 £000	Forecast 2021/22 £000	Total Forecast 2019-22 £000
Funding Requirement				
Indicative Funding Analysis: (See note 1)				
Government Grants	52,647	71,911	127,116	251,674
External Contributions	7,265	19,274	52,385	78,924
Revenue Contributions	577	607	0	1,184
Capital Receipts	7,029	3,000	3,000	13,029
Prudential Borrowing (See note 2)	56,482	67,957	87,015	211,454
Total	124,000	162,749	269,516	556,265

Note 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 two years from 2020/21-2022 assumes a prudent approach based on the work of the Asset Management team and their most recently updated Disposals Programme.

Note 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.

Annex B:

Delegated Decision - Requests for Supplementary Capital Estimates (SCEs) and Virements

Service & Capital Scheme	Amount Requested £	Reason and Funding Source
Summary of Supplementary Capital Estimates and Capital Virements		
Supplementary Capital Estimates up to £500,000		
S278's Agreements		
Kings School, Prestbury	30,000	£60k fees paid by the Developer, budget increase to match the amount received.
Welshmans Lane, Nantwich	4,526	£11,500k fees paid by the Developer, budget increase to match the amount received.
A34 Astbury Mere	1,500	Increase in budget to match fees increase.
Parking - Replacement Vehicle	293	Revenue contribution to cover additional costs.
Active Travel (Cycle/Walking route) Investment	10,000	Revenue contribution towards the cost of a feasibility study for a new cycle bridge across the River Dane – part of the Congleton Masterplan.
Middlewich Southern Link and Clive Green Lane Upgrad	45,000	Increase in budget to include the Cheshire West and Chester Council contribution to the scheme.
S106 Rope Lane Ped Crossing	5,748	To increase the budget to include all of the eligible S106 funds available for these projects
London Rd, Sandbach Ped Cross	12	
S106 Holmes Chapll Rd Bus Stops	876	
Newcastle Rd, Shavington Ped X	21,282	
Middlewich Rd Elworth Ped Crossing	3,995	
Sustainable Travel Access Programme	105,000	
Growth and Enterprise		
Wheelock Rail Trail s106	210	This project is funded by a S106 receipt, the increase is to align the budget with the actual receipt.
Schools Capital Maintenance	125,900	To increase the budget to include School contributions to works carried out by Facilities Management including the Schools Contributions for 2020/21
Environment & Neighbourhood Services		
Environmental Health Vehicles	1,261	Revenue contribution to cover the additional cost
Household Bins Schemes	209,900	Current expenditure levels will create a shortfall against the available budget at year-end. The excess expenditure is being funded by a revenue contribution.
Congleton Park Play Area Improvements	5,434	Final outturn is higher than originally budgeted. This increase is being off-set by additional external funding from FCC (WREN).
Playing Fields Fund	99,963	Approved capital grant offer has now been received from the Football Foundation.
Total Supplementary Capital Estimates Requested	670,900	

Service & Capital Scheme	Amount Requested £	Reason and Funding Source
Summary of Supplementary Capital Estimates and Capital Virements		
Capital Budget Virements that have been made up to £1,000,000		
Education and 14-19 Skills		
Future Capital Maintenance	8,175	Virement from Schools Maintenance grant (Facilities Management) for £8,175 spend on wall design works for Buglawton Primary School
Sandbach Boys School	45,095	Virement from the Sandbach Planning Area Programme - Secondary Schools to increase the budget for the Boys School to match the approved grant agreement.
Adelaide Academy	1,950	
Cranberry Primary School	217	
Alsager High School	4,378	
Disley Primary School (Basic Needs)	416	
Hungerford Primary School	1,029	
Mablins Lane Primary School - Phase 2	758	
Monks Coppenhall Primary School - Basic Needs	1,170	
Malbank High School	7,567	
Brine Leas High School	4,594	
Pupil Referral Unit - New Site	7,503	
Elworth CoE Primary School	8,983	
Shavington Primary School	7,792	
To Expand 'in borough' SEN placement Capacity - Springfield Special School	6,555	
The Quinta Basic Needs	2,582	
St Johns CoE Primary School	6,212	Virements from the Capital Maintenance, Basic Need and the Special Provision Block Allocations to cover the Salary Recharges from the Organisation and Capital Team.
Expansion of Park Lane School (to expand 'in borough' :	21,776	
Wilmslow High School-Condition	216	
Vernon Primary School	2,099	
Hurdsfield Primary School	10,247	
Wilmslow High School BN	31,867	
Monks Coppenhall SEN Expansion	416	
Puss Bank SEN Expansion	9,456	
Sandbach High School - Basic Need	16,891	
Sandbach Boys School - Basic Need	16,528	
Middlewich High School - Front Entrance	9,857	
Special Provision Fund Capital Grant	8,945	
Schools Condition Capital Grant	17,851	
Weaver Primary School - Mobile	905	
Pupil Referral Unit - New Site	307,504	
The Dingle Primary School	86	Virement from Capital Maintenance fund to The Dingle Primary School to fund overspend
Healthy Pupils Capital Fund	5,582	Virement from borrowing for Elworth Hall Primary to fund overspend on Healthy Pupils Project
Growth and Enterprise		
Field to Fork	1,198	Virements within the Tatton Park Capital Programme to cover overspends at Outturn
Tatton Events Infrastructure	2,175	
Schools Capital Maintenance	502,200	Schools Capital Condition grant - 2020-21 Schools Condition Programme, that will be delivered by the Facilities Management Team.

Service & Capital Scheme	Amount Requested £	Reason and Funding Source
Summary of Supplementary Capital Estimates and Capital Virements		
Capital Budget Virements that have been made up to £1,000,000		
Highways and Infrastructure		
Winter Service Facility	43,455	Department for Transport grant reallocated within the programme to cover the staffing overhead cost against the Winter Service Depot project
Highways Investment Network	120,412	
Highway Maintenance Minor Wks	41,270	Virements within the Highways service to cover additional costs within the programme.
Client Contract and Asset Mgmt	32,736	
S106 Rope Lane Ped Crossing	4,039	
Main Rd, Shavington TRO	1,467	
Hassall Rd, Alsager Ped Xing	1,650	
Accessibility: Public Transp't	215	
Environment & Neighbourhood Services		
Household Waste Recycling Centre	100,000	Virement from Organic Waste Composting Plant project to meet costs of reprocurement due to contractor no longer trading.
Energy Improvements at Cledford Lane	80,000	Virement from Organic Waste Composting Plant project to cover additional costs of snagging the silt bay works.
Total Capital Budget Virements Approved	930,817	
Total Supplementary Capital Estimates and	1,601,717	

Annex C:

Delegated Decision - Requests for Supplementary Capital Estimates (SCEs) and Virements

Service / Capital Scheme	Amount Requested £	Reason and Funding Source
Capital Budget Virements above £1,000,000		
Highways and Infrastructure		
Flooding and Weather events	2,013,569	Virements from within the current LTP funded programme (Highways Investment Network(£522k), Local Area Programme(101k), Highway Maintenance Minor Wks(£925k) and Bridge Maintenance Minor Wks(£166k)) where the expenditure has been managed to enable these essential works to take place. Also the residual budget against the Poynton Revitalisation Scheme (£300k) which is now complete.
Total Capital Budget Virements Requested	2,013,569	

Annex D: Requests for Supplementary Capital Estimates (SCEs) and Virements

Service/Capital Scheme	Amount Requested	Reason and Funding Source
£		
Capital Supplementary Estimates Over £1,000,000		
Education and 14-19 Skills		
Future Years Basic Need Block Allocation	2,977,000	Additional Basic Need Grant for the financial Year 2021/22 - not yet included in the capital programme.
Total Supplementary Capital Estimates Requested	2,977,000	

Annex E: Capital Budget Reductions

Service/Capital Scheme	Approved Budget £	Revised Approval £	Reduction £	Reason and Funding Source
Cabinet are asked to note the reductions in Approved Budgets				
Education and 14-19 Skills				
Schools Condition Capital Grant	1,560,000	1,269,000	(291,000)	Confirmation of the grant less than the original estimate by £291,000
S278s				
Flowers Lane, Crewe	30,000	11,949	(18,051)	Project is now complete and can be finally closed.
Sandbach Road, Alsager	20,000	15,000	(5,000)	To decrease budget to the amount of fees received.
Barony Road, Nantwich	5,000	3,812	(1,188)	Project is now complete, to reduce budget to the amount spent.
138 Sydney Road, Crewe	10,000	6,279	(3,721)	Project is now complete, to reduce budget to the amount spent.
Old Mill Road, Sandbach	20,353	19,592	(761)	Project complete - reduce budget to match spend and close down
Reaseheath College, Nantwich	3,000	2,855	(145)	Project complete - reduce budget to match spend and close down
S278 Aldi Knutsford	35,000	31,000	(4,000)	Project complete - reduce budget to match spend and close down
Growth and Enterprise				
Crewe Town Centre Regeneration	31,637,094	31,253,580	(383,514)	To reduce budget for funding transferred to Revenue for costs that could not be classed as Capital expenditure.
Modular Construction (Gawsworth)	125,462	0	(125,462)	Housing development schemes which have been aborted, due to planning permission not being gained.
Gawsworth Dark Lane - historically Engine of th	1,264	0	(1,264)	
Starter Homes - Phase 1 (Browning Street)	867,000	0	(867,000)	
Browning Street - historically Engine of the North budget	59,272	-	(59,272)	
Hurdsfield Family Centre	449,706	449,171	(535)	This project is now complete.
Twin Trails - Gritstone Trail	15,081	15,000	(81)	This project is now complete.

