

CABINET 21st JULY ~ ANNEX 1



Final Outturn Review of Performance 2014/15

July 2015

Introduction

Overall performance, financial health and resilience of Cheshire East Council is strong. It is the third largest Council in the Northwest of England, supporting over 370,000 local people with annual spending of more than £750m. The Council continues to strive for further improvements, putting residents first in the provision of over 500 services delivering more for less.

A commitment across the public sector to contribute to reducing the high levels of national debt has meant local government is going through a period of unprecedented change and financial challenge. Cheshire East Council's response continues to be based on innovation and creativity. The Council continues to be relentless in its pursuit of greater efficiency and productivity, and minimising bureaucracy to enable it to deliver a high level of sustainable, quality services for a lower overall cost. This is reflected in Council Tax being frozen for the fifth consecutive year in 2015/16.

Our commissioning intentions to develop better ways to achieve the Council's five stated outcomes by using a mix of delivery mechanisms is continuing to gain momentum. The Council's philosophy is about much more than simply reducing costs through arranging cheaper provision or about traditional outsourcing. In 2013/14 the Council completed significant reviews of management structures to divert spending to front line services.

At final outturn the Council's reserves strategy remains effective, with an underspend of £0.7m (0.3%) against a budget of £253.8m. This is an improvement of £0.5m since the three quarter year review.

To support openness and transparency the report has three main sections, to provide background and context, and then twelve supporting appendices with detailed information about allocation and management of public money during 2014/15.

Section 1 provides a summary of Council performance and brings together service achievement highlights against the five Residents First Outcomes in the Council's three year plan.

Section 2 provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2014/15 has been funded, including the positions on overall service budgets, grants, council tax and business rates, treasury management, centrally held budgets and the management of the Council's reserves.

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

- **Appendix 1** shows the Three Year Council Plan.
- **Appendix 2** explains budget changes since the Third Quarter Review.
- **Appendix 3** shows the latest position for Corporate Grants.
- **Appendix 4** shows revised Capital Programme expenditure.
- **Appendix 5** lists approved Supplementary Capital Estimates and Virements up to £250,000.
- **Appendix 6** lists approved Supplementary Capital Estimates and Virements over £250,000 and up to £1m for Cabinet approval.
- **Appendix 7** lists approved Supplementary Capital Estimates and Virements over £1m for Council approval.
- **Appendix 8** lists Capital Budget reductions.
- **Appendix 9** provides details of Treasury Management investments.
- **Appendix 10** lists requests for allocation of additional Grant funding.
- **Appendix 11** analyses the position on Outstanding Debt.
- **Appendix 12** lists details of Earmarked Reserves.

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

Anyone wanting to comment can contact the Council at:
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2014/15 Final Revenue Outturn Summary

2014/15 Final Outturn (GROSS Revenue Budget £638.3m)	Revised Budget (NET) £m	Final Outturn Position £m	Over / (Underspend) £m	Change from TQR £m	For further information please see the following sections
Children & Families	46.0	45.8	-0.2	-0.2	Section 1 - Paragraphs 87 - 92
Adult Social Care & Independent Living	94.5	94.3	-0.2	-0.3	Section 1 - Paragraphs 153 - 154
Public Health & Wellbeing	2.2	2.3	0.1	0.0	Section 1 - Paragraphs 127, 155 - 156
Environmental	28.4	28.8	0.4	-0.2	Section 1 - Paragraphs 111 - 112
Highways	10.7	10.9	0.2	-0.1	Section 1 - Paragraph 65
Communities	10.1	9.3	-0.8	-1.3	Section 1 - Paragraphs 28 - 31
Economic Growth & Prosperity	24.7	25.2	0.5	-0.1	Section 1 - Paragraphs 72 - 77
Chief Operating Officer	41.3	37.9	-3.4	-2.0	Section 1 - Paragraphs 160 - 166
Total Services Net Budget	257.9	254.5	-3.4	-4.2	
CENTRAL BUDGETS					
Specific Grants	-18.6	-21.4	-2.8	-3.3	Section 2 - Paragraphs 173 - 178
Capital Financing	12.4	12.4	0.0	0.5	Section 2 - Paragraphs 208 - 215
Contingencies / Central budgets	2.1	2.0	-0.1	0.9	Section 2 - Paragraphs 216 - 218
Add to Investment Reserve	0.0	1.0	1.0	1.0	Section 2 - Paragraph 227
Add to Financing Reserve	0.0	1.2	1.2	1.2	Section 2 - Paragraph 227
Add to Business Rates Retention Reserve	0.0	3.2	3.2	3.2	Section 2 - Paragraph 176
Add to Service Manager Carry Forward Reserve	0.0	0.2	0.2	0.2	Section 2 - Paragraph 228
Total Central Budgets	-4.1	-1.4	2.7	3.7	
TOTAL NET BUDGET	253.8	253.1	-0.7	-0.5	
Planned Contribution					
2014/15					
£m					
Impact on Reserves	-5.8 *		0.7	-5.1	
* increased from £5.3m by Council approved in-year transfers to earmarked reserves					
General Reserves Balance					
2014/15					
Budget					
£m					
Opening Balance April 2014	19.3	Actual	19.8		Section 2 - Paragraphs 222 - 225
2014/15 Impact on Reserves (see above)	-5.3	Forecast	-5.1		
Closing Balance March 2015	14.0	Forecast	14.7		

Overview of Performance ~ Putting Residents First

ACHIEVING THE COUNCIL'S FIVE OUTCOMES

Cheshire East Council provides more than 500 services, supporting over 370,000 residents, and over 17,500 businesses.

Cheshire East has again been recognised as the Best Place to Live in the Northwest

1 ~ Our local communities are strong and supportive

- Continuing to be an enforcing Council through:
 - Successful prosecution of people committing benefit fraud;
 - Working with police to effectively use CCTV and Anti-Social Behaviour Orders;
 - Tackling youth crime.
- Lowest primary school absence level compared to similar councils and a significant reduction in secondary school absences.
- Introducing targeted clean up campaigns in local town centres.
- Providing over £1.5m of grants to the community for a variety of uses from provision of training and information leaflets through to helping restore Nantwich Aqueduct.
- Creating a wholly owned company to provide Transport Services and benefit from a more commercial approach.

2 ~ Cheshire East has a strong and resilient economy

- Significant investment to develop the local economy including roads and broadband infrastructure.
- Pushing ahead with construction of Crewe Lifestyle Centre.
- Moving forward the University Technical College scheme.
- Exploring options to develop Macclesfield Town Centre.
- Successfully promoting apprenticeships.

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

- Continuing to have over 93% of Schools classified as Good or Outstanding.
- Successful focus on reducing NEETs.
- Improving feedback methods for clients.
- Protecting schools funding.

4 ~ Cheshire East is a green and sustainable place

- Driving forward the production of an updated Local Plan.
- Progress in determining major planning applications but scope to improve the position for minor and other applications.
- Creation of an alternative service delivery vehicle to provide a range of professional services such as Building Control and Structural Appraisal.
- Maintaining the highest recycling rates in the North West.
- Pushing forward the Waste Strategy, reducing landfill and exploring options around food waste.
- Introducing cheaper energy deals for every resident that takes part in the scheme.

