



Business Planning Process 2012 / 2015

**Ambition
Action
Achievement**

August 2011

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Foreword by Cllr Wesley Fitzgerald



Cheshire East Council is committed to focusing on the seven priorities within our Sustainable Community Strategy “Ambition for All.” We worked with partners and local communities to develop this strategy and it is all about our

ambition and action as an area.

We are a low spending, lean authority and we are in no doubt that these are challenging times. We continue to strive for improvement in the quality and value of the services we provide, but within a context of reduced funding and growing demand. In Cheshire East the population is ageing, requiring more care, and the demand for the protection of our young people has also increased.

We continue to strive for improvements in our ability to help create wealth for our area and to ensure that we maintain the locality to a high standard. We must not miss the opportunity to improve health outcomes in our area and to progress our localism agenda. We are determined to be known for our strong partnerships and focus on local solutions for local people.

This document provides the backdrop to planning for 2012/2013 and beyond. The business planning process is all about enhancing value for our local citizens and being clear about what we can achieve within our financial constraints.

This business planning cycle is the first to be launched since the extent of the coalition government's significant policy intentions are becoming clearer. There are a number of themes coming from central government encapsulated in the bills and white papers currently before Parliament.

In particular we must consider the Localism, Welfare Reform and Health & Social Care Bills. The recent white paper on “Open Public Services” gives clear messages about decentralisation, accountability and choice. A summary of the national policy drivers and their implications is contained in Chapter 2.

During the summer of 2011 the Cabinet and Corporate Management Team will gather evidence and consider ideas to plan ahead and to adopt proposals following assessment in three key areas: **Value** for Money comparisons; **Impact** on service users and **Performance** against Corporate priorities.

Meeting these criteria will be achieved through clear communication, consultation and challenge during the Autumn. The culmination of this effort will be a single Business Plan for Cheshire East Council which will go before Council in February 2012. All this leads to our approach to making a difference in Cheshire East. We want to deliver first class services at the right time and in the right places so that Cheshire East is a great place to live, work and visit.

Cllr Wesley Fitzgerald

Leader of the Council
& Portfolio Holder – Resources

Comment from the Borough Treasurer



The production of a single Business Plan, that sets out what the Council intends to achieve and how this will be delivered, has been an ambition of Cheshire East Council since it

was formed in 2009.

We have built up the Business Planning process over the past three years, learning from the experience each year. We have applied this learning and experience to the process for 2012/2015.

This first three-year Business Plan will focus on the major delivery themes that will be identified in order to achieve the Council's ambitions against the seven priorities in the Sustainable Community Strategy.

This will not be an easy task and will involve innovation and collaboration by Portfolio Holders and Directorates, with support from Finance, Legal, Human Resources and Policy and Performance.

The process to create the Business Plan will be based on a request to generate ambitious ideas that will enable the delivery of transformed and improved services in line with the policy and financial context, desired performance and value for money.

The Business Plan will require a strong commitment to investment if the Council is to achieve its ambitious plans. The investment must be sustainable and generate a significant long term benefit to the residents, communities and businesses of Cheshire East.

I and my Team will continue to work closely with the Policy and Performance Team to lead the process to develop the Business Plan and ensure that the Council has robust procedures in place to challenge the proposed plans and actions to ensure that they are achievable.

Lisa Quinn

Borough Treasurer & Head of Assets
Section 151 Officer

Comment from the Head of Policy & Performance

The Corporate Planning processes are all about balancing need, policy context, financial constraints and opportunities.

The move to a single process combining the Corporate Plan and the Budget processes is part of our commitment to expressing our priorities within our financial context over the next three to five years.

The Policy and Performance Service plays a key role in developing the Council's objective setting; analysing local needs, managing and improving performance, using customer feedback and interpreting national policy locally.

The financial challenges are immense as is the desire to truly make a difference in Cheshire East. We are committed to working locally and to distinguishing between the needs of our large geographic area and diverse demographic profile.

There will be difficult choices ahead and we must maximise the contribution of the community, other tiers of government, public sector partners, private sector stakeholders, the voluntary, community and faith sectors and our staff. We are well placed to work with others to achieve our aims.

All of this is within the context of a rapidly changing policy agenda focusing on public service reform, decentralisation, more choice and control by individuals combined with clear accountability and a focus on providing value for money.

Vivienne Quayle

Head of Policy and Performance

Overview

The Council will produce a Business Plan for 2012 to 2015. This replaces the previously separate 'Budget' and 'Corporate Plan'.

The Business Planning Process 2012/2015 document provides context and guidance on how the Business Plan will be produced.

Directors and Portfolio Holders will use the information in this document to develop major proposals to deliver services within limited resources.

The context for the Business Planning Process is complicated and challenging:

- Government policy is being developed and there may be significant impacts from Bills on Localism, Welfare Reform, Health & Social Care and Public Service Reform.
- Assumptions in relation to the Council's financial stability highlight a requirement to meet savings of **£14.6m** in 2012/2013.
- Government estimates on Council funding beyond 2012 have not been confirmed.

The final Business Plan will be presented to Full Council in February 2012 and will consist of the following elements:

- What the Council wants to achieve.
- How services will be changed in light of: priorities, performance information, and constrained resources, strategic workforce planning needs and consideration of risk.
- The investment required to deliver these changes.
- How much services will cost, in overall terms and specifically to service users if applicable.
- How much Council Tax will be levied.

The Business Planning Process will follow these key stages:

- | | |
|------------------------------------|---|
| ▪ Early August | Cabinet Launch Process – All Member Briefing. |
| ▪ 19th September | Deadline for returning proposals. |
| ▪ October | Challenge proposals. |
| ▪ November | Consultation on key proposals. |
| ▪ December | Funding announcements expected from Government.
Production of Draft Business Plan. |
| ▪ January | Consult Cheshire East Members on Draft Business Plan. |
| ▪ February | Cabinet and Council approve Business Plan. |

Introduction – Getting the most from this report

To get the most out of this report it is important to understand how it is structured. The report contains significant amounts of information for any reader, but this section helps you to make effective use of this report by outlining the information contained within each Chapter.

Main Report

Chapter	What's in this Chapter
1. The Planning Process	This Chapter describes the timescales and identifies the supporting information that will make up the Business Planning Process
2. Policy Context	This Chapter sets out the changing policy landscape, and highlights how the challenges may impact on the Council
3. What does the Council Want to Achieve?	The Chapter sets out the Council's aims for the next three years.
4. Financial Stability	This section describes some of the funding issues related to Cheshire East Council and the current funding position.
5. Directorate Profiles	This sets out key background information on the Directorates that make up the Council.
6. Communicating the Process	This will set out the plan for communicating the process to Members, Staff and outside the Council.

Annexes

Annex	What's in this Annex
1. Business Planning Process Timetable 2012/2015	A timetable showing key dates in the Business Planning Process calendar.
2. Reviewing Financial Stability	Further details on the financial assumptions contained within the Report and how they will be reviewed.
3. Summary of Estimated Specific Grant Funding 2012/2015	Details of the estimated specific grant funding levels available to the Council.
4. List of Abbreviations	Details of abbreviations used in the report.

1. The Planning Process

Introduction

1. The Council operated separate processes to set a budget and a Corporate Plan for 2009/2010 through to 2011/2012. For 2012/2013 onwards there will be a single Business Planning Process which will result in a Business Plan being published in February 2012 and submitted to Council. This is much more appropriate and will provide greater transparency on how the Council will deliver the Sustainable Community Strategy.
2. The Business Plan will clearly set out what the Council wants to achieve with the available resources. Additional information will be brought together to provide further context for the Council's decisions.
3. This is a challenging task but represents a major opportunity to merge processes and develop the Business Planning Process to cover other areas, such as risk and workforce planning.
4. These changes further enhance the "Golden Thread" providing a clear and transparent link between the goals of the Community, Council, Service and individual members of staff.
5. The Council is setting out an ambitious approach to Business Planning for 2012/2013 and beyond. The process aims to be inclusive and informed, and aims to encapsulate many relevant factors in how the Council will manages resources in future.

Timetable

6. The Business Planning Process will follow the key stages set out overleaf. A full timetable is set out at **Annex 1**.

Key Stages of the Business Planning Process

Launching the Process

August	<p>Cabinet Launch Process</p> <p>All Member Briefing</p> <p>Provide material to support the planning process</p> <p>Portfolio Holders, working with the relevant Directors, are requested to submit proposals to:</p> <ul style="list-style-type: none">▪ Invest in or maintain key service areas.▪ Invest in areas where performance and / or Value for Money need to improve.▪ Respond to invest to save opportunities.▪ Radically review service delivery.▪ Identify proposals that will generate savings through innovation, transformation or efficiency.▪ Make proposals to reduce spend on activities that do not contribute to the Council's ambitions.▪ React to in year developments identified through the regular monitoring and benefits realisation processes. <p>Proposals must incorporate a clear link to risk management procedures. The process will inform the Council's record of significant risks and ultimately update the Corporate Risk Register. They will also identify the key corporate workforce development requirements resulting from the proposals.</p> <p>A communications plan to set out how the process will be available for input and the key outputs.</p>
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Respond and Review

19th September	<p>Deadline for returning proposals.</p> <p>Detailed Business Case information will be requested to support certain key proposals.</p>
October	<p>Challenge proposals through a combination of Cabinet, CMT and Corporate Scrutiny meetings. The focus of the challenges will be:</p> <ul style="list-style-type: none">▪ Value▪ Impact▪ Performance

Consult

November	Consult on key proposals.
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Finalise and Publish

December	<p>Funding announcements expected from Government.</p> <p>Produce Draft Business Plan.</p>
January	Consult Cheshire East Members on Draft Business Plan.
February	Cabinet and Council approve Business Plan.

Supporting the Planning Process

7. To ensure that the Business Planning Process is inclusive and effective this document provides reference and updates to a number of key supporting elements:
 - Learning from last time
 - Managing Risk
 - Workforce Planning
 - Value for Money
 - Charging and Trading
 - National Policy Context
 - Financial Stability
 - Directorate Profiles
8. Some of the supporting elements are expanded upon in Chapters 2, 3, 4 & 5 of this document.