Service/Capital Scheme	Approved Budget £	Revised Approval £	Reduction £	Reason and Funding Source
Cabinet are asked to note the reductions in Approved Budgets				
Environment & Neighbourhood				
Improvements to Haslington Play Area & Recreation Ground	72,815	72,801	(14)	Project is now complete and can be finally closed.
James Atkinson Way Playground, Crewe	30,245	26,945	(3,300)	Project is now complete and can be finally closed.
Wood Park Access Improvements	33,526	32,451	(1,075)	Project is now complete and can be finally closed.
Organic Waste Treatment Plant	11,500,000	8,872,262	(2,627,738)	Reduction in budget to reflect revised project costing.
Parks Development Fund	636,370	625,693	(10,677)	Reduction in budget to provide contribution towards the projects Perry Fields and Congleton Park Play Area to meet actual outturn.
Finance and Customer Services				
Digital Customer Services	5,977,259	5,977,026	(233)	Project overcharged in 2018-19, this has now been refunded in 2019-20
Total Capital Budget Reductions	53,088,447	48,684,416	(4,404,031)	

Annex F: Transfers From and to the Capital Addendum

Service/Capital Scheme	£	Reason / Comment
Budgets Transferred from the Addendum to the Main Capital Programme		
Education and 14-19 Skills		
Ash Grove Nursery Expansion	(226,267)	Grant approval now received from the Department of Education - transferred to the main programme in 2019/20
Beechwood Nursery Expansion	(700,723)	Grant approval now received from the Department of Education - transferred to the main programme in 2019/20
Highways and Infrastructure		
Replacement Route Planning System	(108,571)	Transferred to the current programme in 2019/20 for Replacement Route Planning System
Growth and Enterprise		
Sustainable Towns (Regeneration & Development)	(43,000)	Additional funds of £43,000 to Macclesfield Town Centre project.
Corporate - ICT		
Digital Strategy	(310,000)	To facilitate the migration of the Dynamics 2013 CRM on premise solution to an Azure D365 PaaS solution
Total Budgets Transferred to Main Capital Programme	(1,388,561)	
Net Change to the Addendum	(1,388,561)	

Annex G: Prudential Indicators revisions to 2019/20 – 2021/22.

Background

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

Estimates of Capital Expenditure

- 1.2 In 2019/20, the Council spent £124.0m on capital expenditure as summarised below:

Capital Expenditure	2019/20 Actual £m	2020/21 Estimate £m	2021/22 Estimate £m	Future years £m
Total	124.0	162.7	161.3	108.2

Source: Cheshire East Finance

Capital Financing

- 1.3 All capital expenditure must be financed either from external sources (government grants and other contributions). The Council's own resources (revenue reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of capital expenditure is as follows:

Capital Financing	2019/20 Actual £m	2020/21 Estimate £m	2021/22 Estimate £m	Future years £m
Capital receipts	7.0	3.0	3.0	3.0
Government Grants	52.7	71.9	97.9	29.2
External Contributions	7.3	19.3	16.1	36.3
Revenue Contributions	0.6	0.6	0.0	0.0
Total Financing	67.6	94.8	117.0	68.5
Prudential Borrowing	56.4	67.9	44.3	39.7
Total Funding	56.4	67.9	44.3	39.7
Total Financing and Funding	124.0	162.7	161.3	108.2

Source: Cheshire East Finance

Replacement of debt finance

- 1.4 Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets may be used to replace debt finance. Planned MRP repayments are as follows:

Replacement of debt finance	2019/20 Actual £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m
Total	9.7	10.9	13.2	15.5

Source: Cheshire East Finance

- 1.5 The Council's full MRP Statement is available in Annex E.

Estimates of Capital Financing Requirement

- 1.6 The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP repayments and capital receipts used to replace debt. The CFR is expected to increase by £60m during 2020/21. Based on the above figures for expenditure and financing, the Council's actual CFR for 2019/20 was £371.0m against an in year forecast of £419m as shown in the table below:

Capital Financing Requirement	2019/20 Actual £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m
Total	371	431	458	487

Source: Cheshire East Finance

Asset disposals

- 1.7 When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation project until 2021/22. Repayments of capital grants, loans and investments also generate capital receipts. The Council received £10.4m of capital receipts in 2019/20 against a provisional forecast of £7.2m. The Council estimates a further £9.0m in the coming financial years as follows.

Capital Receipts	2019/20 Actual £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m
Asset Sales	10.4	3.0	3.0	3.0
Loans Repaid	0.1	0.2	0.2	0.2
Total	10.5	3.2	3.2	3.2

Source: Cheshire East Finance

Gross Debt and the Capital Financing Requirement

- 1.8 The Council's main objectives when borrowing is to achieve a low but certain cost of finance while retaining flexibility should plans change in the future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.3%) and long-term fixed rate loans where the future cost is known but higher (currently 2 – 3%).
- 1.9 Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities, leases are show below, compared with the capital financing requirement.

Gross Debt and the Capital Financing Requirement	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
	£m	£m	£m	£m
Borrowing	201	130	78	77
Finance Leases	2	1	1	1
PFI Liabilities	22	21	20	20
Total Debt	225	152	99	98
Capital Financing Req.	371	431	458	487

- 1.10 Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. As can be seen from the above table, the Council expects to comply with this in the medium term.

Liability Benchmark

- 1.11 To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £20m at each year end. This benchmark is currently £183m and is forecast to rise to £327m over the next three years.

Borrowing and the Liability Benchmark	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
	£m	£m	£m	£m
Outstanding Debt	201	130	78	77
Liability Benchmark	181	252	287	326

Source: Cheshire East Finance

- 1.12 The table shows that the Council expects to remain borrowed below its liability benchmark.

Affordable borrowing limit

- 1.13 The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

	2019/20 limit £m	2020/21 limit £m	2021/22 limit £m	2022/23 limit £m
Authorised Limit for Borrowing	359	420	448	477
Authorised Limit for Other Long-Term Liabilities	22	22	21	21
Authorised Limit for External Debt	381	442	469	498
Operational Boundary for Borrowing	349	410	438	467
Operational Boundary for Other Long-Term Liabilities	22	22	21	21
Operational Boundary for External Debt	371	432	459	488

Investment Strategy

- 1.14 Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
- 1.15 The Council's policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with money market funds, other local authorities or selected high quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in shares and property, to balance the risk of loss against the risk of returns below inflation.

Treasury Management Investments	31/03/20 Actual £m	31/03/21 Estimate £m	31/03/22 Estimate £m	31/03/23 Estimate £m
Short term	0	0	0	0
Long term	20	20	20	20
Total Investments	20	20	20	20

Source: Cheshire East Finance

- 1.16 Further details on treasury investments are in pages of the Treasury Management Strategy, Appendix 2.
- 1.17 Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Section 151 Officer and staff, who must act in line with the treasury management strategy approved by Council. Quarterly reports on treasury activity are reported to Cabinet as part of the Finance and Performance Update reports. The Audit and Governance Committee is responsible for scrutinising treasury management decisions.
- 1.18 Further details on investments for service purposes and commercial activities are in the Investment Strategy, Appendix 3.

- 1.19 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by an investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e., the amount funded from Council Tax, business rates and general government grants.

Ratio of Financing Costs to Net Revenue Stream	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Financing Costs (£m)	12.0	12.0	14.0	14.0
Proportion of net revenue stream %	4.23	4.00	4.66	4.61

Source: Cheshire East Finance

- 1.20 Further details on the revenue implications of capital expenditure are on paragraphs 90-97 of the 2019-22 Medium Term Financial Strategy (**Appendix C**).
- 1.21 Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Section 151 Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable. The longer-term revenue implications have been considered and built into the revenue budget forecasts post the period of the current Medium-Term Financial Strategy.