5 ~ People live well and for longer

- Maintaining a range of services, and working with Health partners, to help people stay independent through technology, adaptations etc.
- Implementation of the Care Act including taking responsibility for the care needs of Adult prisoners.
- Recognising the issues faced by carers
- Achieving a record number of adopters and being recognised for a national award.
- Promoting and improving leisure facilities.

FINANCIAL STABILITY

Cheshire East Council is achieving outcomes based on sound financial management. In 2014/15 the Council operated on an annual budget of more than £750m.

- At Outturn an overall **underspend of £0.7m** is being reported compared to budget.
- The underspend represents only 0.3% of the Council's **net revenue budget of £253.8m**. This follows the Mid Year Review and Third Quarter Review which had already demonstrated significantly better budget management compared with previous years.
- **Service Budgets** – an underspend of £3.4m is reported.
- **Central Budgets** – the service underspend has created flexibility to fund additional sustainable investment and financing for future schemes.
- The Council is among the top third of Unitary Councils in terms of **Council Tax collection**. Over 99% of Council Tax and Business Rates are collected within three years.
- **Council Tax was frozen** for the fourth consecutive year in 2014/15. This freeze has been maintained in 2015/16.
- Additional **Investment income** and lower external interest charges have contributed to a £1.8m underspend on capital financing to be reserved for funding future capital expenditure. The average rate earned on investments (0.57%) is higher than the London Inter Bank 3 month rate.
- **General Reserves** - the robust reserves strategy assesses risk at the beginning of the year, and protects the Council against potential overspending. The underspend has had the effect of increasing general reserves above the risk assessed level at £14.7m.
- **Capital Programme** - although well within budget, the Council has completed spending in excess of £100m for the first time. Again there has been no requirement for additional external borrowing this financial year.
- Outstanding **Debt** (excluding local taxation) – is £3.9m. This is an increase of £0.2m from third quarter, but is significantly lower than the year end positions for the past two years. Debt over 6 months old stands at £2.2m (around 4% of total debt raised annually) and this is completely covered by provisions to meet potential write-offs.

1. Summary of Council Performance

Introduction

1. Cheshire East Council is responsible for delivering more than 500 local public services across an area of over 1,100km² for over 370,000 residents. The budget to deliver these services in the period April 2014 to March 2015 is over £750m, which is raised from a combination of local taxes, national taxes (in the form of Government Grants) and payments direct from service users. In terms of spending power per head, Government figures highlight the impact of different levels and sources of funding on total Council spending:

Spending Power per Head Comparisons 2014/15			
	Cheshire East	Rural East Riding of Yorkshire	Urban Liverpool
	£	£	£
Grants	316	389	896
Council Tax	450	386	251
Total	766	775	1,147

2. The Council's Three Year plan, which was agreed by Council on 28th February 2013, has five Residents First Outcomes that will focus service delivery in the medium term (see **Appendix 1**). This section of the report highlights progress towards achieving each of the five outcomes, in addition to inward-facing work undertaken during 2014/15 to support the delivery of a responsible, effective and efficient organisation.
3. This report reflects activity that has taken place mostly in the period April 2014 to March 2015 including progress against the Council's change programme. Commentary is also provided on the financial impacts (both revenue and capital) of this activity.

1 ~ Our local communities are strong and supportive

Mutual Respect & Personal Responsibility

4. We have been tough on fraudsters, achieving 18 prosecutions against people who between them had claimed over £300,000 of benefits that they weren't entitled to.
5. Our closed-circuit television (CCTV) service dealt with over 3,000 incidents, many of which have assisted in arrests being made for offences ranging from burglary and shoplifting to drunkenness and car crime. This contribution has helped people to feel safer whilst tackling incidents of anti-social behaviour (ASB).
6. Our ASB team, working closely with the police, are dealing with 35 new ASB Cases, making it 154 for the whole year. We sent out 1,129 youth notifications this year, resulting in 993 warning letters being issued to young people. These have been very successful; with only 3.8% of young people going on to need any further intervention from us. Only two young people were made subject to an anti-social behaviour order (ASBO), which is testament to the early intervention approach that we have taken to tackle causes rather than symptoms.
7. Incidents involving one individual were reduced to nil when we introduced a Criminal Behaviour Order (CBO). The positive prohibition on the CBO centred on alcohol engagement and the individual is now in full time rehabilitation and doing really well.
8. The work of the Youth Management Board is reducing the number of first time entrants to the youth justice system to an all-time low. Compared to national figures, Cheshire East is ahead of the downward curve due to the excellent early intervention of the multi-agency Youth Engagement Team preventing youth crime.

9. Persistent absentees in Cheshire East primary schools have fallen significantly since 2011 from 4.3% to 1.8%, 1 percentage point below the 2014 national average. Cheshire East is ranked first when compared to statistical neighbours. Persistent absence in secondary schools has also fallen significantly since 2011 by 4.4 percentage points from 9.5% to 5.1%. Cheshire East is ranked 4th when compared to its statistical neighbours.
10. Work has continued with schools to improve attendance and reduce persistent absences. In quarter four a full analysis took place with all schools around coding for alternative provision to ensure they are compliant with national regulations. This exercise identified a group of schools where further work is required to take place in 2015/16.
11. Working with our local clean teams we have held fantastic spring cleaning operations in our key market towns. As we put residents first, it was really heartening to see residents getting involved in improving areas where they live and working alongside Ansa – Cheshire East's operating company for streetscape services - to make these improvements a reality. Volunteers identified areas that would benefit from tidying, and discussed their findings with us and Ansa, covering issues such as overgrown hedges, grass verges encroaching onto footpaths, dirty or obscured signs, litter, and areas in need of a general tidy-up. We also planted thousands of bulbs which have provided a glorious burst of colour and attracted many compliments from residents.

Communities

12. The Council's Community Grants Scheme granted over £225,000 of funding to 129 organisations, contributing towards over £1.5m worth of projects and community activities. Projects include:
 - Training of advisers, information leaflets, use of a new computer system and training for volunteers at a local debt advice service

- Installation of disabled toilet facilities at a bowling club to reduce a round trip of over 200 meters and accommodate less able-bodied members to join
13. The Giveback Scheme awarded £632,000 to over 80 organisations from the faith sector, young people's sections of uniformed organisations and older people's groups. This enabled over £3m worth of large community projects to take place. Projects include:
 - Refurbishment of a church's outside toilet block to include shower and laundry services for use by the homeless and socially isolated
 - Purchase of specialist flight simulation equipment for a new air cadets' building which will hugely enrich the experiences of the young cadets in the group
 14. The Residents First Fund enabled a number of larger scale projects to take place across the Borough with grant funding totalling £593,000 awarded to 35 organisations. Projects include:
 - Repair and restoration of Nantwich Aqueduct
 - Youth training programme at a community radio station
 - Replacement heating system and toilet facilities for a group supporting people with Autism
 15. 2014/15 saw £66,000 awarded to Town and Parish Councils and Community Organisations to restore and refurbish local War Memorials in Commemoration of the First World War. 24 Organisations received funding with work continuing throughout the commemoration period to bring the memorials back to their former glory to mark this important event, both for now and for future generations to appreciate.
 16. The First World War continues to be commemorated through the Cheshire East Reflects programme. Wreath laying ceremonies have taken place in Crewe, Congleton, Macclesfield and at Tatton Park.