Learning from Last Time

9. The process to set the 2011/2012 Budget was successful, however, there were areas identified where improvements are required:

Issue	Improvement
Member input through Overview and Scrutiny Committees	This will be undertaken by a sub group of Corporate Scrutiny Committee called the Budget Task Group. This group will meet at key stages of the process, provide comments to Cabinet and report back to Corporate Scrutiny Committee where appropriate.
Wider Member input to the process.	Regular Business Plan Briefings to be held and promoted. Contact relevant Portfolio Holder / Director to input ideas into the process.
Communications / Consultation	This will be developed through more detailed planning and adherence to the timetable. Further details are set out at Chapter 6 including a Communication Plan to co-ordinate key output stages.

Financial Stability (see Chapter 4)

10. The Business Planning Process will identify the relevant financial resources required to meet the Council's priorities. This document incorporates data to highlight the current financial scenario facing the Council over the next three years.

Directorate Profiles (see Chapter 5)

11. This document incorporates information for each Directorate of the Council. Chapter 5 highlights the services provided and current spending as well as current performance.

Managing Risk

12. Cheshire East Council is committed to adopting best practice in the identification, evaluation and cost effective control of risks to ensure that they are reduced to an acceptable level or eliminated, and also maximise opportunities to achieve the Council's objectives and deliver core services. It is acknowledged that some risks will always exist and will never be eliminated.
13. The Council has an agreed risk management policy, and is closely integrating risk management into its planning and objective-setting process, enabling it to manage its risks in a more consistent, uniform way. The Council has well established processes for identifying and reporting on key risks to inform the Corporate Risk Register. These are being enhanced to include a significant risk register and a risk appetite schedule. The Council's draft Risk Management Policy and Corporate Risk Register are available on the Council's intranet at <http://centranet.ourcheshire.cccusers.com/compliance/Pages/CheshireEastRiskRegister.aspx>
14. By integrating risk management with the Council's business planning process we are able to:
 - monitor risks to achieving the Council's objectives, and
 - determine which risks have the most significant impact and prioritise resources accordingly. The development of the Business Planning Process is an opportunity to use the thinking taking place regarding major proposals to change services and the issues they bring to inform the significant risk register. In turn, those items can be used to inform and update the Corporate Risk Register.

Workforce Planning

15. Our organisation is complex and has increasingly diverse and challenging expectations from our communities and partners. In order to achieve our ambitious corporate and community agenda it is essential that we develop a workforce ready, willing and able to rise to the challenges ahead.
16. Workforce planning is an integral part of business planning. The information obtained through the process will help Cheshire East to identify the critical workforce issues which will need to be addressed in order to realise the Council's aspirations. Broadly this will include:
 - What sort of workforce we will need to achieve the Council's objectives and priorities?
 - How does the current workforce compare to what we will need in the future?
 - What other factors will impact on the required shape, size and skills of the workforce e.g. legal changes, national policy, labour market pressures?
 - What are we going to do to develop, attract and retain the workforce we need to be successful?
17. Currently a separate workforce development plan is produced which, at an organisation wide level, identifies the future strategic workforce needs and actions

arising from the corporate plan. The key themes from the Councils workforce plan are developed further within individual service plans. The Council's workforce development plan is available on the Council's intranet at <http://centranet.ourcheshire.cccusers.com/performance/Pages/default.aspx>

18. To improve this process further the proposal forms will seek to identify key workforce issues at the earliest stage, so that these can be considered during challenge and consultation. This information will then form the basis of the workforce development section of a fully integrated Business Plan for Cheshire East.

Value for Money

19. The Council has undertaken significant work to identify and manage Value for Money (VfM) at an organisational level. The Corporate Management Team adopt a strategic approach to VfM, using recognised sources of data to inform decision making.
20. VfM data, analysis and interpretation will be made available to managers and members to support the Business Planning Process. The intention is that the information available will provide insight in to service delivery and may prompt further investigation of the key issues faced within services.

Charging and Trading

21. The Council's net budget includes over £70m raised from fees and charges. This is a significant funding source. The Corporate Management Team will provide guidance on the corporate approach to charging and trading for profit and will consider changes in existing areas as well as accepting new ideas.
22. Trading is a potentially complex area where outline approval will be required before the commissioning and production of a full business case.
23. Other than areas where charges are prescribed by Government, the Council can recover costs against services which are provided on a discretionary basis. For example leisure facilities. Services should aim to recover the full cost of providing the service, after regard for other local factors, and apply a standard set of concessions where appropriate.
24. The Council's financial plans assume that income from fees and charges will increase with inflation. Each service should review pricing annually, and where changes exceed inflation, through changes in price or volume, policy proposals should be put forward to recognise the changes in budgetary terms.
25. Portfolio Holders, and in some cases service managers, can determine the level of fees and charges. The Fees and Charges schedule is maintained as part of the business planning process and made available to Members.

2. Policy Context

Introduction

26. This is a time of significant change across the public sector, including within local government. The coalition government has set out a number of clear policy directions in the various Bills and White Papers currently before Parliament, and this provides an important context for developing our business plan.

Key Issues

27. The government wishes to promote independent provision in key public services and give new rights for communities and employees to buy and run services. It wants to attract external investment and expertise into the public sector, and to extend innovative payment and funding methods, for example personal budgets and payment-by-results commissioning.
28. Councils will have a General Power of Competence under the Localism Bill. Councils will need to hold a referendum if they seek to set a council tax above the set threshold and councils will be able to 'buy out' of the housing revenue account subsidy system.
29. Proposals for Big Society include a community right to buy (to bid to purchase assets) and a community right to challenge (to bid to take over the running of a service). It is the intention that there will be new neighbourhood plans and development orders. Councils will be empowered to set policies on social housing allocations and tenancies and to place homeless people in private sector housing. We are still awaiting further details.
30. The Council operates within a complex political and legal framework which is under review. Continual change is a constant factor and the Council must assess all available information and make sensible choices to respond. This business planning cycle is the first to be launched since the extent of the Coalition Government's significant policy themes have become clear. There are a number of white papers and bills before Parliament which will have a considerable effect on how local government operates and, most importantly, on the people that live and work in our area.
31. The most critical of these are the Localism, Welfare Reform and Health and Social Care Bills currently going through the Parliamentary process and the implications for businesses and individuals of the full suite of changes to welfare benefits. The expected bill on Public Service Reform is another significant policy direction relating to opening up government and bringing in new providers and competition.
32. Further details are provided on each of the areas:

The Localism Bill

33. Overall this Bill aims to devolve greater powers to councils and neighbourhoods and give local communities more control over housing and planning decisions. There are many provisions within this Bill, but those with significant policy implications include:

For Councils:

- Giving councils a general power of competence.
- Giving residents the power to instigate local referendums on any local issue and the power to veto excessive council tax increases.
- Allowing councils more discretion over business rate relief.
- Introducing a community right to buy (to bid to purchase assets) and a community right to challenge (to bid to take over the running of a service).

For housing:

- Reform the Housing Revenue Account system.
- Provide for a new form of flexible tenure for social housing tenants.
- Allow local authorities to discharge their duties to homeless people by using private rented accommodation.
- Give local authorities the power to limit who can apply for social housing within their areas.
- Improve the ability of social tenants to move to different areas.

For Planning and Regeneration:

- Amend the Community Infrastructure Levy, which allows councils to charge developers to pay for infrastructure.
- This income, together with the New Homes Bonus, should help provide the Council with some resources to keep up with demand.
- Provide for neighbourhood plans, which would be approved if they received 50% of the votes cast in a referendum.
- Provide for neighbourhood development orders to allow communities to approve development without requiring normal planning consent.

Cheshire East Council services have already begun to consider how to respond to different aspects of the Localism Bill, such as our approach to community asset transfer, our housing strategy, and particularly how we incorporate the development of neighbourhood plans into the work we are doing to develop our Local Development Framework.

Welfare Reform Bill

34. This Bill introduces a number of changes to the welfare and benefits system. These changes are particularly important to consider as we undertake our business planning to ensure that the needs of our more vulnerable residents are met. It is important that we work closely with partner organisations such as Registered Social Landlords, to consider and manage the impact of these proposals.

35. The Bill provides for the introduction of a 'Universal Credit' to replace a range of existing means-tested benefits and tax credits for people of working age, starting from 2013. Besides introducing Universal Credit and related measures, the Bill makes other significant changes to the benefits system such as restricting Housing Benefit entitlement for social housing tenants whose accommodation is larger than they need, capping the total amount of benefit which can be claimed, and introducing Personal Independence Payments to replace the current Disability Living Allowance.
36. It is likely that the welfare reforms will lead to an increased demand on services, so through our business planning process we must seek to understand and plan for this increased demand. The passage of the Welfare Reform Bill through Parliament has been delayed until September, but further review of its implications will be needed at this time.

Health and Social Care Bills

37. The Health and Social Care Bill was published in January 2011 and set out major changes to the health and social care system across 5 themes:
- strengthening commissioning of NHS services,
 - increasing democratic accountability and public voice,
 - liberating provision of NHS services,
 - strengthening public health services,
 - reforming health and care arm's-length bodies.
38. These proposals have been strongly debated across all sectors, resulting in the NHS Future Forum's proposed changes to the Bill, and the Government's response to these proposals. Although the amended Bill will not progress until after the summer recess, our Business Planning Process must respond to the significant changes which will take place over coming months and years. In particular we must ensure our governance arrangements and joint working arrangements with the Primary Care Trust, GPs and local health care providers are well established and able to move this new agenda forward for the good of the residents of Cheshire East.

Public Health Transfer

39. The Government have signalled their intention to transfer responsibility and funding for the provision of public health from Primary Care Trusts to local authorities.
40. At this stage the expectations are not clear but the Council will need a Director of Public Health and the proposals will form part of the Business Planning Process.

Open Public Services White Paper

41. This delayed White Paper was published on 11th July 2011 and sets out the government's approach to changing the way public services are delivered, ensuring they are high quality, efficient and modern. This is based on five key principles:
- Choice – Wherever possible we will increase choice.
 - Decentralisation – Power should be decentralised to the lowest appropriate level.
 - Diversity – Public services should be open to a range of providers.
 - Fairness – We will ensure fair access to public services.
 - Accountability – Public services should be accountable to users and taxpayers.

42. The government's intention is that, over the summer, there will be a wide-ranging discussion on the proposals in the White Paper with individuals, communities, public sector staff, providers and others with an interest in how public services are delivered.
43. There are connections between the White Paper proposals and aspects of the Localism Bill, particularly around the role of the community and voluntary sector in delivering services. Some of the ideas put forward are already being pursued in Cheshire East such as transferring or devolving services and assets to community groups, voluntary organisations or town and parish councils. As we develop our Business Plan we will need to consider the opportunities which we have in Cheshire East for taking these reforms further.