Appendix 2

Treasury Management Annual Report 2019/20

1. Background
2. External Content
3. Local Context
4. Borrowing Strategy
5. Investment Strategy
6. Treasury Management Indicators

Annexes:

- A. Existing Investment & Debt Portfolio Position

1. Background

- 1.1 Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. 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 financial risk are therefore central to the Authority's prudent financial management. The Treasury Management Strategy for 2019/20 was approved at Council on 21st February 2019
- 1.2 Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year and as a minimum a semi-annual and annual treasury outturn report. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.
- 1.3 In carrying out treasury operations the Council has regard to the advice received from it's appointed Treasury Management advisors, Arlingclose Ltd. The current contract for advice expires 31st December 2020.
- 1.4 Investments held for service purposes or for commercial profit are considered in the Investment Strategy Report (see **Appendix 3**).

2. External Context

- 2.1 **Economic background:** The UK's exit from the European Union and future trading arrangements, had remained one of major influences on the UK economy and sentiment during 2019/20. The 29th March 2019 Brexit deadline was extended to 12th April, then to 31st October and finally to 31st January 2020. Politics played a major role in financial markets over the period as the UK's tenuous progress negotiating its exit from the European Union together with its future trading arrangements drove volatility, particularly in foreign exchange markets. The outcome of December's General Election removed a lot of the uncertainty and looked set to provide a 'bounce' to confidence and activity.
- 2.2 The headline rate of UK Consumer Price Inflation UK Consumer Price Inflation fell to 1.7% year on year in February, below the Bank of England's target of 2%. Labour market data remained positive. The ILO unemployment rate was 3.9% in the three months to January 2020 while the employment rate hit a record high of 76.5%. The average annual growth rate for pay excluding bonuses was 3.1% in January 2020 and the same when bonuses were included, providing some evidence that a shortage of labour had been supporting wages.
- 2.3 GDP growth in Q4 2019 was reported as flat by the Office for National Statistics and service sector growth slowed and production and construction activity contracted on the back of what at the time were concerns over the impact of global trade tensions on economic activity. The annual rate of GDP growth remained below-trend at 1.1%.
- 2.4 Then coronavirus swiftly changed everything. COVID-19, which had first appeared in China in December 2019, started spreading across the globe causing plummeting sentiment and falls in financial markets not seen since the Global Financial Crisis as part of a flight to quality into sovereign debt and other perceived 'safe' assets.
- 2.5 In response to the spread of the virus and sharp increase in those infected, the government enforced lockdowns, central banks and governments around the world cut interest rates and introduced massive stimulus packages in an attempt to reduce some of the negative economic impact to domestic and global growth.

- 2.6 The Bank of England, which had held policy rates steady at 0.75% through most of 2019/20, moved in March to cut rates to 0.25% from 0.75% and then swiftly thereafter brought them down further to the record low of 0.1%. In conjunction with these cuts, the UK government introduced a number of measures to help businesses and households impacted by a series of ever-tightening social restrictions, culminating in pretty much the entire lockdown of the UK.
- 2.7 The US economy grew at an annualised rate of 2.1% in Q4 2019. After escalating trade wars and a protracted standoff, the signing of Phase 1 of the trade agreement between the US and China in January was initially positive for both economies, but COVID-19 severely impacted sentiment and production in both countries. Against a slowing economic outlook, the US Federal Reserve began cutting rates in August. Following a series of five cuts, the largest of which were in March 2020, the Fed Funds rate fell from of 2.5% to range of 0% - 0.25%. The US government also unleashed a raft of COVID-19 related measures and support for its economy including a \$2 trillion fiscal stimulus package. With interest rates already on (or below) the floor, the European Central Bank held its base rate at 0% and deposit rate at -0.5%.
- 2.8 **Financial Markets:** Financial markets sold off sharply as the impact from the coronavirus worsened. After starting positively in 2020, the FTSE 100 fell over 30% at its worst point with stock markets in other countries seeing similar huge falls. In March sterling touch its lowest level against the dollar since 1985. The measures implemented by central banks and governments helped restore some confidence and financial markets have rebounded in recent weeks but remain extremely volatile. The flight to quality caused gilts yields to fall substantially. The 5-year benchmark falling from 0.75% in April 2019 to 0.26% on 31st March. The 10-year benchmark yield fell from 1% to 0.4%, the 20-year benchmark yield from 1.47% to 0.76% over the same period. 1-month, 3-month and 12-month bid rates averaged 0.61%, 0.72% and 0.88% respectively over the period.
- 2.9 **Credit Review:** In Q4 2019 Fitch affirmed the UK's AA sovereign rating, removed it from Rating Watch Negative (RWN) and assigned a negative outlook. Fitch then affirmed UK banks' long-term ratings, removed the RWN and assigned a stable outlook. Standard & Poor's also affirmed the UK sovereign AA rating and revised the outlook to stable from negative. The Bank of England announced its latest stress tests results for the main seven UK banking groups. All seven passed on both a common equity Tier 1 (CET1) ratio and a leverage ratio basis. Under the test scenario the banks' aggregate level of CET1 capital would remain twice their level before the 2008 financial crisis.
- 2.10 While the UK and non-UK banks on the treasury advisors counterparty list remain in a strong and well-capitalised position, the duration advice on all these banks was cut to 35 days in mid-March.
- 2.11 Fitch downgraded the UK sovereign rating to AA- in March which was followed by a number of actions on UK and Non-UK banks. This included revising the outlook on all banks on the counterparty list to negative, with the exception of Barclays Bank, Rabobank, Handelsbanken and Nordea Bank which were placed on Rating Watch Negative, as well as cutting Close Brothers long-term rating to A-.

3. Local Context

- 3.1 As at 31st March 2020 the Authority has borrowings of £225m and investments of £47m. 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

	31/03/19 Actual £m	31/03/20 Actual £m	31/03/21 Estimate £m	31/03/22 Estimate £m	31/03/23 Estimate £m
General Fund CFR	330	371	431	458	487
Less: Other long-term liabilities *	(26)	(24)	(22)	(21)	(21)
Loans CFR	304	347	409	437	466
Less: External borrowing **	(158)	(201)	(130)	(78)	(77)
Internal (over) borrowing	146	146	279	359	389
Less: Usable reserves	(112)	(106)	(102)	(97)	(89)
Less: Working capital	(86)	(80)	(75)	(73)	(71)
Investments (or New borrowing)	52	40	(102)	(189)	(229)

* 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

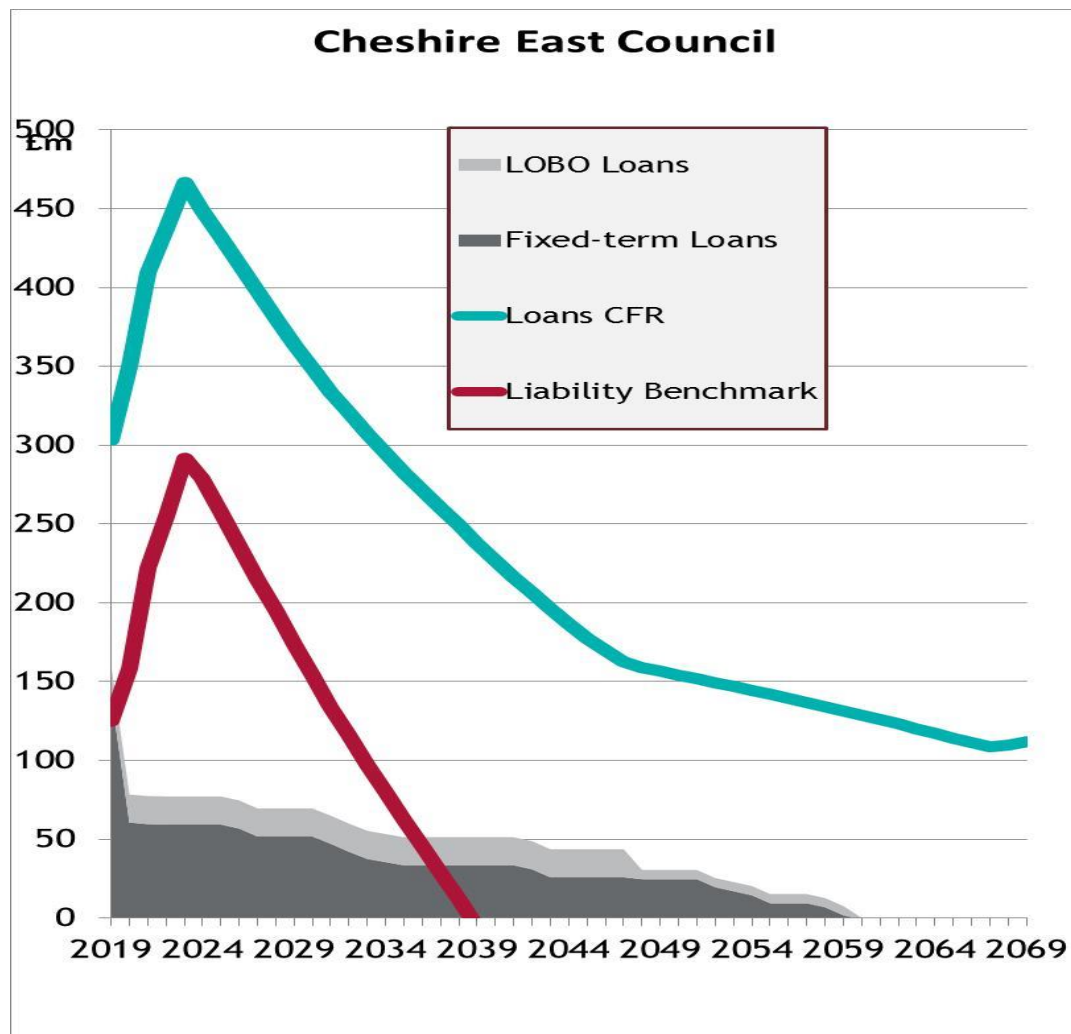
- 3.2 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying 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 £119m over the forecast period 2020/21 to 2022/23.
- 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 2019/20.
- 3.5 **Liability Benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £20m (increased from £10m in 2019/20) at each year-end to maintain a core strategic investment.