17. We have supported community-led centres to extend their offer to local people. For example, Barnies in Crewe is now online and running clubs for older people whilst helping young people get jobs. Light House Centre in Crewe, also now online, have enhanced their homeless service, and their new kitchen means they now provide family meal sessions.
18. We successfully awarded £90,000 from central government to deliver services differently in neighbourhoods, which will increase the number of services on local estates and increase attendance from troubled and vulnerable families in Macclesfield.
19. Friends of Banbury Park Group submitted a £15,000 'WREN' (Waste Recycling Environmental Limited) application to bring green gym equipment in to the local park, setting up a afterschool homework club, tackling social isolation by running shared reading for the over 50's group and utilising the local volunteer-ran library to hold a series of activities.
20. Friends of South Park (S:Park) Macclesfield submitted a £48k WREN application to contribute to £217,000 worth of sports facilities to go in to the local park, and are increasing the number of social events operating in the park with a range of activities to suit all ages.
21. During the year the number of volunteer hours in community sports activity increased to over 7,200, over 1,200 more than the target. It included support to events by local sports groups and the successful hosting of the Commonwealth games baton Relay during its visit to Cheshire East.
22. Countryside volunteer days stood at 1,138 in 2014/15. Volunteers continue to be as present and critical to helping us deliver services but do require supervision, learning and training, which can be a limiting factor in growing volunteer numbers. 130 volunteers are registered with the Public Rights of Way team to carry out minor vegetative cutting-back and way marking. 135 volunteers are registered with Tatton Park across the Gardens, Mansion, Farm and Estates.
23. The first schools writing competition was completed and prizes will be given out in June 2015. A second competition will be launched in September 2015. Two secondees from Education have now started working with the team to improve links between schools and the programme.
24. Two archival collections are being digitised through Cheshire Archives service and will be made available to the public during summer 2015. Work is ongoing to develop the programme into 2015 and beyond including a major project to culminate in events throughout the Borough in 2018. Over 15,000 people have now engaged with the programme.
25. Cheshire East recorded a total of 1.54m library visitors during the year, and Sandbach Library received a welcome facelift to bring its 1960s glass front into the 21st Century with a new exterior.
26. The Joint Cheshire Emergency Planning Team worked with partners throughout 2014/15 to increase public awareness of what to do in the event of a large scale emergency. This took the form of deploying Emergency Pocket Leaflets (to fit in wallets, purses or pockets) and displaying banners at major events such as the Cheshire Show as well as Fire Station Open Days in Crewe and Middlewich. These events have seen over 700 leaflets handed out to residents, helping them to prepare for, and respond safely to, major incidents such as severe weather and flooding.
27. On 1 January 2015, another Alternative Service Delivery Vehicle (ASDV), Transport Service Solutions Ltd, 'went live'. The new company will continue to co-ordinate and deliver our public transport, home-to-school and social care transport, fulfilling our contractual and statutory responsibilities. By becoming an ASDV, it will now have freedom to develop new business through an entrepreneurial approach to service delivery. Transport Service Solutions is the seventh new company to be set up in a drive to put residents first as part of our ongoing revolution in the way we deliver our services.

28. Services within Communities have an outturn underspend of £0.8m at the end of 2014/15, against a £10.1m budget.
29. Local Community Services has a favourable variance of £1.4m, of which £1m is for the Benefits Service. This has been managed through improved subsidy recovery on housing benefits and an increase in income from housing benefits overpayments. The Revenues service has a favourable variance of £0.2m, the majority of which comes from an increase in court cost income. There are also small underspends for Libraries and Customer Services.
30. Regulatory Services & Health, Local Area Working and Consumer Protection and Investigations services have underspends totalling £0.3m. These are due to managed delays in filling vacancies and small savings in supplies and services.
31. Overall these underspends are offset by a pressure of £0.9m for the car parking service. A review of enforcement has been completed but this did not alleviate a £0.4m pressure. There is also a pressure of £0.5m for car parking pay and display. £0.4m of this is relates to the shortfall in pay and display income and £0.1m is for additional gritting costs. Cabinet have agreed to produce a Car Parking Strategy. Part of this will be assessing whether our pricing policy is effective and proportionate. At this point, prices remain the same.

Civic Pride

32. The Council worked throughout 2014/15 towards achieving the successful and efficient delivery of local and national elections in May 2015, with completion and maintenance of the Electoral Register and the implementation of new legislative requirements.
33. A new Town Council for Macclesfield was elected in May 2015. Moving forward into 2015/16 and beyond, this will further enable locally led decision-making and service delivery and advice from the Town Council will help to inform the Cheshire East Council decision-making processes.

34. The number of Council website visits reached 5.2million during 2014/15, ahead of our target of 4 million. The number of visits made via a mobile device has increased and is currently consistent at 45% of the visits.
35. We successfully launched our App which is available on both Apple and Android phones. We set ourselves the goal of achieving 1,000 downloads in the first three months and beat that by some distance with 1,294 downloads.
36. We have promoted the App to residents using traditional techniques, such as flyers and business cards, as well as using social media, with boosted Facebook and Twitter posts. Our first boosted post reached more than 21,000 residents.
37. By the end of March 2015, @CheshireEast had over 10,500 Twitter followers, an increase of over 3,500 since April 2014.

2 ~ Cheshire East has a strong and resilient economy

Business and Visitor Economy

38. Macclesfield Heritage and Culture Strategy is being delivered. A Strategy Partnership Group has been established to oversee delivery. Meetings with major funding bodies are ongoing to promote the role of the Strategy and it has been well received. A programme of events for Summer 2015 has been developed by the group and promotional material is being put in place.
39. The Council is supporting the Silk Heritage Trust in delivering a transition programme and provided £45,000 to match fund a further £50,000 from Heritage Lottery Fund. This will help the trust become more sustainable and better positioned to take advantage of future opportunities.