Local Government Resource Review

44. As part of the Government's commitment to shifting power from the state to communities, they are undertaking a review of local government finance, called the "Local Government Resource Review". This review has 2 phases, the first focussing on the re-localisation of business rates, and the second on community-based budgeting. A consultation on the first phase was published on 18th July 2011 setting out proposals for Business Rate retention. Eight technical papers will be published in August which provide further detail on some of the topics in this consultation.
45. The consultation proposes 7 components to business rate retention which seek to achieve the following:
- ensure a fair starting point for all local authorities;
 - deliver a strong growth incentive where all authorities can benefit from increases in their business growth and from hosting renewable energy projects;
 - include a check on disproportionate benefits;
 - ensure sufficient stability in the system; and
 - include an ability to reset in the future to ensure levels of need are met.
46. Chapter 3 of this document sets out what we as a Council want to achieve, and fundamental to this is generating wealth to secure the long-term wellbeing of Cheshire East. Local government finance is an important part of this, and as we develop our business plan we will need to consider and respond to the proposals for reforms, ensuring that we make the most of the opportunities they provide.
47. A key issue for local government finance is the expectations placed on councils by Government and how these are funded. Additional responsibility without appropriate funding means reductions elsewhere or increases in Council Tax. The Government issued the New Burdens Doctrine in June 2011 setting out the concept that the net additional cost of all new burdens placed on local authorities by Central Government should be assessed and fully and properly funded to reduce the pressure on Council Tax.

3. What Does the Council Want to Achieve?

Introduction

48. As we develop our business plan for the next 3 years we must be clear about what we are seeking to achieve.
- Our **AMBITION** is to support the wellbeing of our residents and to secure a strong economy for Cheshire East.
 - We are a Council which is focused on **ACTION** – we put our resources into delivering what our customers need not just running the organisation. We provide customer-focused, value for money services.
 - We are a Council defined by **ACHIEVEMENT**, having a positive impact on individuals, communities and businesses.
49. As an organisation we play a major role in delivering the **7 priorities** set out in *Ambition for All*, the Sustainable Community Strategy for Cheshire East. These priorities were developed in consultation with local communities and partner organisations, and provide the framework against which we plan our service delivery and monitor our performance.
50. The **7 priorities** are shown over the page accompanied by some of the current projects and programmes we have in place. Delivering against these priorities is at the very heart of our business planning process – they provide the framework and focus for prioritising what we do and what we do not do. Each portfolio and each service area must consider what they can contribute to achieving these priorities, and how we can communicate these achievements to our communities.

Ambition for All Priority

Current Projects and Programmes

Nurture strong communities

Local Area Partnerships
Neighbourhood programmes in Moss Estate, Bromley Farm and Crewe
Town and Parish Council service and asset transfer
Joint working with CVS and Faith Sector
Using libraries as key community assets & customer points

Create conditions for business growth

Broadband project
Improved Tourism strategy
Encourage foreign investment
Convince government and investors of potential
Support work of LEP
Ensure land available and suitable

Unlock the potential of our towns

Sustainable Towns Framework
Regeneration of Congleton
Make it Macclesfield
“All Change for Crewe”

Support our children and young people

Children and Family Services redesign/ multi-agency locality teams (led by Children’s Trust)
Focus on early intervention
Youth Parliament, Mayor & young people’s champions
Children & Families Hub for Community, voluntary & Faith sector

Ensure a sustainable future

Carbon Management Programme
Local Development Framework
Total Transport programme
Housing Strategy

Prepare for an increasingly older population

Focus on re-ablement
Focus on personalisation
Continue transformation of adult social care

Drive out the causes of poor health

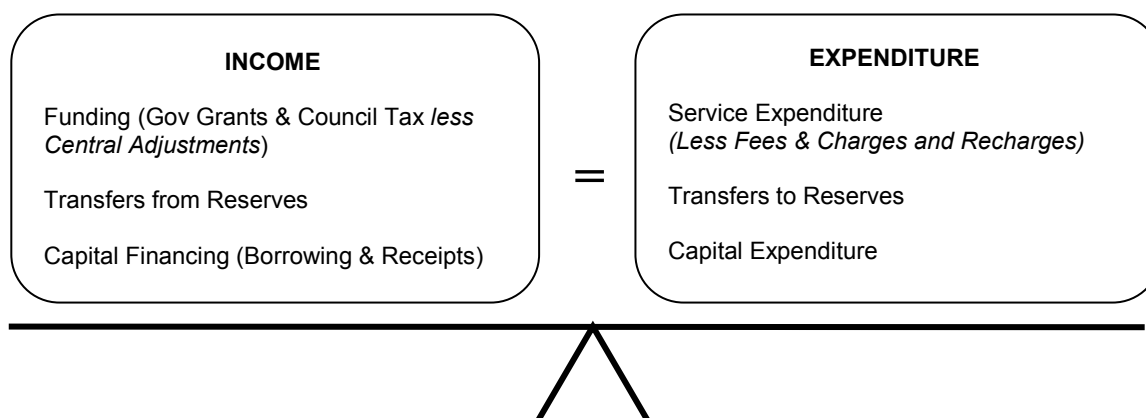
Focus on reducing health Inequalities
Lifestyle Centres
Alcohol Harm reduction work

51. In addition to these 7 priorities there are some particular **imperatives** which we must bear in mind as we develop our business plan for 2012/2015:
- Strengthening the economy of Cheshire East through wealth creation is the foundation for long-term, sustainable wellbeing.....
 -complemented by support to community groups and volunteers to deliver in their communities.
 - As a Council we have excellent assets which we must exploit to their full potential for the benefit of our residents and businesses.
 - In order to engage with the public and improve customer satisfaction we must be clear about what we are trying to achieve and then communicate how we are doing.
 - Healthcare reform provides an excellent opportunity to provide a more joined-up and effective service across a number of our priorities.
52. As well as being clear on **what** we want to achieve, we must also set out **how** we want to achieve it, that is what type of organisation do we need to be? In order to be an ambitious, achieving council we want our organisational culture to be characterised by:
- Reliable delivery of our priorities – we will have a strong reputation for delivering what we say we will deliver.
 - Demonstrating a common understanding of our customers and a focus on responding to customer needs.
 - A positive attitude where we work together across services and hierarchies to deliver what is needed.
 - Staff who are motivated and feel they are empowered to get on with the job.
 - A commonality of purpose across all staff and politicians.
53. As individual services develop their business planning proposals they must all consider 3 key drivers:
- **Customer Satisfaction** – how does each service demonstrate an understanding of their customers and their level of satisfaction with the service? How can each service tailor its delivery in light of customer insight?
 - **Impact and Performance** – how must each service ensure it achieves good outcomes for the residents and businesses in Cheshire East? What must each service do to adapt its delivery to improve performance?
 - **Value for Money** – how does each service ensure it provides Value for Money, and communicate this to its customers?

4. Financial Stability

Introduction

54. The Budget Report 2011/2012 set out the elements which together determine the current financial stability of the Council.
55. The Council's financial standing is constantly changing, due to prior year outturn results and in-year performance, as well as government funding announcements. But to provide consistency and transparency the 2012/2013 position (as shown in Annex 6 to the February 2011 Budget Report) determines the base budget for the Business Planning Process 2012/2015.
56. Portfolio Holders will be appraised of up to date financial issues to support their business planning proposals. Quarterly finance reports will also be published in September, November and December.
57. This Chapter will focus on the following areas:
- **Funding Revenue Expenditure** in the Medium Term.
 - The annual **Shortfall in the Revenue Budget**.
 - **General Reserve** balances in the Medium Term.
 - The **Capital** funding position.
 - **Reviewing** Financial stability.
58. The Council uses financial modelling to show the effect of changes in funding and expenditure. The model rolls forward the effects of in-year financial changes and inflationary predictions, moving the Council's Base Budget up or down accordingly, and compares expenditure and funding levels to arrive at a surplus or deficit.
59. The model can be viewed as a balance between funding and expenditure. This principle is shown in the diagram below any change on one side must be reflected on the other to ensure the budget remains in a balanced position.



Funding Revenue Expenditure

60. The sources of funding for local services are influenced by many factors. For example, schools funding is affected by pupil numbers whereas other grants from Government may relate to meeting performance targets or the needs of local people relative to other local authority areas. Funding received directly from local citizens and businesses, however, will be affected by the ability to pay, the levels of service delivery, and even market forces where there is competition or choice in services.
61. The current method of calculating central Government financial support to the Council means very limited financial assistance is given due to the relative affluence of local people as determined by the number of properties. The Council must therefore rely heavily on Council Tax payments to support service delivery. It is therefore highly accountable to local service users. This is positive in many ways as it can help to engage local residents in establishing how local services should be delivered.

Government Grant Funding of Local Expenditure

62. Cheshire East receives two main types of grants, Formula Grant (including National Non Domestic Rates (NNDR) and Revenue Support Grant (RSG)) and Specific Grants.
63. Grant funding to Cheshire East is relatively low when compared with other Councils. Even within our family group of councils, or “Nearest Neighbours” (a group which is determined by statistical similarities), Cheshire East receives significantly less support from grants than others.
64. **Charts 1 and 2** demonstrate the Authority’s position in relation to NNDR and RSG provided by Central Government, when compared with our Nearest Neighbours in 2011/2012. The graphs show that we receive much lower levels of funding per head of population. The result is that total funding per head is below our Nearest Neighbours.