Table 2: Liability Benchmark

	31/03/19 Actual £m	31/03/20 Actual £m	31/03/21 Estimate £m	31/03/22 Estimate £m	31/03/23 Estimate £m
Loans CFR	304	347	409	437	466
Less: Usable reserves	(112)	(106)	(102)	(97)	(89)
Less: Working capital	(86)	(80)	(75)	(73)	(71)
Plus: Minimum investments	10	20	20	20	20
Liability Benchmark	116	181	252	287	326

- 3.6 Following on from the medium-term forecasts in table 2 above the long-term liability benchmark assumes minimum revenue provision on new capital expenditure based on a 25 year asset life and income, expenditure and reserves all increasing by inflation of 2.5% a year. This is shown in **Chart 1**.

Chart 1: Liability Benchmark Chart



4. Borrowing Strategy

- 4.1 The Authority currently holds loans of £201m, an increase of £43m since 31st March 2020. PWLB debt has been reducing by £6m per year whilst cash flow shortfalls caused by internal borrowing is being funded through cheaper short term borrowing.
- 4.2 At the moment this is being met by temporary borrowing from other Local Authorities which is considerably cheaper than other sources of borrowing. Generally this was on a one to three month basis but with some extending into 2020/21 and 2021/22 as liquidity within the markets is expected to become scarce. The cost (including fees) in 2019/20 was around 0.97%. A full list of temporary borrowings as at 31st March 2020 is shown below in Table 3.

Table 3 – Current Temporary Borrowing

Lender	Start	Maturity	Rate %	£m
Tameside	05/03/19	05/05/20	1.15	5.0
Derbyshire	15/03/19	24/04/20	1.20	10.0
Lincolnshire	15/03/19	15/04/20	1.15	5.0
Wokingham	11/09/19	10/09/21	0.90	5.0
PCC Dyfed - Powys	20/01/20	22/04/20	0.49	2.0
Northern Ireland Housing Executive	13/01/20	15/04/20	0.77	10.0
Cheshire West & Chester	20/01/20	20/04/20	0.80	5.0
Essex	23/01/20	23/04/20	0.76	5.0
Kingston Upon Hull	14/02/20	01/04/20	0.70	10.0
Hart	03/02/20	15/05/20	0.76	4.0
Calderdale	05/02/20	22/04/20	0.70	1.0
PCC Staffordshire	06/03/20	06/05/20	0.80	3.0
Erewash	13/03/20	15/06/20	1.05	1.0
Lancashire	12/03/20	14/04/20	1.15	20.0
West Lindsey	16/03/20	23/04/20	0.62	1.0
Lancashire	19/03/20	19/05/20	0.85	10.0
Trafford	20/03/20	21/09/20	1.50	2.0
Warwickshire	19/03/20	21/09/20	1.60	10.0
Cherwell	20/03/20	09/04/20	1.50	3.0
North Yorkshire	27/03/20	28/09/20	1.45	5.0
TOTAL				117.0

- 4.3 **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 LOBO's had options during 2019/20 but no changes were proposed.

5. Investment Strategy

- 5.1 The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. Due to the overriding need for short term borrowing, other than £20m invested strategically in managed funds, the investments are generally short term for liquidity purposes. On occasions higher balances than expected have been held due to the timing of receipt of grants, particularly COVID-19 related grants in March 2020.
- 5.2 The CIPFA Code requires the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 5.3 The maximum amount that can be invested with any one organisation is set in the Treasury Management Strategy Report. The maximum amount and duration of investments with any institution depends on the organisations credit rating, the type of investment and for banks and building societies, the security of the investment. Generally credit rated banks and building societies have been set at a maximum value of £6m for unsecured investments and £12m for secured investments. Any limits apply to the banking group that each bank belongs to. Limits for each Money Market fund have been set at a maximum value of £12m per fund with a limit of 50% of total investments per fund. There is also a maximum that can be invested in all Money Market Funds at any one time of £50m. Due to their smaller size, unrated Building Societies have a limit of £1m each.
- 5.4 As reported in the last monitoring report, in October the Council has exceeded its limit for unsecured investments with Santander UK Bank with £8.5m invested in notice accounts which is in excess of the limit by £2.5m. This position was rectified in November and arose as there are separate accounts in use with different terms. This situation should not arise again.
- 5.5 A further breach occurred in March as large overnight balances were held with the Councils bank, Barclays. This arose due to the late receipt of high value grants and maintaining liquidity whilst COVID-19 lockdown processes were being implemented.
- 5.6 Treasury Management income for 2019/20 is £673,000 which is higher than the budgeted £440,000. Offsetting this are increased borrowing costs (£126,000 higher than budget).
 - The average daily investment balance including managed funds during 2019/20 is £31.7m
 - The average annualized interest rate received on in-house investments during 2019/20 is 0.74%
 - The average annualized interest rate received on the externally managed funds during 2019/20 is 4.23%
- 5.7 The Authority's total average interest rate on all investments in 2019/20 is 2.12%. The returns continue to exceed our benchmark, the London Inter-bank Bid Rate for 7 days at 0.66% (average 2019/20), and our own performance target of 1.25% (Base Rate for most of 2019/20 + 0.50%).

Table 4 – Interest Rate Comparison

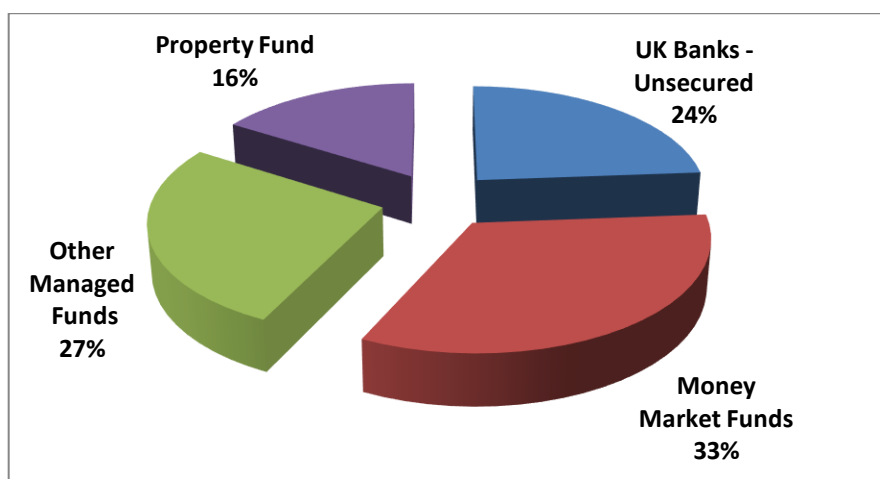
Comparator	Average Rate 2019/2020
Cheshire East	2.12%
LIBID 7 Day Rate	0.68%
LIBID 3 Month Rate	0.72%
Base Rate	0.75%
Target Rate	1.25%

- 5.8 As the Authority holds a large amount of reserves and working capital, the level of strategic investments was increased from £10m to £20m in order to benefit from higher income returns whilst spreading risk across different asset classes.
- 5.9 The additional £10m was invested between October 2019 and February 2020 across 4 different funds which are all designed to give an annual income return between 4% and 5% but which have different underlying levels of volatility. By spreading investments across different types of fund, the intention is to dampen any large fluctuations in the underlying value of the investments. These are shown below in Table 5.