40. The vacant shop figure within Cheshire East was calculated at 9.7% in 2014 which is a reduction of 0.28% on the 2013 figure. This compared favourably to the national vacancy rate of 13.3% and the North West vacancy rate of 17.4%. Congleton and Middlewich experienced above the national average vacancy rate and measures are being examined to improve this position. Shop vacancy rates are calculated on an annual basis from data collected during September and October each year.
41. The consultation draft of the Crewe Town Centre Regeneration Delivery Framework was completed in preparation for the Council's Cabinet meeting in April.
42. Considerable progress was made in the construction of the Council's first Lifestyle Centre in Crewe. Due to open in Spring 2016, the Centre will see the hosting of a range of services under one roof including, leisure, library, adult social care and children's support services, who together will aim to both improve the health and wellbeing of local residents in the area and to help the move towards the regeneration of Crewe Town Centre.
43. Heads of Terms were exchanged on the acquisition of the Royal Arcade site in Crewe, which will provide the basis for a major town centre regeneration scheme and, in the short-term, represents a revenue income stream for the Council.
44. Work to establish the University Technical College continued, with recruitment for the Principal Designate taking place in quarter four. The consultation exercise was successful in engaging with young people and their families. Ongoing work relating to the site is progressing positively.
45. Phase 1 of the Shop Front Improvement Scheme in Macclesfield town centre is complete, with plans for phase two under development. The Council has had hugely positive feedback from local landlords and businesses who took part in the scheme:
"Through their investment in the shop-front scheme, the Council has demonstrated its support for the existing businesses and properties in Macclesfield town centre and the results have been instant".
46. The Council has reaffirmed its commitment to Macclesfield through committing additional capital funding to the town centre. We are now exploring the potential to accelerate delivery of a leisure scheme for Macclesfield town centre, consisting of a cinema and restaurants. A Macclesfield Town Centre Vision Stakeholder Panel has been established to engage with local residents and businesses on the future of regeneration in town centre.
47. The Business Engagement service has had 1-2-1 meetings with over sixty of the area's high growth Small to Medium-sized Enterprises ('SMEs') to understand their barriers to growth and where appropriate refer to specialist business support programmes. There are over forty companies undergoing 12 hours of free business support to help them identify new markets, reduce costs and secure access to finance. To raise the profile of business support products available the service has co-ordinated events to improve access to finance, identify new markets and improve the efficiency of the manufacturing process.
48. The service has made significant progress in engaging with existing companies and attracting new companies to the area. To date, account plans have been developed for thirty-nine of Cheshire East's top 100 investors. This has generated a number of significant projects including McCann's proposal to invest in their Prestbury Campus and Assurant's growth plans in Crewe. The service has been successful in securing £2.3m of Regional Growth Fund on behalf of companies making major investments.

49. The service manages strategic investment projects, including co-ordinating the relationship with Bentley Automotive who announced their plans to invest in a design and engineering function in Crewe. The £40m investment will create 300 new high-value jobs and will be facilitated by the sale of Cheshire East owned assets. To develop the service and expand resource Cheshire East has an 'in principal' agreement with the Manchester Growth Company to extend their diagnostic and access to finance resources to the area. In the medium-term there is the potential to leverage European Funds to further extend the services available.
50. New data confirms there were 15.4 million tourist days in Cheshire East in 2013, up from 14.7 million the previous year (2012 Scottish Tourism Economic Activity Model figures).

Workforce

51. Comparison for the academic years 2012/13 and 2013/14 show that 16-18 year-old apprenticeship starts have increased from 873 to 986. However, 19-24 year-old starts have reduced from 1,169 to 1,071 and 25+ starts have reduced from 1,421 to 864. This is likely to be as a result of changes to the funding methodology.
52. Latest NOMIS (a service provided by the Office for National Statistics) figures for Jan 2014 to December 2014 show that the number of adults with NVQ3 or above has increased to 57.3%.

Infrastructure

53. The 'Connecting Cheshire' Project has now passed over 66,000 homes and businesses with fibre broadband, taking overall coverage to 94%. The first phase of the project will complete by summer 2015 and will surpass the national target of providing 95% coverage by 2017.

54. The Fibre Guys campaign continued to gather momentum, with a regular programme of community switch-on events, a Fibre for Breakfast week during February; this included local press and radio advertising, engagement events using a fibre 'goody bag' including a 'Superfast Fruit and Fibre' cereal sample and a mobile AdVan touring the area. A joint project with Junior Recycling Officers in primary schools challenged to make Fibre Guy models using recycled materials provided a unique way to engage with families. At the end of March take-up had risen to almost 18%.
55. The Superfast Business Support programme has supported over 730 businesses to improve their digital knowledge, with 28 businesses reporting improved gross value added (GVA) performance and 14 jobs created following the support.
56. Planning work on the phase 2 infrastructure deployment will begin summer 2015. The intention is for the deployment to run back to back with the completion of phase 1. The aim is to cover an additional 10,000 premises with superfast broadband connectivity by summer 2017. Once the planning work has been completed details of which communities will benefit will be released.
57. The Women in Business programme is due to complete delivery at the end of April, and is anticipated to have engaged with 308 women, provided in-depth support to 54 and created 6 peer mentors to continue supporting other female entrepreneurs and business owners.
58. The Strategic Infrastructure Team continues to plan, develop and deliver major highway and transport infrastructure improvements, in conjunction with partner organisations. Current Delivery Schemes include:
 - Crewe Green Link Road – A new railway bridge was installed over the Easter weekend. The construction of the 0.7 mile

- road will reduce congestion in and around the town and is due to open to traffic in autumn 2015.
- Basford West Spine Road – work is well advanced on a new road to provide access to Basford East and West development areas. The new road is due to open to traffic in autumn 2015.
 - A500 at Junction 16 (in partnership with Highways England) – alleviating congestion on the approach to Junction 16 by widening the carriageway. Delays have occurred in the construction with a new opening date of June 2015.
 - M6 junction improvements (Highways England scheme) – work has commenced on improvements at Junctions 16 and 17 to ease access to and from the motorway. These are due to complete in mid-2015.
 - A556 Knutsford to Bowden (Highways England scheme) – a new 4.5 mile dual carriageway between M6 junction 19 (near Knutsford) and the M56 junction 7 (near Bowdon). Construction started in November 2014 and the scheme is due to complete in winter 2016/17.
 - A6 to Manchester Airport Relief Road (in partnership with Stockport Metropolitan Borough Council) – the scheme is will provide 10km of new dual carriageway to improve access across south east Manchester and east Cheshire area. Construction began in March 2015 and the new road is expected to be open in late 2017.
59. The Council is developing an ambitious pipeline of highway and transport infrastructure schemes for future delivery. The schemes under development including:
- Poynton Relief Road – preferred route established
 - Congleton Link Road – preferred route established
 - Middlewich Eastern Bypass
 - Crewe Bus Station – option appraisal underway
 - Sydney Road Railway Bridge
 - Crewe Green Roundabout
 - Leighton West Spine Road
 - King Street Public Realm Scheme (Knutsford)
 - Congleton Public Realm Scheme
 - M6 Junction 16-19 SMART Motorway (Highways England scheme)
60. A new pro-forma has been introduced to ensure planning application consultation responses consider the wider planning balance when formulating a highway / transport recommendation. The introduction of a new performance management tool is also improving response times to consultations. This will be further enhanced with the introduction of Standing Advice by removing direct consultation on applications with minor highway implications.
61. In October 2014 there was a strong recommendation from Sir David Higgins, Chairman of HS2, that Crewe should be a North West hub for HS2 with delivery brought forward to 2027. A full integrated station would provide 360 degree connectivity to North Wales, Liverpool and Merseyside, routes to Scotland, Greater Manchester and beyond into the Northern Powerhouse and south to Stoke, Staffordshire and on to the East Midlands and Birmingham and finally into Shropshire and Mid Wales becoming an even greater node of the national rail network linked to London and all the UK's major Airports. During quarter four the Council worked in partnership with Network Rail and Government to explore options to improve the current station and determine the next stage of the project.
62. A series of transport strategy documents have been started for Cheshire East, including input to the Cheshire & Warrington Sub Regional Transport Strategy (Phase 1), beginning a refresh of the Cheshire East Local Transport Plan, as well as continuing the drafting of more detailed documents including a Cycling Strategy and Rail Strategy.