Chart 1 - NNDR

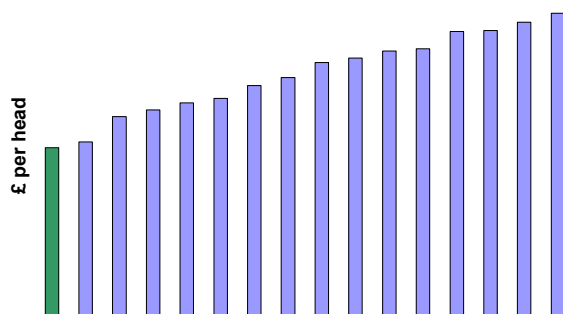
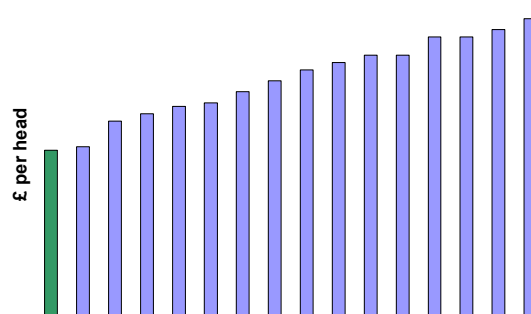


Chart 2 - RSG



Source: CIPFA Council Tax Demands and Precepts Statistics 2011/2012

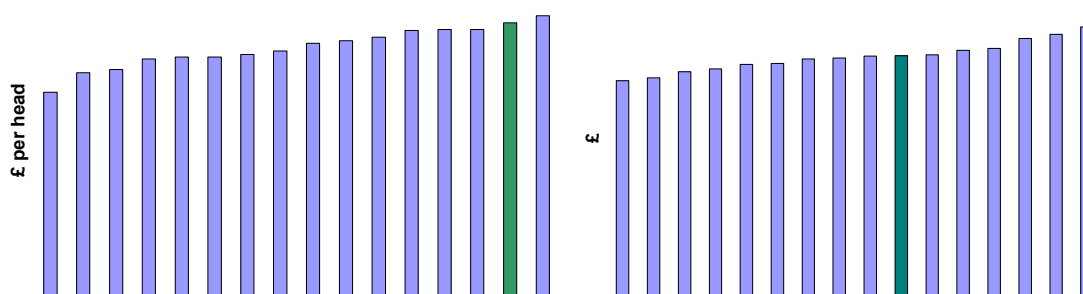
65. In 2011/2012 Cheshire East Council expects to receive **£70.3m** from Formula Grant and Business Rates, this will reduce to **£63.2m** in 2012/2013.
66. Specific Grant, most of which relates to education funding, is also expected to reduce slightly from **£373.8m** in 2011/2012 to **£372.5m** in 2012/2013.

Council Tax

67. Council Tax is raised locally; **Chart 3** (below) shows that the Council Tax requirement per head is second highest when compared to our Nearest Neighbours for 2011/2012. **Chart 4** (below) shows that Cheshire East Council's Band D Council Tax (Excluding Parish Councils) is 7th highest when compared with our Nearest Neighbours for 2011/2012.

Chart 3 – Council Tax Requirement

Chart 4 – Absolute Band D



Source: CIPFA Council Tax Demands and Precepts Statistics 2011/2012

68. The current Band D Council Tax is £1,216.34. As part of the Comprehensive Spending Review announced by the Coalition Government in October 2010, a Council Tax freeze grant was introduced. All eligible authorities took up the grant and froze their Council Tax at 2010/2011 levels. This means that there was no change from Council Tax in 2010/2011 to 2011/2012.
69. In 2011/2012 Cheshire East Council expects to raise **£178.7m** from Council Tax. It is expected that the Tax Base will slightly increase for 2012/2013 and that **£179.2m** will be raised in 2012/2013.
70. For 2012/2013 onwards referendums may be introduced by the Localism Bill to allow the local electorate to determine if any proposed increase in the level of tax is deemed to be excessive. An increase will be deemed to be excessive if it contravenes a number of principles to be set out by the Secretary of State. Further details will be set out when they are released by the Coalition Government.

Shortfall in the Revenue Budget

71. **Table 1** overleaf shows the summary of income and expenditure from the 2011/2012 Budget Report. The overall deficit position for each year reflects the need to commit to savings proposals. The financial model assumes that the deficit position in each year is closed and that the savings achieved form part of the base in the following year.

Table 1 – Summary of Estimated Income and Expenditure

	2012/13 £m	2013/14 £m	2014/15 £m
INCOME			
Council Tax	(179.2)	(179.7)	(180.3)
Grants	(435.7)	(432.9)	(425.6)
Central Adjustments	30.0	32.0	25.9
Including inflation and capital financing costs			
TOTAL INCOME	(584.9)	(580.6)	(580.0)
TOTAL EXPENDITURE	599.5	590.1	585.3
TOTAL FUNDING GAP / (SURPLUS)	14.6	9.5	5.3

Source: Cheshire East Finance

72. Based on certain key assumptions, the funding gap (as shown in the table above) in 2012/2013 would be **£14.6m**, in 2013/2014 **£9.5m**, and in 2014/2015 **£5.3m**.
73. Further details of the assumptions behind these figures are set out at **Annex 2**.
74. The resulting shortfall, based on the assumptions in the financial model, must be addressed by policy proposals from Portfolio Holders and Directorates. Guidance on submitting proposals will be issued by the Strategy and Funding Team with the support of the Policy and Performance Service.
75. At this stage the funding gap is not allocated to directorates or cross cutting themes. That step will form part of the Business Planning Process and will be informed by CMT and Cabinet debate.

General Reserves

76. The use of contributions to reserves is an important factor in scenario planning. The Budget Report for 2011/2012 anticipated an opening balance for 2012/2013 of £15m. Due to an improved outturn position this has increased to £20.9m.
77. A summary of the updated forecast reserves position for the life of the Business Planning Process is shown in **Table 2** below.

Table 2 – Summary of Reserve Levels

	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m
Opening Balance	12.5	20.9	26.5	34.4
Change	8.4	5.6	7.9	4.5
Closing Balance	20.9	26.5	34.4	38.9

Source: Cheshire East Finance

Capital Funding Position

78. The capital programme is funded from a number of sources, including government grants, capital receipts, external contributions, revenue contributions and borrowing.
79. Government support for capital investment continues to reduce with the recent planning cycle seeing a withdrawal from the Buildings Schools for the Future (BSF) programme, a withdrawal from the Waste Management Private Finance Initiative Contract and a reduction in grant allocations for both transport and schools. Available funding will continue to be prioritised against corporate and service objectives and the current ring-fencing arrangements may need to be reviewed in light of these reductions.
80. The balance on the Capital Reserve as at 31st March 2011 is £22.5m. The reserve contains capital receipts brought forward from legacy authorities, plus capital receipts generated in the first two years of Cheshire East of £13.2m. The reserve is fully committed to finance schemes in the current capital programme.
81. The Asset Challenge process will continue to explore opportunities to generate capital receipts by rationalising the estate and disposing of surplus property assets. The annual target for the generation of capital receipts is £11m. The Council's Capital Receipts Policy will ensure that receipts are used in the most beneficial way to support corporate priorities and strategic opportunities. This will mean that all receipts will be pooled centrally and allocation to capital projects will be via the Capital Asset Group, who will recommend the assigning of available resources to finance the capital programme recognising the requirement to balance front-line service and core programme requests.
82. As funding sources for capital are expected to be limited during this planning period, the requirement to finance schemes from Prudential borrowing will remain. As Prudential Borrowing is funded wholly from Council Tax, it should only be used where it can be demonstrated that it is affordable and sustainable in the long term. However, the Council will need to be ambitious if it is to achieve its plans.
83. Capital investment remains a key element of the transformation process, enabling services to be modernised to meet the Council's ambitions, new and increased demands and produce ongoing savings in operating costs. These are essential to enable the Council to manage within the available funding sources and afford the borrowing costs.
84. Services may bid for Prudential borrowing to pay for capital projects that meet key corporate or service priorities and cannot be funded from any other source. The business case will need to consider the revenue implications which can include:
- Initial costs which can not be capitalised, e.g. feasibility studies.
 - The cost of borrowing or loss of investment income if useable receipts are to be used.
 - The running costs associated with the asset, such as salaries, security, heat & light, repairs and maintenance and administrative support costs.
 - Efficiency or other savings arising from the scheme.
 - Income generation (new / increased fees & charges, rents etc).

85. Priority will be given to those schemes that generate savings through innovation, transformation or efficiency and this must be demonstrated through the policy proposal form and the detailed business case.
86. A summary of the capital programme is shown in **Table 3**. Ongoing schemes have been updated and re-profiled in line with the reported capital outturn position.

Table 3 – Capital Programme 2011/12 – 2013/14

	2011-12 £000	2012-13 £000	2013-14 £000	Total £000
Children & Families				
Ongoing schemes	17,298	2,415	0	19,713
New Starts	11,459	950	950	13,359
Total - Children & Families	28,757	3,365	950	33,072
Adults, Health & Wellbeing				
Ongoing schemes	6,659	750	0	7,409
New Starts	935	0	0	935
Total - Adults, Health & Wellbeing	7,594	750	0	8,344
Places				
Ongoing schemes	17,431	5,213	4,496	27,140
New Starts	21,150	12,270	11,478	44,898
Total - Places	38,581	17,483	15,974	72,038
Supporting Service Delivery				
Ongoing schemes	12,430	1,095	1,094	14,619
New Starts	8,064	4,693	4,100	16,857
Total - Supporting Service Delivery	20,494	5,788	5,194	31,476
Total Ongoing schemes	53,818	9,473	5,590	68,881
Total New Starts	41,608	17,913	16,528	76,049
Total Capital Expenditure	95,426	27,386	22,118	144,930
Financed By				
Grants	39,750	14,900	14,285	68,935
External Contributions	2,427	310	150	2,887
Linked/Earmarked Capital Receipts	8,082			8,082
Supported Borrowing	7,991	1,050	424	9,465
Non-Supported Borrowing	22,888	7,583	6,040	36,511
Revenue Contributions	1,533	350	395	2,278
Capital Reserve	12,755	3,193	824	16,772
Total	95,426	27,386	22,118	144,930

Reviewing Financial Stability

87. Five measures are considered when reviewing the financial stability of the Council. These are explained in detail, along with the current planning assumptions, in **Annex 2**. During the planning process the financial assumptions may be altered in response to Portfolio Holder proposals, economic influences and Government announcements. Changes in the planning assumptions will be notified as part of the Communication Plan (**Chapter 6**).

5. Directorate Profiles

Introduction

88. The following pages provide a high level summary of the directorates that make up the Council.
89. These profiles illustrate the 2011/2012 position and provide useful information as well as important facts and recent trends that will support the Business Planning Process.
90. The profiles provide:
 - Key statistics, such as demographic and service related issues.
 - The financial position in accordance with the latest budget estimates.
 - A list of the services provided within the directorates.