Table 5 –Strategic Investments

Fund Manager	Asset Class	£m
CCLA	Property	7.5
Kames	Multi Asset	5.0
Fidelity	Equity - Global	4.0
Schroders	Equity - UK	2.5
M & G	Bonds	1.0
TOTAL		20.0

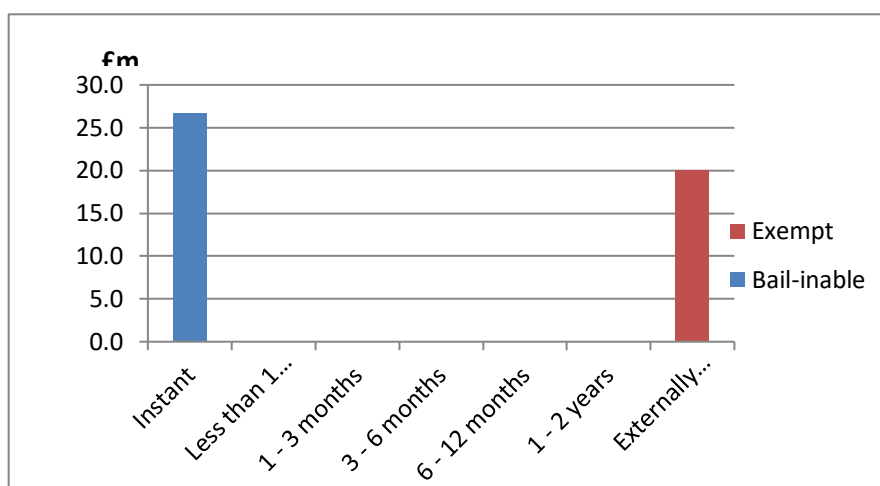
- 5.10 The value of these investments does vary. The effects of COVID-19 on financial markets and values of underlying assets has been considerable. Fund values at 31st March 2020 were significantly lower than the amounts invested. The Balance Sheet shows the value of these investments at £18.1m. However, since then the values of some of these funds have improved whilst they all continue to deliver high levels of income return.

Chart 2 – Current Investments by Counterparty Type**Table 6 – Types of Investments and Interest Rates at 31st March 2020**

Instant Access Accounts	Average Rate %	£m
Money Market Funds	0.43	15.5
Barclays Call Account	0.30	11.1

Externally Managed Funds	£m
Property Fund	7.5
Other Managed Funds	12.5

Summary of Current Investments	£m
TOTAL	46.6

Chart 3 – Maturity Profile of Investments

Note: Bail-in-able means that in the event of default the counterparty may be required to use part of the investments as their own capital in which case the Council would not get back as much as they invested. This would apply with most bank and Building Society investments.

6. Treasury Management Indicators

- 6.1 The Authority measures and manages its exposures to treasury management risks using the following indicators.
- 6.2 **Interest Rate Exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limit on the one-year revenue impact of a 1% rise in interest rates is:

Interest Rate Risk Indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£410,000
Actual impact in 2019/20 of increase in interest rates	£0

- 6.3 The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates. The remained a net borrower in 2019/20 so any fall in rates would lead to savings rather than incurring additional cost. The limit and the actual impact were therefore £0.
- 6.4 **Maturity Structure of Borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. Lower limits have been set at 0%. The upper limits on the maturity structure of borrowing which were set in February 2020 and the actual maturity profiles as at 31st March 2020 are:

Refinancing rate risk indicator	Upper Limit	Actual
Under 12 months	70%	66%
12 months and within 24 months	35%	3%
24 months and within 5 years	35%	0%
5 years and within 10 years	75%	1%
10 years and within 20 years	100%	12%
20 years and above	100%	18%

6.5 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 in under 12 months is relatively high as short term funding is currently considerably cheaper than alternatives. The increased margin applied to PWLB rates and the reduction in Base rates in March 2020 has increased the differences between long term certainty of interest costs and short term borrowing costs. This allows the Council to take full advantage the maximum that could be taken as short term borrowing was increased to 70% when setting the Treasury Management Strategy in February 2021.

6.6 **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:

Price Risk Indicator	2019/20	2020/21	2021/22
Limit on principal invested beyond year end	£25m	£15m	£10m
Actual amounts committed beyond year end	£0m	£0m	£0m

Annex A: Existing Investment & Debt Portfolio Position

	31/03/20 Actual Portfolio £m	31/03/20 Average Rate for the year %
External Borrowing :		
PWLB*– Fixed Rate	65	4.26%
Local Authorities	117	0.90%
LOBO Loans *	17	4.63%
Other	2	-
Total External Borrowing	201	2.79%
Other Long Term Liabilities:		
PFI	22	-
Finance Leases	2	-
Total Gross External Debt	225	-
Investments:		
<i>Managed in-house</i>		
Short-term investments:		
Instant Access	27	0.37%
<i>Managed externally</i>		
Property Fund	8	4.62%
Other Managed Funds	12	3.66%
Total Investments	47	2.12%
Net Debt	178	-

* The Authority inherited the majority of the external loans from Cheshire County Council in April 2009. The opening balance sheet position as at 1st April 2009 included PWLB loans totaling £120m and LOBO loans of £17m.

Appendix 3

Investment Strategy Annual Report 2019/20



1. Purpose

- 1.1 The Investment Strategy is part of a suite of related documents, and focuses predominantly on matters not covered by Capital Strategy and Treasury Management Strategy.
- 1.2 The Authority invests its money for three broad purposes:
 - to support local public services by lending to or buying shares in other organisations (**service investments**), and
 - to earn investment income (known as **commercial investments** where this is the main purpose).
- 1.3 The investment strategy meets the requirements of the statutory guidance issued by MHCLG in February 2018, and focuses on the second and third of the investment categories.
- 1.4 The 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Authority's Capital Strategy, complying with CIPFA's requirement, was approved by full Council on 21st February 2019.

2. Treasury Management Investments

- 2.1 The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments fluctuated between £10m and £63m during the 2019/20 financial year.
- 2.2 Full details of the treasury activities for 2019/20 are covered in the Treasury Management Report (Appendix 2).

3. Service Investment Loans

- 3.1 Loans have been provided to Everybody Sport & Recreation for the purpose of investing in new equipment, with the aim of increasing the usage of leisure centres and improving the health of residents.
- 3.2 In March 2013, Astra Zeneca announced it was relocating its R&D function from Alderley Park to Cambridge. In order to retain the expertise in the region and to stimulate local economic growth the Council has invested in Alderley Park Holdings Ltd by way of equity investment and loans.

- 3.3 In addition, the Council has committed to investing £5m (and invested £3.6m as at 31 March 2020) in the Greater Manchester & Cheshire Life Science Fund, a venture capital fund investing in a range of life science businesses. Partners in the Fund include the Greater Manchester Combined Authority, Cheshire & Warrington Local Enterprise Partnership and Alderley Park Ltd. The Fund has a regional focus and seeks to target companies looking to re-locate a material part of their business within the Greater Manchester and Cheshire and Warrington areas, which includes Alderley Park where the Fund is based.
- 3.4 The value of outstanding loans to each category of borrower compared to the upper limits are as follows:

Table 1: Loans for service purposes in £'000

Category of borrower	31/03/19 Actual	As at 31/03/20			2019/20
		Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Subsidiaries	0	0	0	0	1,800
Suppliers	24	24	1	23	100
Local businesses	4,679	5,087	61	5,026	10,000
Local charities	679	601	44	557	2,000
TOTAL	5,382	5,712	106	5,606	13,900

- 3.5 Accounting standards require the Authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Authority's statement of accounts are shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

4. Service Investments: Shares

- 4.1 The Authority has invested in Alderley Park Holdings Limited in order to maintain and stimulate the key strategic industry of life sciences within the Borough. Cheshire East is a 10% shareholder in Alderley Park, and has invested in the development of the site along with Bruntwood (51% shareholder) and Manchester Science Partnerships (MSP; 39% shareholder). As part of the arrangement, the Council also invested in MSP, taking a 3% equity stake for £0.7m. These shares were sold to Bruntwood in September 2019 for £2.4m.
- 4.2 The Council also has shares in its subsidiary, wholly owned companies. However they are of nominal value, and consequently whilst the turnover of the group of companies is significant (£60m in aggregate) the share values are not considered material in the context of this Investment Strategy.