63. Cheshire East was successful in securing £453,000 from the Department for Transport's Total Transport Pilot Fund. The pilot will fund the cost of undertaking feasibility studies and other groundwork to identify what scope there is for integration across passenger transport services commissioned by the public sector (e.g. home to school transport, local bus support and non-emergency patient transport).
64. Support is being provided to develop proposals for inclusion of public art in the Basford West scheme to ensure best possible outcomes for residents in the new residential aspect of the scheme.
65. Highways has an overall overspend of £0.2m against a net budget of £10.7m, after further increasing the earmarked client reserve by £120,000 to fund potential financial commitments arising in the event of a severe winter. The overall variance mainly relates to an overspend against Street Lighting Energy due to the under-recording of the baseline inventory data and the change in carbon reduction strategy from night-time dimming to LED technology, which will now be rolled out in 2015/16. This has been offset, and is an improvement on third quarter review, by a lower than anticipated costs on the Cheshire East Highways contract and slightly improved position on other fees and charges.

Inward Investment

66. The Inward Investment service has an active pipeline of interest from companies looking to establish an operation in the area. HPL Prototype (a design and engineering company) has agreed Heads of Terms on a site in Nantwich with AV Support (an aerospace systems supplier) committed to relocating to Alderley Park. The number of reactive investment enquires stands at 255 for the year, exceeding our target of 200.

67. The service has made strong progress in developing their relationship with UK Trade & Investment and hosted visits from an international delegation of food and drink sector and life sciences specialists. To promote the area, the service has commissioned a range of marketing materials to capture the area's sector strengths and key assets. The service delivered a range of events to promote the area including co-ordinating an event for over 150 representatives from the commercial property sector and a supplement in The Times newspaper.
68. Estimated inward investment with Cheshire East for filming has increased from £0.6m and 61 filming days in 2012 to £2m and 130 filming days in 2014.

Responsible Business

69. Business satisfaction with local authority regulation services remains strong at 97% at year-end, ahead of our annual target of 95%.
70. 100% of high risk inspections for food standards were completed in 2014/15, and the Council also completed 100% of all scheduled high risk animal health inspections.
71. We increased the number of food premises that are scored against the Food Hygiene Rating System to 2,535 an increase of 7% on 2013/14. Of these, 93% of premises scored 3 or above (maximum of 5). We are continuing to focus our efforts on those low scoring premises to improve compliance.
72. The final outturn for the Economic Growth and Prosperity service is a £0.5m overspend against a £24.7m net revenue budget. This includes the £14.8m transport budget.

73. The final outturn for the Transport service is a £0.7m overspend, against a £14.8m net budget. This is a worsening of the position by £0.9m since third quarter. Work has been done to review savings targets, but the main area of pressure which continues to increase is Special Educational Needs (SEN) transport. In addition the underspend on Core Transport, which was expected to be used to offset the overspend in Children's Transport, did not materialise as anticipated.
74. The Council's Planning functions faced significant challenges in 2014/15, which created financial pressures anticipated at around a net £1.7m at third quarter review. This improved significantly in the last quarter with the overall overspend reducing to £1.1m in 2014/15. The service will continue to face significant challenges and funds were earmarked in the 2015/16 Medium Term Financial Strategy to recognise this issue.
75. Strategic Infrastructure Service including Transport had a net £0.2m underspend, which principally is due to further savings against Public Transport contract.
76. Assets had a £0.7m underspend across the Service; £0.3m arising from a favourable pay variance offset by a shortfall in income against non-operational buildings. There is also a favourable outturn forecast against the Farms Estate of £0.2m.
77. The Investment Service final outturn was a £0.3m underspend, in line with third quarter review, with the favourable variance principally due to a delay in recruiting to vacant posts across the Service.

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

Securing the Best Start in Life

78. Work to improve achievement in the early years was ongoing in quarter four, including a conference around effective learning,

with a focus on boys. Also, 100% of schools attended training on moderating judgements for the Early Years Foundation Stage Profile (EYFSP). Visits to schools around the EYFSP continue on a rolling programme.

79. Take up of the 2-year-old offer continues to increase. There were 848 children in provision in quarter four compared with 764 in the previous quarter. Overall, 70.6% of the eligible population are placed. Intensive support is provided to both parents and childcare providers to ensure maximum take up.

Highest Achievements for All Learners

80. Cheshire East continues to maintain a high profile of schools judged as good or outstanding, with over 93% good or outstanding. Recent inspections for secondary schools has seen the percentage rise from 76% in last quarter to 86% with two Inspections moving up from 'Requires Improvement' to 'Good'.

Achieve Aspirations

81. Through the Crewe Pledge, four cohorts of the employment readiness programme have run for 82 pupils from Crewe Schools.
82. The Youth Service continues to work closely with vulnerable individuals to support them into suitable education, employment and training. The number of young people who are not in education, employment or training (NEET) continues to improve and the percentage of NEET young people as at the end of March 2015 was 3% (331 young people).
83. Figures from DfE show that 99% of Year 11 leavers in 2014 had an offer of education or training.

Inclusion

84. Developments continue to take place to improve the attainment of cared for children and to ensure they remain in education and training. Specific programmes to mentor those most vulnerable post-16 are proving highly effective.
85. The local offer for children with SEN has increased access to good quality local provision. In quarter four, the local offer was published and launched through a number of events to raise awareness, including the launch event for the Children and Young People's Plan. Publicity materials, co-produced with professionals and the parent carer group, were used to publicise and raise awareness of the local offer amongst local residents and professionals.
86. Work has continued to ensure that information is current and meets the needs of residents. New services are added along with updates to existing services on a daily basis, and training sessions have taken place to allow some Council services to update and maintain their own information in the online directory. In addition to various online feedback mechanisms for the local offer and the Cheshire East directory (e.g. online forms, and the ability to leave feedback for individual services), parent questionnaires were also sent out to gather feedback. This feedback is being used to shape future developments, for example an improved search functionality.
87. The overall financial outturn for Children's Services of just under £0.2m underspent on a net budget of £46m reflects the position reported throughout the year. Unit prices have been driven down through successful negotiation which has mitigated increased costs which have arisen from a rise in children in care numbers to 350 (at year-end). This has included a small number of secure placements, which have been accommodated within the budget affordability. The service has embraced the discipline of business improvement reviews, realising a range of service efficiencies. Good vacancy management and other one-off remedial measures have been taken to balance the books overall.
88. The budget is likely to remain under pressure to achieve savings targets in 2015/16. There remains an ongoing difficulty in recruiting permanent staff to the professional social worker establishment (with the result being expenditure on more expensive agency staffing in order to maintain the safety of the service), pressure created by more children identified as needing protection from harm and therefore being placed in the care of the Council, and the further investment needed to maintain the momentum of the Ofsted Improvement Plan before the formal reassessment.
89. Cheshire East was able to carry forward unspent Dedicated Schools Grant (DSG) of £5.9m from 2013/14 into 2014/15. This surplus was the result of savings delivered on the SEN placements budget (both in the placements made out of county and in independent provision) and in the amount of statement requests from schools. The Early Years budget also underspent as the service was building up the provision of places for 2 year olds in accordance with Government guidelines. In addition, the Education Funding Agency reviewed the allocation of post-16 High Needs Funding and in recognition of the misallocation of the previous SEN Block grant, allocated Cheshire East an additional £3.6m as one-off funding.
90. Some of this funding was used in year for specific projects, aimed at narrowing the gap, leaving £3.3m to be carried forward again into 2015/16. Continued careful budget management throughout 2014/15 has resulted in an additional underspend on centrally retained DSG of £4.8m, which means that the Authority has been able to carry forward a balance on centrally retained DSG of £8.1m.