Children and Families

Key Statistics

91. **Pupil numbers** ~ the number of children (aged 0-15) in 2008 has fallen slightly (by 900) compared to 1991 to 61,900; however, whilst numbers have increased by 7% in Crewe & Nantwich they have decreased by 4% in Congleton and 6% in Macclesfield. It is forecast that by 2027 there will be around 5% fewer children living in Cheshire East than there were in 2007 whilst the number of people aged 85 or above will have doubled within the same period.
92. **Attainment** ~ educational attainment among school pupils in terms of achieving 5 or more GCSE (General Certificate of Secondary Education) grades at A*-C grade is above the national average. Cheshire East schools generally perform well; children get off to a good start with a large percentage of childcare establishments, nursery education and primary schools judged to be better than similar areas and better than standards found nationally.
93. There is very little inadequate provision, but the proportion of secondary schools and school sixth forms that are judged to be good or better is below that found in similar areas and the national figure. Attainment levels at Key Stage 2 in primary schools places the Borough in the top 5 local authorities in the country for educational performance at this level. Children's Services in Cheshire East continue to 'perform well' as rated by OFSTED in its annual performance rating.
94. **Survey results** ~ in the 2010 Cheshire East Quality of Life Survey, 23% of respondents said that children's services were important. 44% of respondents were satisfied with school transport provision (although only 5% of respondents had used school transport in the previous 12 months). 91% were satisfied with children's centres (10% of respondents had used these), 28% were satisfied with youth services / services for teenagers (2% used in previous 12 months) and 27% were happy with care for vulnerable or at risk young people and children (3% used in previous 12 months) . People with children were more likely to contact the Council (62%).¹
95. **Deprivation** ~ most of Cheshire East is not deprived. However, there are pockets of overall deprivation - including education attainment, skills and training deprivation. 29 of Cheshire East's 231 Lower Layer Super Output Areas (LSOAs) are in the top 20% most deprived nationally in terms of this deprivation domain (which includes children's educational attainment) affecting 45,000 people or 12.4% of the population of the Borough.
96. 17 of these LSOAs are clustered in the Crewe Local Area Partnership (LAP) area and seven are in the Macclesfield LAP. One LSOA in Crewe's St Barnabas area is in the top 1% most deprived in England with three other Crewe LSOAs in the top 5% most deprived. At the other end of the spectrum, seven LSOAs are in the 1% least deprived - four of these are in Wilmslow, two in Knutsford and one in Poynton.

¹ NB results are based on very small response numbers in some instances and should be used with caution.

97. **Children living in poverty** ~ most children in Cheshire East do not live in poverty and most areas in Cheshire East are relatively affluent when compared regionally and nationally. However, official figures show that 10.6% of children in Cheshire East live in poverty. Unofficial figures have suggested that this figure has grown to more than 12% during the recession. 30% of all the children in poverty in Cheshire East live within 16 LSOAs out of a total of 231 in the Borough. The highest levels of child poverty are found in the Crewe LAP area. Two LSOAs in the Crewe LAP have child poverty rates of over 50% and a further two have rates of more than 40%. Children who live in poverty tend to have more needs than those in more affluent households. They have poorer educational attainment, they receive free school meals and there are statistical links with teenage pregnancy.

Financial Position

Table 4 – Children & Families Revenue Budget 2011/2012

	Gross Budget £m	Income Budget £m	Net Budget £m
Directorate	2.0	-	2.0
Schools (ISB)	200.4	(200.4)	-
Other Schools Provision	15.2	(15.2)	-
Safeguarding and Specialist Support	27.8	(0.1)	27.6
Early Intervention and Prevention	12.1	(0.8)	11.2
Strategy, Planning and Performance	37.5	(20.0)	17.4
Total	294.7	(236.4)	58.3

Source: Cheshire East Finance

Table 5 – Children & Families Capital Programme New Starts 2011/2012

	Total Budget £m	Payments in 2011/2012 £m
New Starts	13.4	11.5

Source: Cheshire East Finance

New starts includes £5.7m for modernising school buildings, £2.0m to increase provision for specialist special needs resources and £1.5m for the creation of a pupil referral unit.

Key Services Provided

- Children's Centres
- Foster Care
- Schools
- Children's Social Care
- Early Intervention
- School Meals

Adults, Community, Health and Wellbeing

Key Statistics

98. **Demographics** ~ the age structure of Cheshire East is slightly older than that of England & Wales. In 2008, 6% of Cheshire East's residents were aged under 5, 12% were aged 5 to 14 and 18% were aged 65 or more. The age structure of the population in Cheshire East has changed since 1991. The number of older people (aged 65+) has increased by 20% from around 54,200 in 1991 to 66,500 in 2008. The increase is greater in Congleton (34%) than Crewe & Nantwich (22%) or Macclesfield (17%).
99. There are increasing numbers of adults requiring care. There is a large variance between the lowest and highest life expectancy rates across Cheshire East. For males it varies from 72.9 years in Crewe's Central & Valley Middle Layer Super Output Area to 83.8 years in Wilmslow Town South East. For females the difference is even more pronounced, with rates from 77.0 years in Central & Valley to 93.8 years in Macclesfield Town Tytherington.
100. Living longer brings its own challenges. It has been estimated that the number of people in Cheshire East aged 65 years and over who have dementia is predicted increase from 4,900 people in 2010 to 9,500 by 2030. The number of people with mobility problems is set to almost double from 13,000 in 2010 to 22,400 in 2030.
101. The number of elderly people living alone who have a limiting long-term illness is also set to rise between 2010 and 2030 from 12,200 to 21,000 respectively. It is in people aged 75 years and over where the most significant rise is found; here numbers are predicted to almost double from 8,700 in 2010 to 16,500 in 2030.
102. **Deprivation** ~ residents enjoy better health than elsewhere in the region and nationally. However, the Index of Multiple Deprivation 2010 shows that 20 Cheshire East LSOAs are in the top 20% most deprived nationally in terms of health and wellbeing (which looks at premature death and the impairment of quality of life by poor health). This affects 31,700 residents, or 8.7% of the population; a significant proportion of these people live in the Crewe LAP area (ten LSOAs) and in the Macclesfield LAP (five LSOAs). But the same data show that 55 LSOAs are in the 20% least deprived, with nearly half of these in the Congleton LAP.
103. **Survey results** ~ in the 2010 Quality of Life Survey 23% of all respondents said that adult social services were important, whilst 37% of those aged over 65 prioritised adult social services. However, only 9% of respondents had used these services in the previous 12 months. 66% of users were satisfied with the services they received from the Council in terms of care for the elderly. 53% of respondents thought that helping older people to remain living in their own homes was an important priority and this increased to 76% of people aged 65+. 29% thought that providing additional housing options for older people (for example extra care or adaptable homes for life) was important.²

² NB results are based on very small response numbers in some instances and should be used with caution.

Financial Position

Table 6 – Adults, Community, Health & Wellbeing Revenue Budget 2011/2012

	Gross Budget £m	Income Budget £m	Net Budget £m
Adults	149.7	(54.1)	95.6
Health and Wellbeing	19.6	(9.0)	10.6
Total	169.4	(63.2)	106.2

Source: Cheshire East Finance

Table 7 – Adults, Community, Health & Wellbeing Capital Programme New Starts 2011/2012

	Total Budget £m	Payments in 2011/2012 £m
New Starts	0.9	0.9

Source: Cheshire East Finance

This includes £0.3m for relocation of the Shared Services Libraries Team, £0.25m for refurbishment of the Oakley Centre and £0.2m for ICT infrastructure for the social care re-design.

Key Services Provided

- Day Services
- Intermediate Care
- Prevention
- Leisure Services
- Green Spaces
- Libraries

Places

Key Statistics

104. **Demographics** ~ Cheshire East has a strong local economy which contributes 5% of the North West region's total population and 7% to regional output. Average household income is above the national average. However, Cheshire East is not immune from the national economic recession and the number of people claiming unemployment benefit is still about twice as high it was three years ago. The population aged 16 to 64 is expected to fall by 7% between 2009 and 2029, which constrains the local supply of labour.
105. Index of Multiple Deprivation data suggest that 21 Cheshire East LSOAs are in the top 20% most deprived nationally in terms of employment deprivation (defined as involuntary exclusion of the working age population from the world of work). This affects 33,100 residents, or 9.1% of our population. Almost half – ten LSOAs - are in the Crewe LAP. There is clearly a wide variance across the Borough, with 77 LSOAs in the 20% least deprived. 15 of our LSOAs are in the top 20% most deprived in terms of income deprivation (which includes both families that are out-of-work and families that are in work but who have low earnings). This covers 24,200 residents in Cheshire East, or 6.7% of the overall population; two thirds of these LSOAs are in the Crewe LAP area.
106. **Survey results** ~ the crime rate in Cheshire East is one of the lowest in the country and residents are less concerned about anti-social behaviour than elsewhere. However, there is significant anxiety about victimisation. According to the 2010 Quality of Life Survey the top three anti social behaviour issues in the Borough are rubbish or litter lying around, the presence of teenagers on the street and people being drunk or rowdy in public places. The anti social behaviour (ASB) score for the Borough is 10% ranging from just 2% in Nantwich to 18% in Crewe (where 1% = low levels of ASB and 21% = high levels of ASB).
107. 83% of respondents to the 2010 Quality of Life Survey were satisfied with their local area as a place to live. Highly visible and universal environmental services such as street cleaning, parks, waste collection and the upkeep of roads / pavement were the top priority for people. 72% of respondents to the survey chose these services as a priority; next important was community safety at 40%. Satisfaction rates with environmental services was high with 76% of all respondents satisfied with local tips and household waste recycling centres, 72% satisfied with refuse collection and 65% with doorstep recycling. 64% of respondents were happy with street lighting provision but only 21% were satisfied with road and pavement repairs.³
108. **Deprivation** ~ the South Cheshire housing market contains the two towns of Crewe and Nantwich and a number of rural villages. Crewe is identified as being a key regional town and a gateway to the North West. For “the access to housing and services deprivation domain” in the IMD (poor physical and financial accessibility of housing and key local services), 22 LSOAs are in the top 20% most deprived nationally: one Nantwich LAP LSOA is in the top 1% most deprived, with three others in the same LAP in the top 5%.

³ NB results are based on very small response numbers in some instances and should be used with caution.