- 4.3 The value of each category of shares compared to purchase costs and upper limits are as follows:

Table 2: Shares held for service purposes in £'000

Category of company	31/03/2019 actual	As at 31/03/2020			2019/20
		Amounts invested	Gains or losses	Value in accounts	Approved Limit (cost of investment)
Local Businesses	5,952	1,070	2,040	3,110	5,000
TOTAL	5,952	1,070	2,040	3,110	5,000

5. Commercial Investments: Property

- 5.1 Note that MHCLG defines property to be an investment if it is held primarily or partially to generate a profit.
- 5.2 On 2nd April 2019 the Council purchased land and buildings on the North and East side of Weston road in Crewe for £21m.

Table 3: Property held for investment purposes in £'000

Property	Actual	31/03/20 actual		31/03/21 expected		2019/20 Approval Limit
	Purchase cost	Gains or (losses) in-year	Value in accounts (includes gains/ (losses) to date	Gains or (losses)	Value in accounts	
Industrial Units	907	522	1,965	0	1,965	
Enterprise Centres	770	(947)	350	0	350	
Retail	23,350	(500)	24,870	0	24,870	
Residential	600	(435)	240	0	240	
Total	25,627	(1,360)	27,425	0	27,425	32,100

6. Commercial Investments: Loans

- 6.1 In considering commercial investment opportunities, the Council will adopt a prudent approach, with two underlying objectives:
- **Security** – protecting the capital sum invested from loss
 - **Liquidity** – ensuring the funds invested are available when needed
- 6.2 Consideration is being given to a loan to Cheshire & Warrington Local Enterprise Partnership linked to developments within the Business Rates Enterprise Zone. This is likely to go ahead in 2020/21.

Category of borrower	2019/20	2019/20
	Value in Accounts £000	Approved Limit £000
Partner Organisations	0	30,000

7. Loan Commitments and Financial Guarantees

- 7.1 As Accountable Body for the Cheshire & Warrington Local Enterprise Partnership, the Council acts as Entrusted Entity to a £20m European Regional Development Fund (ERDF) supported Urban Development Fund which is due to commence in 2020/21. The Council, as contracting party, provides guarantees in respect of the amounts provided through ERDF.

8. Proportionality

- 8.1 The Authority is only partially dependent on profit generating investment activity to achieve a balanced revenue budget, in respect of Place services. **Table 4** below shows the extent to which the expenditure planned to meet the service delivery objectives and/or place making role of the Authority is dependent on achieving the expected net profit from investments over the lifecycle of the Medium Term Financial Plan. Should it fail to achieve the expected net profit, the Authority's contingency plans for continuing to provide these services include effective budget management and tight cost control.

Table 4: Proportionality of Investments in £'000

	2018/19 Actual	2019/20 Budget	2019/20 Actual	2020/21 Budget	2021/22 Budget
Gross service expenditure - Directorate Level	76,924	73,120	73,137	78,216	80,516
Investment income	(1,787)	(2,236)	(1,785)	(2,486)	(2,486)
Proportion	2%	3%	2.5%	3%	3%

NB: The proportion is the investment income divided by the gross service expenditure

9. Borrowing in Advance of Need

- 9.1 Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The Authority follows this guidance.

10. Capacity, Skills and Culture

- 10.1 The Authority has established an Investment Strategy Board comprised of members, supported by officers and where necessary, external advisors, and acts on recommendations from officers that consider opportunities to enhance the Revenue & Capital Budgets of the Council through strategic investments, whether that involves using capital/cash resources or borrowing and lending powers. The Board meets when there is a need to consider potential investments.

- 10.2 The Board is made up of the following individuals:

- The Leader of the Council (Chair)
- Portfolio Holder for Finance, ICT & Communication
- Portfolio Holder for Environment & Regeneration

- 10.3 Support is provided by:

- Executive Director Corporate Services
- S151 Officer
- Monitoring Officer
- Executive Director Place
- Director of Growth and Enterprise

11 Investment Indicators

- 11.1 The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.
- 11.2 **Total risk exposure:** The first indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down and guarantees the Authority has issued over third party loans

Table 5: Total investment exposure in £'000

Total investment exposure	31/03/20 Forecast	31/03/20 Actual	31/03/21 Forecast
Treasury management investments	20,000	47,000	20,000
Service investments: Loans	5,689	5,712	5,611
Service investments: Shares	3,880	3,110	5,000
Commercial investments: Property	28,785	27,425	32,000
Commercial Investments : Loans	0	0	30,000
TOTAL INVESTMENTS	58,354	83,247	92,611
Commitments to lend	1,484	1,484	1,484
TOTAL EXPOSURE	59,838	84,731	91,127

- 11.3 **How investments are funded:** Currently the Authority's investments are funded by usable reserves and income received in advance of expenditure.
- 11.4 However in 2020/21 there is a possibility if the Authority decides to increase its investments in commercial properties and loans that they may require funding from borrowing.

Table 6: Investments funded by borrowing in £'000

Investments funded by borrowing	31/03/19 Actual	31/03/20 Actual	31/03/21 Forecast
Treasury management investments	0	0	0
Service investments: Loans	0	0	0
Service investments: Shares	0	0	0
Commercial investments: Property	0	0	32,000
Commercial Investments : Loans	0	0	30,000
TOTAL FUNDED BY BORROWING	0	0	62,000

- 11.5 **Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred. The effect of COVID-19 on financial markets in March 2020 was significant and the valuation of investments was negatively impacted. These valuations can be volatile and the expectation is that these will recover in 2020/21 and beyond.

Table 7: Investment rate of return (net of all costs)

Investments net rate of return	2018/19 Actual	2019/20 Actual	2020/21 Forecast
Treasury management investments	1.75%	2.12%	2.80%
Service investments: Loans	2.52%	-12.59%	0.48%
Service investments: Shares	107.67%	-26.25%	0.00%
Commercial investments: Property	6.66%	6.66%	6.66%

- 11.6 The negative return for service loans reflects the revaluation of the GM & Cheshire Life Sciences Fund and although shares in MSP were sold following gains in 2019/20 and earlier years, the revaluation of the Alderley Park shares based on the Balance Sheet value has resulted in a negative return for shares. However, the valuation is still higher than the original purchase cost.

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FORWARD PLAN FOR THE PERIOD ENDING 30TH NOVEMBER 2020

This Plan sets out the key decisions which the Executive expects to take over the period indicated above. The Plan is rolled forward every month. A key decision is defined in the Council's Constitution as:

"an executive decision which is likely –

- (a) to result in the local authority incurring expenditure which is, or the making of savings which are, significant having regard to the local authority's budget for the service or function to which the decision relates; or
- (b) to be significant in terms of its effects on communities living or working in an area comprising one or more wards or electoral divisions in the area of the local authority.

For the purpose of the above, savings or expenditure are "significant" if they are equal to or greater than £1M."

Reports relevant to key decisions, and any listed background documents, may be viewed at any of the Council's Offices/Information Centres 5 days before the decision is to be made. Copies of, or extracts from, these documents may be obtained on the payment of a reasonable fee from the following address:

Democratic Services Team
Cheshire East Council
c/o Westfields, Middlewich Road, Sandbach Cheshire CW11 1HZ
Telephone: 01270 686472

However, it is not possible to make available for viewing or to supply copies of reports or documents the publication of which is restricted due to confidentiality of the information contained.

A record of each key decision is published within 6 days of it having been made. This is open for public inspection on the Council's Website, at Council Information Centres and at Council Offices.

This Forward Plan also provides notice that the Cabinet, or a Portfolio Holder, may decide to take a decision in private, that is, with the public and press excluded from the meeting. In accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, 28 clear days' notice must be given of any decision to be taken in private by the Cabinet or a Portfolio Holder, with provision for the public to make representations as to why the decision should be taken in public. In such cases, Members of the Council and the public may make representations in writing to the Democratic Services Team Manager using the contact details below. A further notice of intention to hold the meeting in private must then be published 5 clear days before the

meeting, setting out any representations received about why the meeting should be held in public, together with a response from the Leader and the Cabinet.

The list of decisions in this Forward Plan indicates whether a decision is to be taken in private, with the reason category for the decision being taken in private being drawn from the list overleaf:

1. Information relating to an individual
2. Information which is likely to reveal the identity of an individual
3. Information relating to the financial or business affairs of any particular person (including to authority holding that information)
4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under the authority
5. Information in respect of which a claim to legal and professional privilege could be maintained in legal proceedings
6. Information which reveals that the authority proposes (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime

If you would like to make representations about any decision to be conducted in private at a meeting, please email:

Paul Mountford, Executive Democratic Services Officer
paul.mountford@cheshireeast.gov.uk

Such representations must be received at least 10 clear working days before the date of the Cabinet or Portfolio Holder meeting concerned.