91. This prudent budget management has enabled the Local Authority to maintain all school formula funding values at existing levels, whilst delegating in full the additional £5.7m received in the 2015/16 DSG settlement to schools through the Age Weighted Pupil Unit (AWPU) factor in the schools funding formula. The Council has again been able to earmark funding for specific projects that are likely to create a budget pressure in year. £0.4m has again been earmarked for Priority Projects to support Narrowing the Gap activity and improve the attainment for Vulnerable Children. A further £4.2m has been set aside to meet pressures likely to occur in 2015/16 and 2016/17 due to the introduction of Children and Families Act, the new Autism Special School, new alternative provision being developed in the borough and pressure on the post 16 High Needs budget.
92. Schools brought forward surplus balances of £8.9m from 2013/14. During 2014/15, a further 17 schools converted to academy status, taking their budget surplus with them. The policy for holding earmarked reserves for specific projects within schools remains in place, meaning that at the end of 2014/15, schools have total surplus balances of £8.1m, with £2.1m held in earmarked reserves, £0.7m unspent specific grants and the remaining £5.3m held as uncommitted balances.

4 ~ Cheshire East is a green and sustainable place

Development Management

93. The Inspector examining the Local Plan Strategy issued his Interim Views in November, which necessitated a revision of the Local Plan timetable. However, the Council reacted promptly and positively through the Local Plan Task Force, which drove production of additional evidence for draft publication in May 2015. It is anticipated that the Examination will resume in the autumn of 2015.

94. In the meantime work on the subsequent site allocations has been commissioned and was making sound progress by the end of March.
95. Planning applications for 2014/15 show a significant improvement in the determination of 'Major' applications; however there has also been downturn in 'Minors' and 'Others', compared with the previous year. These figures reflect the considerable effort placed on improving the position for Majors, but with overall application numbers remaining very high, pressure has thus been felt in other areas.
- N157a (majors within time) - 61%
 - N157b (minors within time) - 55%
 - N157c (others within time) - 75%
96. In terms of the rolling two year average which central government measure, the Council remains in a satisfactory position, comfortably outside 'special measures' but still with notable room for improvement.
97. Appeals have continued at a high rate, but with some notable successes in relation to sites in the Green Gap - including a High Court victory. This has pushed some of the ongoing financial pressure further into 2015/16.
98. The creation of 'Civance' - a wholly owned company of the Council providing professional services for Building Control, Structural Appraisal, Fire Risk Assessment, Local Land Charges, Address Management, Planning Support and Liaison - is a significant achievement for 2014/15 and now sets the scene for further efficient working in 2015/16.

Waste Management

99. Cheshire East is one of the best-performing boroughs in the North West when it comes to recycling, with more than half of all household waste collected by the Council now being either recycled, reused or composted. This year has been the best yet, with our silver bin and garden waste recycling schemes likely to report a combined recycling figure of over 56%. Our Household Waste Recycling Centres have also had a great year; having reused and recycled 79.7% of items deposited and reported an overall customer satisfaction rate of 96.6%.
100. Significant progress has been made in beginning the new Waste Strategy to 2030. This was agreed by Cabinet in October 2014. The Strategy seeks to reduce waste, reuse and recycle what we can, and to treat what remains as a resource for energy production, ending the landfilling of black bin waste. With our delivery company, Ansa Environmental Services, we have worked to reduce waste through schools education and our waste prevention volunteer scheme. Our partnership with Christian Concern, Crewe, has seen the tonnage of waste reused increase by 5% to 1,176 tonnes, and in dry recycling we are projecting an increase in the tonnage of 8% over last year.
101. This year has also seen significant moves away from landfilling black bin waste. 19,000 tonnes of waste from the north of the Borough has been utilised for energy production at Staffordshire's energy from waste plant in Stoke-on-Trent. This has resulted in an overall drop of 35% in waste sent to landfill.
102. This year's results place Cheshire East in a strong position to continue to build on the progress made so far. In future years the proposed Environmental Hub will enable the ending of landfill disposal through the use of existing energy from waste plants outside the Borough. The Council is also currently undertaking feasibility work into dry anaerobic digestion, which has the potential to allow us to collect food waste as part of our garden

waste recycling scheme, creating energy, in addition to high quality recycled compost.

Carbon Management

103. In 2014/15 the Council reduced the Carbon Dioxide emissions from its operational buildings to 10,070.4 tonnes, representing a 40% reduction in emissions on the baseline, and is well in excess of our target to achieve 25% reduction by 2016.
104. As previously reported, the Council is investigating the suitability of renewable technologies for top 5 energy users in building assets, with facilities management. The scheme could both help reduce carbon reduction commitment levels and bring a return on investment from the Renewable Heat Incentive and Feed in Tariff.

Environmental Management

105. All Green Flag awards were retained during 2014/15 (Bollington Recreation Ground; Brereton Heath Local Nature Reserve; Congleton Park; Sandbach Cemetery; The Moor in Knutsford; Tatton Park; and Tegg's Nose Country Park, Macclesfield) and Tatton also achieved 'Green Heritage' status.
106. Actions within the Council's Air Quality Strategy are underway, supported by the further development of our Local Air Quality Management website. Milestones within the Air Quality Action Plan are on track in accordance with their schedule. In addition, implementation of the Electric Vehicle Infrastructure is well underway; to date six charging points have been installed within the Council's estate, demonstrating our commitment to improving air quality and encouraging sustainable transport.