109. **Living environment deprivation** ~ that is the quality of individuals' immediate surroundings both within and outside the home, affects 20 LSOAs in the top 20% most deprived. 29,600 residents lived in these 20 LSOAs, equating to around 8.2% of Cheshire East's population. One LSOA in Crewe's St Johns is in the top 1% most deprived, with a further seven (six in Crewe and one in Wilmslow) in the top 5%.

Financial Position

Table 8 – Places Revenue Budget 2011/2012

	Gross Budget £m	Income Budget £m	Net Budget £m
Environmental Services	50.4	(12.8)	37.6
Safer and Stronger Communities	7.8	(7.6)	0.2
Planning and Housing	7.1	(4.1)	2.9
Regeneration	28.2	(16.8)	11.4
Total	93.5	(41.3)	52.1

Source: Cheshire East Finance

Table 9 – Places Capital Programme New Starts 2011/2012

	Total Budget £m	Payments in 2011/2012 £m
New Starts	44.9	21.2

Source: Cheshire East Finance

This includes £16.7m for Highways Maintenance, £8.1m for work on bridges, £6.0m to develop Tatton Park and £1.3m to provide commingled waste recycling bins to residents.

Key Services Provided

- Waste and Recycling
- Highways
- Community Safety
- Environmental Health
- Planning
- Car Parking
- Regeneration

Supporting Service Delivery

Key Statistics

110. The Council's support functions impact widely on the Council's stakeholders as well as the front line services in other Directorates.. They have been subject to a considerable level of ongoing transformation and streamlining following the creation of Cheshire East Council. The net budget of £132.5m includes expenditure on Council Tax and housing benefits of £100m which is funded by specific grants.
111. A key issue for 2011/2012 will be the supporting the delivery of a balanced budget incorporating policy proposals of £26.5m growth and £31.3m of savings at the same time as helping to manage emerging pressures.
112. 42% of respondents to the 2010 Quality of Life Survey said they were satisfied with the way the Council runs things. This is up 2 percentage points from the 2008 Place Survey and is a significant achievement during a period of structural change and reducing budgets.
113. Key projects for the Directorate include the delivery of £2m of savings through the asset challenge process and managing cross directorate savings of £6.5m including the Business Management Review and procurement savings.
114. The available performance statistics are limited with comparative data available in 2010/2011 for :
 - The Percentage of Council Tax collected - which, at 97.25% is just below the target of 98%.
 - The percentage of non-domestic rates collected - which is also just below target but high at 97.77%.
 - Customer Services - which show that calls received and face to face visits have remained broadly unchanged while the number of calls answered within 20 seconds has increased and much fewer calls are being abandoned. 78% of respondents to the 2010 survey said their preferred method of contacting the Council was by telephone. 51% had contacted the Council in the previous 12 months and 71% of these reported finding it easy to find the right person to talk to, 70% thought that staff were helpful and 66% were satisfied with the final outcome of their query.
 - There has been a significant increase in online transactions from 2,800 to over 10,000. The 2010 survey found that 23% of respondents contacted the Council by email and 14% used the Council's website to get information.
115. In terms of overall cost comparisons to other Councils the cost per head of "central services" which includes elements of the support functions for the Council was £20.96. This is significantly lower than our near neighbours. This includes the cost of benefits administration and Council Tax collection.

Financial Position

Table 10– Supporting Services Budget 2011/2012

	Gross Budget £m	Income Budget £m	Net Budget £m
Borough Treasurer & Head of Assets	129.9	(10.2)	119.7
Human Resources & Organisational Development	1.0	(1.4)	(0.4)
Borough Solicitor	7.0	(1.2)	5.8
Policy & Performance	7.1	(0.2)	7.0
Corporate Improvement	0.4	-	0.4
Total	145.4	(13.0)	132.5

Source: Cheshire East Finance

Table 11 – Supporting Services Capital Programme New Starts 2011/2012

	Total Budget £m	Payments in 2011/2012 £m
New Starts	16.9	8.1

Source: Cheshire East Finance

This includes £15.3m on planned maintenance to corporate office buildings.

Key Services Provided

- Asset Management
- Financial Services
- Accountancy
- ICT
- Legal and Committee Services
- Human Resources and Organisational Development
- Policy and Performance
- Communications
- Customer Services

Directors' Comments

116. The four services that provide support to front line service delivery form a vital part of the Council's structure by providing expertise, support and advice in addition to monitoring performance. The services have performed well through re-organisation and are now helping services take forward proposals agreed for 2011/2012.
117. The next challenge will be responding to the financial pressures and changes for the next three years through supporting investment in major programmes that meet the aspirations of the Council, improve services and reduce costs. This step change in thinking will require new skills and learning from other leading councils.
118. This will not be easy but it is essential for Cheshire East Council to move forward in the current climate.

6. Communicating the Process

Introduction

119. This Chapter sets out how the process and its outputs will be communicated to internal and external stakeholders. This takes the form of a Communications Plan.

Communications Plan

120. The Communications Plan ensures that relevant Members and officers within the Council are aware of the business planning process and the aim to produce an integrated Business Plan for 2012/2015. Information from in year monitoring sources will also inform the process at key stages. The project must ensure communications with those outside the Council meets our objectives.
121. There is a wide range of audiences that we need to engage with at various levels and this will be a combination of information, awareness and call to action. This Communications Plan sets out the details of the “When, Who, What / Why (in terms of expected outcomes) and How”.
122. The Council has a statutory duty to consult with the schools forum and businesses over its budget proposals and that requirement will be incorporated in the plan.

Objectives

- To publish a comprehensive and integrated Cheshire East Council Business Plan that has been widely consulted on, that is fit for purpose and that positions Cheshire East Council as an organisation that works with others in delivering the Sustainable Community Strategy.

Risks

- Lack of buy in for new process.
- Lack of effective engagement with key stakeholders.
- Adverse criticism internally and externally.

Opportunities

- Opportunity to fully engage with Members on budget and planning process.
- Opportunity to properly consult tax payers on how we spend their money.
- Use greater engagement as an opportunity to explain difficult decisions in line with a heightened level of awareness and understanding.

Evaluation

- Feedback shows that all stakeholders have felt fully engaged and consulted.

Action Plan

When	For Whom	What / Why	How
August	Cabinet, CMT and Budget Task Group	Buy in to Process to ensure ownership	Briefings and consultation on draft process
	Cabinet	Approve Process	Formal report on process & priorities
(2/8/11)	All Members	Launch Briefing re process, context and assumptions	Presentation
	Heads of Service (HoS)	Launch Briefing re process and key stages	Presentation
	Cabinet, CMT, & HoS.	More detailed instructions and forms issued	Guidance note and forms
September (7/9/11)	HoS	Review of progress and sharing main themes in advance of first deadline	Briefing session
	CMT	Receive update on initial responses to assess what should go forward	Report and meeting
October	CMT	Challenge Process to review proposals to ensure a robust and considered set of proposals are published	Briefing and meetings
	Budget Task Group	Review Challenge outcomes and Consultation material	Briefing and meeting
November	Stakeholders (see notes below)	Consult on key budget and policy proposals to seek their views on the impacts.	Briefing notes, meetings, website and citizen's panel.
(19/11/11)	Members	Update on process	Formal briefing session
December (7/12/11)	HoS	Review of progress and sharing main themes	Briefing session
	Budget Task Group	Review Draft Business Plan	Briefing and meeting
	All	Publish Draft Business Plan (see notes below re media))	Hard copy and electronic versions
January	Members	Consultation on Draft Business Plan	Meetings / briefing sessions

When	For Whom	What / Why	How
	Budget Task Group	Review Business Plan	Briefing and meeting
	All	Publish Business Plan (see notes below regarding the media)	Part of Cabinet papers
February	All	Business Plan approved	Cabinet and Council meetings
March	All	CEC Business Plan published (Executive Summary)	Hard copy and electronic versions

Notes to the Action Plan

i) Stakeholders

- The Council's stakeholders are :
 - Elected Members
 - Members of the public / Service Users / Council Tax payers
 - Staff
 - Primary Care Trusts
 - Trade Unions
 - Police
 - Fire
 - Voluntary / third sector organisations
 - Care providers
 - Connexions
 - Town and Parish Councils / Local Area Partnerships
 - Neighbouring local authorities, particularly those in the same sub region
 - Joint Officer Board for Shared Services

ii) Member Briefing Sessions

- These have scheduled for: 2nd August, 19th November and 11th January.

iii) Trades Unions / Staff

- Regular meetings will be held with the Trade Unions at a Corporate or a Service level.
- The proposals will be shared with the Staffing Committee at key stages.
- Heads of Service will be briefed at regular intervals and cascade this through their service briefings.
- The Business Planning Process internet/intranet site will be regularly updated.

iv) Media

- The press will receive embargoed copies of the key documents together with any additional briefing they require to enable any issues to be clarified.

v) Public

- Information will be placed on the website.
- The Cheshire East Citizen's Panel will be included in the Consultation events in November.



Annexes to Business Planning Process 2012 / 2015

***Ambition
Action
Achievement***

Annex 1 – Business Planning Process

Timetable 2012/2015

2011	
July	
18	Local Government Resource Review – launch consultation process on outcome of Phase 1
August	
1	Cabinet consider Business Planning report and 2010/2011 outturn.
2	Member Launch event
w/b 1 st	Issue launch guidance
September	
	Publication of National Audit Office's Report on Government Funding Formula
	Launch of School Funding Reform Consultation (Phase 2)
5	Cabinet consider Quarter 1 report
19	Proposals response deadline
26	Agree Lead Portfolio Holder for thematic / cross directorate issues.
27	CMT review responses Agree lead officers for thematic / cross directorate issues
	CIPFA VfM toolkit data released
October	
4	Proposal forms required
TBA	Challenge process via CMT Away days (x4)
24	LGRR Phase 1 consultation closes
Late	Budget Task Group – review post challenge outcomes
November	
Early	CMT / Cabinet Away Day - review challenge outcomes and agree consultation package
Early	Budget Task Group - review consultation material
w/b 7 th and 14 th	Consultation process: partners and citizen's panel (Align with key partners if possible)
28	Cabinet consider Quarter 2 report.
December	
Early	Tax base agreed
Early	Provisional settlement
	CMT / Cabinet Away Day - agree Draft Business Plan
	Budget Task Group – review Draft Business Plan
w/b 12 th	Issue Draft Business Plan

2012	
January	
9	Cabinet consider Quarter 3 report
w/b 9 th	Member Consultation
	Budget Task Group – review final Business Plan
Mid	CMT / Cabinet Away Day - agree Business Plan
Mid	Staffing Committee
Mid	Schools Forum
Late	Final Settlement
February	
6	Approve Business Plan at Cabinet
23	Approve Business Plan at Council
March	
	Publish executive summary of Business Plan
April	
	Local Government Resource Review – potential consultation process on Phase 2 results

Annex 2 – Reviewing Financial Stability

1. This annex provides information on the key financial planning assumptions used to assess the financial stability of the Council. These assumptions are supported from numerous sources and will inevitably require updating throughout the planning process. This annex therefore provides background to relevant assumptions and highlights the impact of potential changes.
2. It follows the format of the established five measures used to review financial stability of :
 - Measure 1 ~ Challenge Funding Assumptions
 - Measure 2 ~ Review Local Taxation
 - Measure 3 ~ Use General Reserves
 - Measure 4 ~ Review Expenditure
 - Measure 5 ~ Review Income

Measure 1 ~ Challenge Funding Assumptions

3. Income comes from a variety of sources and can be viewed as controllable and non controllable. The income sources of Formula Grant and Specific Grants, are all determined by Central Government and are therefore non controllable when setting the budget. These are informed by a series of key planning assumptions where information is not yet available.
4. Overall corporate income sources are manually reduced by a series of central adjustments, and these are calculated from a series of key planning assumptions.
5. The Borough Treasurer and Resources Portfolio Holder will review these assumptions at key stages and report changes to CMT / Cabinet.
6. The table below summarises the key financial planning assumptions which relate to the modelling of Council funding (including central adjustments), their impact and associated risks.