Where it has not been possible to meet the 28 clear day rule for publication of notice of a key decision or intention to meet in private, the relevant notices will be published as soon as possible in accordance with the requirements of the Constitution.

The law and the Council's Constitution provide for urgent key decisions to be made. Any decision made in this way will be published in the same way.

Forward Plan

Key Decision and Private Non-Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
CE 18/19-60 The Minerals and Waste Development Plan	To seek approval to consult on the first draft of the Minerals and Waste Development Plan.	Portfolio Holder for Planning	July 2020		David Malcolm	N/A
CE 19/20-42 Congleton Leisure Centre Redevelopment Project	To seek authority to enter into the construction contract with Rock Merchanting (T/A Pulse Fitness) for the redevelopment of Congleton Leisure Centre.	Portfolio Holder for Communities	July 2020		Paul Bayley	Fully exempt - para 3
CE 19/20-55 Houses in Multiple Occupation Supplementary Planning Document	To seek approval to consult on the first draft supplementary planning document for houses in multiple occupation.	Portfolio Holder for Planning	Not before 31st Jul 2020		Jeremy Owens	

Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
CE 19/20-31 Proposed Expansion of Wilmslow High School	Subject to the School Organisation Sub-Committee approving the proposed expansion of Wilmslow High School at a meeting to be held on 6 th April 2020, Cabinet will be asked to authorise the Executive Director People to enter into a construction contract to facilitate the provision of additional places at Wilmslow High School.	Cabinet	8 Sep 2020		Val Simons	N/A
CE 19/20-52 Regional Adoption Agency Integrated Services Agreement	To approve that the Council enter into an integrated service agreement and associated support agreement with its partners.	Cabinet	8 Sep 2020			N/A
CE 19/20-57 Draft Brooks Lane (Middlewich) Masterplan SPD	To seek approval to adopt the Brooks Lane (Middlewich) Masterplan SPD following consultation in January to March 2020.	Cabinet	8 Sep 2020		Jeremy Owens	N/A

Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
CE 20/21-1 Digital Cheshire	To continue and extend the Connecting Cheshire rollout of broadband technologies and digital business support via Digital 2020 and a £6.3m programme (to be known as 'Digital Cheshire'), by approving that the Council enter into an ERDF grant agreement with MHCLG to accept approximately £3m of grant funding; delegating authority to enter into a contract with a supplier for main delivery (over £1m); and authorising officers to take all necessary actions to implement the new programme.	Cabinet	8 Sep 2020		Peter Skates	N/A

Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
CE 20/21- 4 Microsoft Licence Agreements	Authorise officers to take all necessary actions to implement the proposal to consolidate all current Microsoft licenses into one overarching agreement to secure license discounts for the organisation.	Cabinet	8 Sep 2020		Gareth Pawlett, ICT Manager	
CE 20/21-7 Financial Update (Covid-19)	To note the financial effects of the Covid-19 pandemic on the Council, as regards additional expenditure and loss of income, and to consider the potential options for managing residual financial implications within the Council's Medium Term Financial Strategy. A similar report may be presented to each following Cabinet meeting up to and including 4 th May 2021.	Cabinet	8 Sep 2020		Alex Thompson, Director of Financial and Customer Services	N/A
CE 19/20-21 Site Allocations and Development Policies Document	To decide the next steps in progressing the Site Allocations and Development Policies Document to public examination.	Cabinet	6 Oct 2020		Jeremy Owens	N/A

Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
CE 19/20-58 Flood and Water Management Act 2010 Section 19 Flood Investigation - Poynton 2019	To authorise officers to take all necessary actions to implement the findings, actions and recommendations of the formal Flood Investigation Report.	Cabinet	6 Oct 2020			N/A

Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
CE 19/20-59 Youth Zone Partnership for Crewe	To authorise officers, in consultation with the Cabinet Member for Children and Families, to take forward the establishment of a formal Partnership with the National Charity Onside to develop a Youth Zone for young people based in Crewe. The Council will make an agreed capital contribution to the Partnership and Council land /buildings will be earmarked, developed and leased to the Partnership to provide the Youth Zone facilities.	Cabinet	6 Oct 2020		Alison Stathers-Tracey, Director of Early Help and Prevention	N/A

Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
CE 20/21-5 Tenancy Strategy 2020	To seek approval to consult on the draft Tenancy Strategy for a period of 12 weeks; and to delegate authority to the Director of Growth and Enterprise in consultation with the Portfolio Holder for Environment and Regeneration to consider the results of the consultation and to approve the final version of the strategy.	Cabinet	6 Oct 2020		Karen Carsberg, Strategic Housing and Intelligence Manager	N/A

Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
CE 20/21-10 Social Value Policy	The review and refresh of the Council's Social Value Policy. The new policy will be underpinned by a new set of supportive resources to facilitate the implementation of the policy and the delivery of effective social value and corporate social responsibility.	Cabinet	6 Oct 2020		Shelley Brough	N/A
CE 19/20-53 - Future High Streets Fund Grant Support for Crewe Town Centre Regeneration	To determine whether to accept a government grant to support a range of measures to support the regeneration of Crewe town centre; to approve a supplementary capital estimate to facilitate expenditure utilising this grant; and to authorise officers to take all necessary actions to implement the proposal.	Cabinet	10 Nov 2020		Jez Goodman	N/A

Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
CE 20/21-6 Development of a Gypsy and Traveller Transit Site	To approve the progression of the project, subject to planning approval, to enable the scheme to be developed in line with the capital budget outlined within the report; and to authorise the Executive Director of Place, in consultation with the Portfolio Holder for Environment and Regeneration and the Portfolio Holder for Communities, to enter into a construction contract with the preferred bidder and make related decisions to deliver the Cledford Hall project.	Cabinet	10 Nov 2020		Karen Carsberg, Strategic Housing and Intelligence Manager	N/A

Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
CE 20/21-3 Flowerpot Junction Improvement Scheme	To approve procurement of works to improve Flowerpot Junction, utilising the NPIF allocation from DfT and local funding contributions from s106 contributions and council match funding. Authorise the preparation and making of a CPO relating to land required for the junction improvements where this cannot be acquired through negotiation, and delegate authority to the Director of Infrastructure and Highways, in consultation with the Portfolio Holder for Strategic Transport to finalise the scheme details and enter into an agreement with the Council's appointed Highways Term Services to deliver the scheme.	Cabinet	10 Nov 2020			N/A

Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
CE 20/21-9 Household Waste Recycling Centre New Contract Service Provision	The household waste recycling centre contract is due for renewal in 2023 and the open procurement process will start in 2021. The report will present a review of the current contract and options available for how the service could be run in the future.	Cabinet	10 Nov 2020		Ralph Kemp, Corporate Manager for Commissioning	N/A
CE 20/21-11 Procurement of Facilities Management Service and the Council's Energy Supply	To approve the re-procurement of facilities management services, to include maintenance, statutory compliance and energy supply management and to authorise officers to take all necessary actions to implement the proposal.	Cabinet	1 Dec 2020		Denise Griffiths	N/A
CE 19/20-49 Council Tax Base 2021-22	For Cabinet to consider the Council Tax Base for Cheshire East and identify any changes to the calculation of the tax base for 2021-22 with a view to recommending the amount calculated to Council.	Council	16 Dec 2020		Paul Manning	N/A

Key Decision	Decisions to be Taken	Decision Maker	Expected Date of Decision	Proposed Consultation	How to make representation to the decision made	Private/ Confidential and paragraph number
CE 20/21-8 Carbon Action Plan Key Decisions	To authorise Officers to take all necessary actions relating to land allocation and procurements for initial projects contributing to sustainable energy generation and green sequestration.	Cabinet	2 Feb 2021		Ralph Kemp, Corporate Manager for Commissioning	N/A
CE 19/20-50 Medium Term Financial Strategy 2021-25	To approve the Medium Term Financial Strategy 2021-25 incorporating the Council's priorities, budget, policy proposals and capital programme. The report will include the capital, treasury management, investment and reserves strategies.	Council	17 Feb 2021			N/A



Working for a brighter future together

Corporate Overview and Scrutiny Committee

Date of Meeting: 03 September 2020

Report Title: Work Programme

Senior Officer: Jane Burns, Executive Director of Corporate Services

1. Report Summary

- 1.1. To review items in the work programme listed in the schedule attached, together with any other items suggested by committee members.

2. Recommendation

- 2.1. That the work programme be reviewed and amended as required.

3. Reason for Recommendation

- 3.1. It is good practice to regularly review the work programme and update it as required.