Sustainable Energy

107. 1,000 customers signed up in the first two weeks of the 'Fairerpower' scheme. £252,000 has been saved by Cheshire East residents, meaning an average saving of £252 per customer. Cheshire East is the first local authority in sixty years to offer energy to residents, resulting in national media interest from The Times, Financial Times, The Independent and Daily Mail. Associate partners are in discussions about joining the Fairerpower offer.
108. A series of schemes are being developed to progress the delivery of the Council's Energy Framework, which has set about the vision to create affordable energy, grow energy businesses and create independent energy.
109. Business plans have been produced and preparations for submission to the Council's Technical Enabler Group / Executive Monitoring Board are underway for the Cheshire East Energy Ltd Alternative Service Delivery Vehicle. The project is on target to present a full report to Cabinet in summer 2015, with a planned feasibility report completed.
110. Two schemes are being progressed with regard to Geothermal heat; Single Well and Deep Geothermal. The schemes are complimentary and are progressing, with the team developing specifications to go out to market for the developing model for delivery. The Department of Energy and Climate Change (DECC) have approved the funding for the single well project, and discussions to establish planning and permitting requirements are underway, with publicity about the scheme to commence end of May 2015. This will set a precedent for Geothermal energy in the UK, and is on target for delivery by April 2016.
111. Environmental Operations has an overall overspend of £0.4m against a net budget of £28.4m; this mainly relates to one-off client side staffing costs, for which growth is included in the

2015/16 budget, and actuarial costs / voluntary redundancies for former Service Managers. There was a much improved outturn position on bereavement services income which ended up slightly above budget on the year after projected pressure earlier in the year.

112. An underspend of one off funding of £0.5m will be carried forward in relation to the new integrated contract procurement which requires re-profiling over 2015/16 and 2016/17, leading to the new depot in 2017.

5 ~ People live well and for longer

Facilitating people to live independent, healthier and more fulfilled lives

113. During 2014/15 the Council successfully met carers' respite needs through a range of activities including supporting customers with dementia through Shared Lives day care, provision of Personal Assistants and assistive technologies such as Global Positioning System to provide peace of mind for carers, in addition to supporting a range of services including the 'Neighbours Network' to enable independent living and provide carers with a break from their role.
114. Cheshire East Council has been working with our partners across the whole Health, Care and Support system to help people remain independent. For example, we have run services over weekends to help us deal with winter pressures and to be able to respond promptly to the needs of our residents. The strategic aim of all those involved in Care and Support is to help people live well and for longer. In order to do that we are promoting independence, and when people can't cope on their own, we're helping them get back on their feet via reablement and other various services.

115. In quarter four we made the changes we needed to implement the Care Act. This included providing information and advice both via our website and printed matter as well as introducing an independent phone line. We have also worked with colleagues across the region with the aim of jointly making information available in as consistent a way as possible, so that our residents can make informed decisions about the support and care that they need.
116. Adult prisoners are one group of people for whom the Care Act marks a major change in how their needs are assessed and met. From April 2015 local authorities will be responsible for assessing and meeting the social care needs of adult prisoners (not just on discharge from prison but also while they are in custody). The LGA welcomed the new legislation as *“to date it has been unclear who is responsible for meeting the social care needs of prisoners, with the result that such needs have often gone unrecognised or have not been met effectively. As a consequence individuals have been unable to participate as fully as they could in the day to day life of the prison, and could potentially have suffered a loss of dignity, been subject to abuse by other prisoners and have left prison less well equipped to return successfully into the community than they might have done.”*
- HMP Styal is located in Cheshire East. This is a women’s prison and our care and support staff have been conducting assessments under the Care Act. Our initial findings suggest that between 10% and 25% of those assessed may meet our eligibility thresholds. Others required support related to equipment and visual impairment.
117. Cheshire East Adults Social Care and our colleagues who provide health services such as community nursing and physiotherapy came together over eight weeks in quarter four to co-design and agree a model for community integrated teams. These teams will be part of the communities that they support; they will be flexible and go to where the need is greatest to help residents stay in their own homes.
118. We also recognise the value of carers and how, at times, being a carer can be incredibly hard. But carers aren’t just carers – they are people with lives and desires and goals of their own. As shown in the 2015 State of Caring report, carers are worried about money, about how they can maintain their own employment, relationships and lives and what the future holds. That’s why the Care Act enshrined the right for carers to have an assessment so that their needs can be assessed and supported.
119. We have developed a Carers’ Strategy ‘Caring for Carers: A Joint Strategy for Carers of All Ages’ in conjunction with our Clinical Commissioning Group partners which identifies the plans for support for carers to support them in their caring role. In January 2015 we undertook 7 engagement events with carers (110 carers attended) across Cheshire East which delivered information and gained feedback on the Care Act 2014 implementation and how this legislation improved access to carers’ assessments, support planning, personalisation and direct payments.
120. Cheshire East Council’s Housing Related Support Services are instrumental in enabling people to stay living in their own homes and remain as independent as possible. In the most recent quarter, a minimum of 73% of people receiving support from Housing Related Support services were able to maintain independent living. Of 36 services where performance indicators are submitted for independent living, performance has improved in 6 areas since the previous quarter. This includes mental health and older people client groups. In addition, there have been 393 referrals successfully placed with Housing Related Support services in quarter four.

121. The number of home adaptations per annum for older and / or disabled residents stood at 2,090 at the end of 2014/15, significantly ahead of our annual target of 1,700. The Council's focus on early intervention and prevention has increased the number of minor adaptations provided to keep residents living safely in the community, together with an increase in the use of Disabled Facilities Grants.
122. Between January and March 2015 intermediate care services supported the recovery of 471 people following incidents of ill health.
123. Cheshire East continues to work closely with Registered Providers to increase the level of affordable homes available across the authority. In 2014/15 the target of 350 was exceeded with 640 units being completed.
124. Reducing the level of empty homes continues to be a priority. We are on track to achieve our target of 1% by 2016 with an outturn at the end of 2014/15 of 1.04%. This is being achieved through a number of projects including the 'In Town Living' project, affordable homes development and the Housing Innovation Fund.
125. The Handyperson Service was due to be successfully transferred to Orbitas on 1st May 2015. The intention is to develop the service further to enable residents to remain living independently within a home of their choice.
126. The Vulnerable and Older Persons Housing Strategy would be presented to Cabinet in May 2014.
127. Leisure has a small overspend of £0.1m against a net budget of £2.2m, relating to the client management budget, for which growth is included in the 2015/16 budget. Further one-off costs associated with the Council's Leisure closedown and transitional support to the Trust in its first year fed into the corporate outturn.

Early Intervention, Help and Prevention

128. Thirteen Public Health Transformation Fund projects are now underway. This now includes:
 - CVS (social prescribing project)
 - YMCA (healthy conversation project)
 - Catch 22 (MyChoice - Holistic Sexual Health Education, Advice and Guidance)
 - Cheshire East CAB (Advice on Prescription)
 - Cheshire East Council Public Rights of Way and Countryside Management Service (Walking to Wellbeing)
 - Cheshire Without Abuse (Safer and Healthier Families)
 - CVS (Social Prescribing)
 - End of Life Partnership (Cheshire Living Well, Dying Well)
 - Food Dudes (Food Dudes in our Schools)
 - NHS SCCCH (Diagnose Cancer Early – campaign)
 - Peaks and Plains Housing Trust (Keeping Warm, Living Well)
 - Royal Voluntary Service (Staying Home Community Support)
 - St. Luke's Hospice (Volunteer Befriending in Crewe and Nantwich)
 - The Reader Organisation (Reader in Residence Project)

Reporting on projects has been initiated and will inform quarter one reporting in 2015/16.