Non Controllable Items	2012/2013 Assumption	Source	Impact	Comment Risk / Issue
Council Tax Freeze Grant	Maintained at 2011/2012 levels.	CLG	Changes are reflected £ for £ in the Net Budget	£4.5m Freeze Grant fully used in 2012/2013. Paid to Reserves in later years. Risk this grant could be reduced.
Formula Grant	Reduction of £7.1m on 2011/2012 grant, as per central government settlement (reduced from £70.3m to £63.2m)	Borough Treasurer	1% = £0.7m	Provisional 2012/2013 grant is a reduction of 10.2% on 2011/2012 grant. Later years based on estimates. Risk that later years are further reduced.

Non Controllable Items	2012/2013 Assumption	Source	Impact	Comment Risk / Issue
Specific Grants (excluding DSG)	Although many Specific Grants are projected to fall in 2012/2013, the provisional Early Intervention Grant settlement is projected to increase by £0.7m, leading to an overall net increase in specific grant funding (excluding DSG) of £0.4m.	Borough Treasurer / CLG.	1% = £1.4m	Risk that the final government settlement for these 2012/2013 specific grants will be lower than currently projected. Further details are provided at Annex 3 .
Contingency	0% per annum	Cabinet	1% = £2.3m	The Reserves Strategy holds balances related to risk.
Capital Financing (net of interest received on balances)	Costs of £15.2m in 2012/2013 and £15.6m in later years.	Cabinet / Borough Treasurer	Changes are reflected £ for £ in the Net Budget	To be reviewed as Capital Programme is developed. 2014/2015 set at 2013/2014 levels.
Early Retirement – ongoing costs	£4.0m in 2012/2013 to provide for the actuarial costs of early retirements and relocation costs from relocation.	Borough Treasurer & Head of Assets	Changes are reflected £ for £ in the Net Budget	Further redundancy will increase this item.
Pension	Actuarial Costs of £0.7m per annum.	Cheshire Pension Fund.	£0.7m	A commitment to meet the employer contributions fixed by the 2010 Pension Fund Valuation.

Source: Cheshire East Financial Scenario

Central Adjustments

- The Council predicts the level of funding it will receive, from Council Tax and Government grants, to arrive at a total income figure. Several “central adjustments” are made to this total to withhold funding for items such as inflation and transfers to reserves. The total funding less central adjustments gives the amount available for service expenditure.
- For 2012/2015 the following central adjustments have been included in the scenario:

Adjustment	Description / Basis	2012/13 £m	2013/14 £m	2014/15 £m
Pension: Employers Contributions	See above	0.7	0.7	0.7
Provision for service inflation	See Expenditure section.	4.0	4.0	3.9
Capital Financing	See above	15.2	15.6	15.6
Contributions to reserves	See above	6.1	7.9	4.5
Early retirement (Corporately funded only)	See above	4.0	3.8	1.2
Total		30.0	32.0	25.9

Summary of Available Funding

9. **Table 12** below shows the summary of funding available to services after the deduction of central adjustments. The later two years are based almost entirely on local assumptions as government funding announcements are not anticipated until autumn of this year.

Table 12 – Funding Available to Services

	2012/13	2013/14	2014/15
	£m	£m	£m
Council Tax	(179.2)	(179.7)	(180.3)
Formula Grant	(63.2)	(62.7)	(57.7)
Ring fenced Specific Grants	(246.4)	(245.3)	(245.3)
Un ring fenced Specific Grants	(126.1)	(124.9)	(122.6)
Central Adjustments	30.0	32.0	25.9
TOTAL INCOME	(584.9)	(580.6)	(580.0)

Source: Cheshire East Finance

Post February Updates

10. There have been published updates and clarifications to data supplied in the Cheshire East Budget of February 2011. For example the New Homes Bonus Grant was announced at £0.87m for each year from 2011/2012 for the next 6 years. There have also been small changes to specific grants after the budget was set. To assist with proposals, for 2012/2013 and beyond, portfolio holders and other members will be kept abreast of any relevant changes either through formal or informal briefings.

Measure 2 ~ Review Local Taxation

11. Council Tax and Supplementary Business Rates (with agreement from businesses) are set locally and therefore can be classified as a controllable income sources. The Resources Portfolio Holder will advise Cabinet on proposals in this area to determine the Council's approach.
12. The following table sets out the key planning assumptions in relation to local taxation:

Controllable Items	2012/2013 Assumption	Source	Impact	Comment Risk / Issue
Council Tax	0% per annum	Cabinet	1% = £1.8m	Potential for Council Tax referendum and / or Council Tax freeze.
Council Tax Base (See Note i)	Increase of 0.3% per annum	Borough Treasurer	0.3% = £0.54m	Growth is estimated based on recent trends.
Council Tax Collection Fund Balance	Nil surplus / deficit per annum.	Borough Treasurer	Changes are reflected £ for £ in the Net Budget	Collection rate percentage will cause variances.

Controllable Items	2012/2013 Assumption	Source	Impact	Comment Risk / Issue
Supplementary Business Rates	No additional rates set.	Cabinet	£0.01 increase on the multiplier = £2m	Additional revenue raised has to be agreed with businesses and be used for a specific purpose.

Notes

i) Council Taxbase

This represents the estimated number of band D equivalent properties used for setting the Council Tax. The 2011/2012 taxbase was 146,899 with each 0.1% change equating to £0.179m.

Measure 3 ~ Use General Reserves

13. The following table sets out the key planning assumption in relation to the use of reserves. The Borough Treasurer, as Section 151 Officer, will review the level of reserves and inform CMT / Cabinet of issues.

Controllable Items	2012/2013 Assumption	Source	Impact	Comment Risk / Issue
Contribution to/from Reserves (See Note i)	£6.1m contribution to reserves to ensure a minimum strategic level is retained	Cabinet	Changes are reflected £ for £ in the Net Budget	Insufficient levels of Reserves will not provide working balances nor meet emergencies or unforeseen service demand.

i) Contribution to / from Reserves

This is an allocation to or from the Council's General Reserves to ensure that a minimum strategic level is maintained, in accordance with the Reserves Strategy approved as part of the Business Planning Process for 2011/2014. Any indication that reserves will be above or below this position will be carefully considered by Members and the Chief Financial Officer. Actions may then be necessary to return the reserves to an appropriate level.

Measure 4 ~ Review Expenditure

14. The Scenario expresses expenditure in net terms, that is after fees and charges and recharges have been netted off the gross expenditure. The expenditure forecasts are also based on a series of key planning assumptions. Cabinet can revise the assumptions in relation to expenditure and also request changes to the level of spend to be addressed through policy proposals.

15. The table overleaf summarises the planning assumptions used in the Scenario in relation to expenditure, their impact and associated risks. Further details in relation to certain items are also provided in the notes.

Controllable Items	2012/2013 Assumption	Source	Impact	Comment Risk / Issue
Pay Inflation (See Note i)	0% per annum	Cabinet	1% = £1.4m	No pay award expected from local government employers in 2012/2013.
Non Pay Inflation (See Note ii)	3% per annum based on 38% of the Council's net budget.	Cabinet	1% = £0.9m	Provision for inflation to acknowledge high levels of inflation and Government target to reduce CPI to 2%.
Contractual Inflation	1.75% per annum	Cabinet	1% = £0.9m	As per non pay – an allowance for contractual pressures.

Notes

i) Pay Inflation

Pay inflation is applied to 62% of the budget. On a base of £140m each 1% equals £1.4m. The local government employers have said that they are unable to offer a pay award in 2011/2012. The Unions' 2011/2012 claim of £250 on all salary points would cost Cheshire East Council an estimated £1.4m. Inflation (CPI) is currently running at 4.2% per annum for June, but given the current economic situation, it is assumed that no pay award will be made in either 2011/2012 or from 2012/2013 through to 2014/2015.

(Sources

- Office for National Statistics Consumer Price Index annual rate of inflation
- Local government employers letter of 17 February on the 2011/2012 pay award on their website).

ii) Non Pay Inflation

The basis for the provision of non pay inflation has been selected to acknowledge higher inflationary pressures with CPI at 4.2% in June 2011 and note the Government's target CPI rate of 2%.

16. Further issues relating to expenditure are set out below:

Dedicated Schools Grant (DSG)

17. The Council receives approximately £218m as DSG. This represents the principal source for funding schools.

18. The amount of DSG received by the Authority is reduced to reflect school conversions to Academy status. Funding for Academies is passported to them through the Young Peoples Learning Agency, and not the Authority. For 2011/2012, this reduction is approximately £14m. The DSG award of £218m quoted above has been adjusted to reflect this.

19. As part of the restructure of local government funding, relevant grants (which were previously Standards Funds), have become part of DSG. The DSG has therefore increased significantly from previous years.

20. The funding levels for schools are not increasing in real terms and therefore work will be taken forward to determine pressures on the total schools budget and the further changes that are required to work within the total allocation.