4. Background

- 4.1. The committee has responsibility for updating and approving its own work programme. Scrutiny liaison meetings – held between the Chairman and Vice-Chairman of the committee, alongside the portfolio holders and key senior officers – ensure that there is continued awareness and discussion of upcoming policies, strategies and decisions within the committee's remit area.

5. Determining Which Items Should be Added to the Work Programme

- 5.1. When selecting potential topics, members should have regard to the Council's three year plan and to the criteria listed below, which should be considered to determine whether scrutiny activity is appropriate.
- 5.2. The following questions should be considered by the committee when determining whether to add new work programme items, or delete existing items:

- Does the issue fall within a corporate priority?
- Is the issue of key interest to the public?
- Does the matter relate to a poor or declining performing service for which there is no obvious explanation?
- Is there a pattern of budgetary overspends or underspends?
- Is it a matter raised by external audit management letters and or audit reports?
- Is there a high level of dissatisfaction with the service?

5.3. The committee should not add any items to its work programme (and should delete any existing items) that fall under any one of the following:

- The topic is already being addressed elsewhere by another body (i.e. this committee would be duplicating work)
- The matter is sub-judice
- Scrutiny would not add value to the matter
- The committee is unlikely to be able to conclude an investigation within a specified or required timescale

6. Implications of the Recommendations

6.1. Legal Implications

6.1.1. There are no direct legal implications.

6.2. Finance Implications

6.2.1. There are no direct financial implications.

6.3. Policy Implications

6.3.1. There are no direct policy implications.

6.4. Equality Implications

6.4.1. There are no direct equalities implications.

6.5. Human Resources Implications

6.5.1. There are no direct human resources implications.

6.6. Risk Management Implications

6.6.1. There are no direct risk management implications..

6.7. Rural Communities Implications

6.7.1. There are no direct implications for rural communities.

6.8. Implications for Children & Young People/Cared for Children

6.8.1. There are no direct implications for children and young people.

6.9. Public Health Implications

6.9.1. There are no direct implications for public health.

6.10. Climate Change Implications

6.10.1. There are no direct implications for the environment and climate change.

7. Ward Members Affected

7.1. All members are potentially affected.

8. Access to Information

8.1. The background papers can be inspected by contacting the report author.

9. Contact Information

9.1. Any questions relating to this report should be directed to the following officer:

Name: Joel Hammond-Gant

Job Title: Scrutiny Officer

Email: joel.hammond-gant@cheshireeast.go.uk

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03.09.20	01.10.20	29.10.20	07.01.21	01.02.21	08.04.21
2.00pm	2.00pm	2.00pm	2.00pm	2.00pm	2.00pm
Ordinary business meeting	Ordinary business meeting	Ordinary business meeting	Ordinary business meeting	Ordinary business meeting	Ordinary business meeting
Microsoft Teams Meeting	Committee suite, Westfields	Committee suite, Westfields	Committee suite, Westfields	Committee suite, Westfields	Committee suite, Westfields

<u>Item</u>	<u>Purpose</u>	<u>Lead Officer</u>	<u>Portfolios</u>	<u>Suggested by</u>	<u>Scrutiny role</u>	<u>Corporate priorities</u>	<u>Date</u>
Update on ASDVs from the Shareholder Committee	To receive an update on the council's ASDVs from the Shareholder Committee.	Executive Director of Place and Deputy Chief Executive	Deputy Leader	Chairman	To monitor activity and progress in relation to ASDVs	A responsible effective and efficient organisation.	Standing item to be received when updates are available
Update on ORACLE (Best4Business) from the Joint Scrutiny Working Group	To receive an update on the Best4Business Programme from the Joint Scrutiny Working Group	Executive Director of Place and Deputy Chief Executive	Finance, IT and Communications	Portfolio Holder	Monitor the development and progress of the project	Cheshire East has a strong and resilient economy	Standing item to be received when updates

<u>Item</u>	<u>Purpose</u>	<u>Lead Officer</u>	<u>Portfolios</u>	<u>Suggested by</u>	<u>Scrutiny role</u>	<u>Corporate priorities</u>	<u>Date</u>
							are available
Review of the Council's Political Management Structure	To consider an update on the council's political management structure	Executive Director of Corporate Services	Public Health and Corporate Services	Committee	To contribute to matters of strategy, finance and governance, in respect of the committee system.	A responsible, effective and efficient organisation	Standing item to be received when updates are available
Covid-19: Update on Response and Recovery	To consider a report on the council's response to the Covid-19 public health emergency, and the work being undertaken to lead the recovery to the pandemic.	Chief Executive	Leader Deputy Leader	Committee	Performance monitoring	Cheshire East has a strong and resilient economy	03.09.20
Capital, Investment and Treasury Management Strategies Annual Review 2019/20	To consider the annual review (2019/20) of the council's capital, investment and treasury management strategies.	Executive Director of Corporate Services	Finance, IT and Communications	Committee	Financial performance monitoring	Cheshire East has a strong and resilient economy	03.09.20
2020/21 Mid-Year Performance Review	To consider a review of the council's performance at the mid-point of the 2020/21 council year.	Executive Director of Corporate Services	Finance, IT and Communications	Committee	Performance Monitoring	Cheshire East has a strong and resilient economy	01.10.20

<u>Item</u>	<u>Purpose</u>	<u>Lead Officer</u>	<u>Portfolios</u>	<u>Suggested by</u>	<u>Scrutiny role</u>	<u>Corporate priorities</u>	<u>Date</u>
						A responsible effective and efficient organisation	
Pre-Budget 2021/22 Consultation	To consider the 2021/22 budget proposals.	Director of Finance and Customer Services	Finance, IT and Communications	Committee	Budget scrutiny	Cheshire East has a strong and resilient economy	29.10.20
Corporate Peer Challenge	To receive an update on progress of the Corporate Peer Challenge that took place in January 2020 and link this item with the item above on the Councils Political Management Structure.	Executive Director of Corporate Services		Chairman	Pre-Cabinet report consideration	A responsible effective and efficient organisation	07.01.21
Budget 2021/22 Consultation	To consider the proposed budget for 2021/22 prior to Cabinet consideration; provide any final feedback, comments and scrutiny to Cabinet.	Director of Finance and Customer Services	Finance, IT and Communications	Committee	Budget scrutiny	Cheshire East has a strong and resilient economy A responsible effective and	01.02.21

<u>Item</u>	<u>Purpose</u>	<u>Lead Officer</u>	<u>Portfolios</u>	<u>Suggested by</u>	<u>Scrutiny role</u>	<u>Corporate priorities</u>	<u>Date</u>
						efficient organisation	
Update on Activity of Member Working Groups in 2019/20	The Head of Democratic Services and Governance to advise as to how a report on the activity and performance of the Members' Enquiry Service, Member Technology and Development Panel and Members' Brighter Future Group will be disseminated to Members.	Head of Democratic Services and Governance	Public Health and Corporate Services	Chairman	Performance monitoring	A responsible effective and efficient organisation	TBD
Draft Cheshire East Corporate Plan	To consider an update on the production of the council's forthcoming Corporate Plan.	Executive Director of Corporate Services	Finance, IT and Communications	Chairman	Performance monitoring / plan development	A responsible, effective and efficient organisation	TBD
Procurement Framework	To consider a report on the council's procurement framework and processes; how it has worked, what difficulties have been encountered, and what areas have progressed well.	Director of Finance and Customer Services	Finance, IT and Communications	Chairman	Performance monitoring	A responsible, effective and efficient organisation Cheshire East has a strong and resilient economy	TBD – potentially a workshop item

<u>Item</u>	<u>Purpose</u>	<u>Lead Officer</u>	<u>Portfolios</u>	<u>Suggested by</u>	<u>Scrutiny role</u>	<u>Corporate priorities</u>	<u>Date</u>
Briefing on Consultation Processes	To consider the consultation process undertaken by the council for the budget-setting process, and other consultations, and investigate whether any improvements could be made to ensure it is as user friendly and engaging as possible, to encourage as many members of the public and stakeholders to respond.	Director of Finance and Customer Services	Finance, IT and Communications	Chairman	Strategy review/development	A responsible, effective and efficient organisation	TBD
Task and Finish Group – Members’ Facilities, Accommodation and Culture	To consider the final report of the task and finish group for approval.		Finance, IT and Communications	Committee	Adoption of scrutiny report	A responsible, effective and efficient organisation	TBD
Member Survey Results	To consider the results of the members’ survey on the Members’ Enquiry Service, Member Technology and Development Panel and Member Brighter Futures Group	Executive Director of Corporate Services	Public Health and Corporate Services	Chairman		A responsible effective and efficient organisation	TBD

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