21. These steps will form part of the Business Planning Process and operate to the same timescales.
22. Working with the Schools Forum and Working Groups of the Forum the business planning approach detailed above for Council services will be utilised as far as is possible to develop a Schools Business Plan. This is a development that will help to focus on the delivery of Council's objectives for schools alongside individual and the Schools Forum's objectives for schools within the restricted resource envelope in the Cheshire East area.
23. Because of the different relationship between individual schools and the Council it will not always be possible to follow the approach identically, but the same concept and principles will be discussed and applied where appropriate and possible. Specific consultation meetings with the Schools Forum and other groups such as the Cheshire East Association Secondary Heads (CEASH), the East Cheshire Association of Primary Heads (ECAPH) and the Special School Head Teachers will be arranged accordingly.

Estimated Service Expenditure

24. **Table 13** below shows the summary of budgeted expenditure split over the service directorates for each year.

Table 13 - Estimated Service Expenditure

	2012/13	2013/14	2014/15
	£m	£m	£m
Children & Families	305.6	301.9	299.4
Adults, Community, Health & Wellbeing	105.2	103.3	103.9
Places	51.9	49.0	47.6
Supporting Service Delivery	136.8	135.9	134.4
TOTAL EXPENDITURE	599.5	590.1	585.3

Source: Cheshire East Finance

Capital Programme Planning

25. As indicated above the development of the Capital Programme for 2012/2013 to 2014/2015 will follow the same timescales as the revenue process and use the same paperwork. Cabinet will review the draft programme at key stages and determine the final position.
26. The Capital programme is determined by reference to the Council's aims, the Capital Strategy and the available funding, which has been significantly reduced in recent years leading to a smaller Capital programme.
27. The Capital Strategy is intended to:
- Ensure that the investment of capital resources contributes to the achievement of the authority's key objectives and priorities that are detailed in their community plans strategies.
 - Influence and encourage partnership working, both locally and nationally.

- Reflect the visions and aspirations of local people for service delivery and recognise the potential for others to contribute ideas and resources.
- Determine priorities between the various services and look for opportunities for cross-cutting and joined-up investment.
- Encourage improvement and innovation in asset use, procurement and disposal.
- Ensure revenue, capital and whole life costs are fully considered.
- Describe how the deployment of capital resources contributes to the achievement of the described goals.
- Encourage the consideration and use of a wide range of funding sources.
- Promote, in conjunction with the AMP, corporate ownership and prudent consideration of property issues.

28. The Capital Strategy forms an integral part of the Council's Business Planning Process which provides the financial interpretation of the Council's Corporate Plan. Once a project has been approved and included in the Capital Programme the revenue implications of the capital expenditure need to be built into the revenue budgets included in the Business Plan.

29. The Capital Strategy for 2011/2014 was approved by Cabinet in September 2010. At this stage it is being updated for September 2011. In the meantime the key messages are laid out below:

30. The development of the capital programme will involve a thematic approach based on the following key policy drivers:

- Development of the Corporate Landlord function

The Corporate Landlord role involves a corporate overview of the acquisition, management, maintenance, improvement, review and rationalisation of property assets. All property management functions will be undertaken by the Corporate Landlord who will work with service directorates to ensure the buildings they occupy are fit for purpose. This role will cover the management of property related capital budgets to enable efficiencies of scale in procurement and a more effective management and timetabling of works.

- Implementation of the lifestyle concept

The development of new facilities in Wilmslow and Crewe, bringing together a range of service functions including leisure facilities, libraries, education and social care.

- Economic development and regeneration

Strategic capital investment to facilitate economic growth and improve transport links.

- Highways and Transportation

The allocation of resources to support the objectives set out in the Local Transport Plan.

- Schools

The refurbishment and upgrading of schools in response to local priorities.

- Housing

Financial assistance to support affordable and appropriate housing and to fulfil statutory obligations.

- Infrastructure

Securing adequate provision for rolling programmes, for example ICT infrastructure and maintenance of the property asset base.

31. Capital resources are limited and therefore schemes will be prioritised against the following factors:

- Whether the Council would fail to meet its statutory obligations if the proposed scheme did not proceed;
- Level of external funding attached to the proposed scheme;
- How the proposed scheme helps meet stated Council objectives;
- Whether a failure to implement the scheme would result in a reduction in the Council's stated level of service;
- Whether a high level of public support can be demonstrated;
- Whether the scheme involves a partnership with other bodies thereby bringing resources into the Council;
- Whether it meets national government priorities;
- Whether the proposed scheme will result in future revenue savings.

Measure 5 ~ Review Income

32. The Council raises over £70m from fees and charges. These are netted off expenditure budgets for scenario planning purposes. Therefore, the fees and charges budgets are subject to the standard non pay inflationary factor of 3%.

33. Currently there is no assumption related to further income from trading activities in the financial model.

34. The Council is developing the approach to both charging and trading to assist Members and officers in determining the basis for fees and charges. The Corporate Management Team will provide guidance on the approach.

Annex 3 – Summary of Estimated Specific Grant Funding 2012/2015

	2012/13 £m	2013/14 £m	2014/15 £m
Ringfenced Grants			
Dedicated Schools Grant	228.0	226.9	226.9
Sixth Form funding not yet announced	18.4	18.4	18.4
Total Ringfenced Grants	246.4	245.3	245.3
Unringfenced Grants			
Council Tax Benefit	20.4	20.4	20.4
Housing Benefit	75.1	75.1	75.1
Early Intervention Grant	12.5	11.9	11.1
Learning Disabilities & Health Reform	4.1	3.9	3.6
Council Tax Freeze Grant	4.4	4.4	4.5
Housing & Council Tax Benefit			
Administration Grant	2.2	2.1	2.1
NNDR Admin Grant	0.5	0.5	0.5
Preventing Homelessness Grant	0.3	0.2	0.2
NHS Funding	3.8	3.6	3.3
Lead Local Flood Authorities	0.2	0.2	0.2
Extended Rights to Free Transport	0.2	0.1	0.3
Community Safety Fund	-	-	0.1
Cheshire & Warrington Improvement and Efficiency Commission	-	-	-
Grants claimed retrospectively	0.4	0.4	0.3
- YOT Pooled (Youth Offending Team)	0.2	0.2	-
- YOT Prevention	0.1	0.1	-
- Young People's Substance Misuse Grant	-	-	-
- Keeping Young People Engaged	-	-	-
Adult and Community Learning	0.7	0.7	0.6
Train to Gain Grant	0.2	0.2	0.2
Awaiting further information	0.6	0.6	-
Affordable Homes	-	-	0.1
Community Transport Grant	-	-	-
Grants claimed retrospectively	-	-	-
Places non mainstream grants finishing	- 0.4	- 0.3	-
Music Grant (being reviewed)	0.4	0.3	-
Community Call for Action/Overview			
Scrutiny Committee	-	-	-
Stronger Safer Communities	0.2	0.3	-
	-	-	-
Total Unringfenced Grants	126.1	124.9	122.6
TOTAL SPECIFIC GRANTS	372.5	370.2	367.9

Source: Cheshire East Finance and the 2011/2012 Budget Report

Notes:

1. The Dedicated Schools Grant figures for the three years 2011/2014 are based on estimated pupil numbers and estimates of changes to funding at February 2011.
2. Where grant funding has not been announced for 2013/2014, a reduction of 5% has been assumed on the 2012/2013 figures, and 7.25% for the 2014/2015 figures.
3. Sixth Form funding has not yet been announced for 2011/2012, and it has been assumed that there will be no reduction in funding, based on the Government's pledge to protect school funding.
4. No reduction in Council Tax benefit or Housing Benefit has been assumed, as this is based on benefits claimed.
5. No estimate yet for Public Health Grant.

Annex 4 – List of Abbreviations

This annex provides details of the abbreviations used in the Report in alphabetical order.

Term	Meaning	Term	Meaning
ABG	Area Based Grant – type of grant previously given to local authorities by Government.	GUF	Guaranteed Unit of Funding – amount used to calculate DSG when combined with pupil numbers.
CIPFA	Chartered Institute of Public Finance and Accountancy – the body that sets standards for public finance.	HR	Human Resources – department responsible for staffing matters.
CFR	Capital Financing Requirement – used in calculating Minimum Revenue Position.	H&W	Health and Wellbeing – service responsible for leisure, library and cultural services.
CPI	Consumer Price Index – a measure of inflation.	ICT	Information and Communication Technologies – service responsible for technology at Cheshire East Council.
CSR	Comprehensive Spending Review – the Government’s announcements on future funding levels.	ISB	Individual School Budget – budget devolved to individual schools rather than used centrally.
DCLG	Department for Communities and Local Government – Government department responsible for supporting local government and communities.	LILTS	Local Independent Living Teams – teams working within the Adults, Community, Health and Wellbeing service to assist with each individual client’s needs.
DfE	Department for Education – Government department responsible for education and Children’s services.	LTP	Local Transport Plan – the basis for bidding and receiving funding for highways and transport schemes.
DSG	Dedicated Schools Grant – grant received from Government to fund schools.	NHS	National Health Service – organisation responsible for health care.
EIG	Early Intervention Grant – grant to be used locally to support families with difficulties to prevent escalation of problems.	NNDR	National Non Domestic Rates – contribution to local authority costs by businesses. Rate is set by central government.

Term	Meaning	Term	Meaning
OFSTED	Office for Standards in Education, Children's Services and Skills – Agency responsible for ensuring that standards are maintained and improved.	RPI	Retail Price Index – main domestic measure of inflation in the UK.
PARIS	Electronic system used to record payments and receipts.	RSG	Revenue Support Grant – an element of Formula Grant given to local authorities by central government.
PCT	Primary Care Trust – a local trust of the NHS which provides initial healthcare.	SEN	Special Educational Needs – children with SEN may require extra assistance to overcome learning disabilities or disabilities.
PFI	Private Finance Initiative – scheme where public bodies pay for use of an asset constructed by the private sector.	VAT	Value Added Tax – tax paid to HM Revenue and Customs on goods and services bought and sold.
PWLB	Public Work Loan Board – a government agency providing loans to public bodies for capital works.	VPN	Valuing People Now – initiative to improve health and wellbeing and ensure the NHS and local authorities work together.
P&C	Performance and Capacity – name of Cheshire East Council's 'back office' directorate including services such as legal and finance.		