129. The Walking for Health Project funded by Public Health Transformation fund is developing a project in the north Crewe area. The project is on target and has now moved to the implementation stage with work being undertaken to modify the public rights of way network for the project.
130. Adult services are in the process of recruiting an additional 6 Local Area Co-ordinators creating a team of eight to work with the Adult Social Care to support service users to engage in community activities and identify innovative ways to meet their needs.

131. The Emotionally Healthy Schools pilot is out to procurement. Six schools were identified to participate in first stage. 4,200 children and young people attend these schools; 10% of the 0-19 population of Cheshire East. Interventions will commence with the 2015/16 academic year. With the focus on prevention at the first point of contact the team have exceeded the annual target and have prevented 841 households from becoming homeless at year end.
132. The Dementia Reablement Service has been launched, focussed on supporting people to continue to live independently following a diagnosis of dementia.
133. A working group has been established to draft the Cheshire East Alcohol Harm Reduction Strategy. This includes officers from a number of Council teams, and colleagues from the Police and Clinical Commissioning Groups.
134. Communication is ongoing with the East Cheshire NHS Trust and Mid Cheshire NHS Foundation Trust to facilitate the adoption of the Cardiff Model within their respective A&E Departments.
135. The 'Under the Weather' working group is continuing to oversee and connect activities linked to reducing excess winter deaths. Public Health are undertaking detailed research to determine other interventions to focus upon.
136. The 'Street Triage' mental health initiative (led by the Police) is now running in Cheshire East and is already demonstrating positive impacts with people being referred more appropriately and A&E admissions being avoided.
137. A pan-Cheshire mental health needs assessment is now underway, led by the two Public Health teams, to inform a Pioneer review of mental health commissioning.
138. Sexual Health Services have been re-commissioned for 2015/16.

Accessible Services, Information and Advice

139. The Care Act places a duty on local authorities to provide information and advice. We have published a directory of support and care on our website and have also distributed 3,000 printed copies where and when they are needed. These have been well received, so much so that we are now printing over a thousand additional copies to meet demand.
140. During the year over 6,000 young people received training to improve their bike riding skills to improve their safety whilst undertaking this healthy activity.
141. There were over 2.7m visits to the Council's leisure centres during the year. These facilities are now run on behalf of the Council by Everybody Sport and Recreation. This figure will now be used as the baseline to determine future performance improvements.
142. Theatre attendance targets are being exceeded, which led to a review of the original targets. The full-year attendance at end of quarter four has even exceeded the revised target of 74,394 by 17.6%, now standing at 87,533 for 2014/15. In addition, use of the theatre by community groups is up 15% on the previous year.

Public Protection and Safeguarding

143. Policies and procedures have been revised, agreed and updated in light of the Care Act. All of these have been communicated with our staff from Making Safeguarding Personal to the changes in carers' rights. The redesign of adult social care processes has also continued so that we are positioned to make use of the new technology and systems which we will be implementing in autumn 2015.

144. Cheshire East were successful in its bid as the accountable body for the Tech Fund 2. This has enabled us to move forward as a partnership (via the Cheshire Pioneer) in developing the Cheshire Care Record. This is a real game-changer and will allow professionals to see relevant information about the residents that they are working with so that people will only need to tell their story once.
145. The new Dementia Reablement Service was launched on the 1st May 2015, to provide advice, support and information for anyone who has recently been diagnosed with dementia via Cheshire East memory clinics. It will be a free service made up of trained staff who have an understanding of people living with dementia. Having an early diagnosis of dementia and getting early support to the individual and their family can help to continue living well and independently for as long as possible.
146. Work to address the findings of Ofsted's Progress Inspection of Children's Services was underway in quarter four.
147. A new Children's Improvement Plan was agreed by the Improvement Board, with a focus on the partnership contribution to safeguarding children and young people.
148. Improving timescales for assessments continues to be a priority. Revised practice standards around assessments were launched in January to improve timeliness. Fortnightly performance challenge sessions of all services are now underway and these ensure that performance is scrutinised in great depth across all teams and services, so a culture of performance management is embedded. The latest audits are showing improvements in the quality of practice.
149. An innovation bid, submitted to the Department for Education to provide some children in need services in Crewe in a different way, has been approved. 'Project Crewe' will see the Council working in partnership with the charity Catch 22 to deliver tailored services for some of the most vulnerable families, overseen by a qualified social worker. By harnessing the specialist skills and knowledge of Catch 22, the Council hopes to better support these families and improve outcomes for children and young people. Work is now underway to get this up and running.
150. The Safeguarding Unit continues to ensure that participation with children and young people is meaningful through a variety of media, including an improved website, co-produced by young people. In addition, the Local Safeguarding Children Board is working to implement 'Strengthening Families', a new model for child protection conferences, designed around better engagement with families.
151. The launch of the Children and Young People's Plan, co-produced and co-delivered with children and young took place in January 2015. This included the launch of the Neglect Strategy.
152. After approving a record number of 40 Adopters in 2014/15, Cheshire East has been shortlisted along with our partners Stockport, Tameside and Trafford who make up the Four4Adoption service. If successful, it will be the second award since the partnership was established in 2013. The four authorities have worked in collaboration to increase the number of adopters and successful placements in Cheshire East and the three Greater Manchester boroughs. The general trend is that the timeliness for the majority of children placed for adoption is improving. The percentage figure of children placed within timescales has increased from 53% in 2012/13, to 61% in 2013/14 with a figure of 59% in 2014/15.

153. The financial headline for Adults Services is an underspend position for the second year running with the final outturn being £94.3m against a net budget of £94.5m, representing a variance of less than 0.25%. This has been achieved against the local and national backdrop of increased demand coming through the ageing population and increased levels of complexity being presented by service users. This positive outturn arrives as a result of a number of factors. Positives include early delivery of some 2015/16 target savings in areas such as Supporting People, income levels remaining buoyant and care costs (especially in relation to older people) continuing to be tightly managed. This latter point is achieved through a combination of front-line social work practice supported by a number of preventative interventions which support residents, including those such as reablement which contribute to maximising independence.
154. The positive financial position cannot detract from very real ongoing financial challenges being faced by the Adults service. Delivery of some existing Medium Term Financial Strategy targets in 2014/15 have been delayed which will impact in 2015/16, negotiation of complex / joint funded packages of care is still to be resolved and demand will inevitably rise due to both the demographics of the Borough and the impact of the Care Act.
155. Public Health is funded through a ring-fenced grant of £14.3m received from Central Government. 2014/15 represents the second year of this service being with local government. Major contracts within the service such as Drugs & Alcohol and Sexual Health have been renegotiated, which in addition to providing financial efficiencies moving forward also, importantly, involve an increased focus on preventative activities. In 2014/15 the service successfully launched the Public Health Innovation Fund which has resulted in targeted investment of over £1m in key Public Health outcomes from Children's obesity initiatives to added investment in supporting Mental Health outcomes. This is being delivered by a variety of partners from local voluntary organisations to statutory Health bodies.

156. Investment in both Children's and Adults has also been made during 2014/15 and a full investment plan covering the following three year period is being drafted. This will mean that the allocation of spending on public health programmes is moving towards a target investment based on the burden of illness and disability experienced by residents. This combines both premature mortality with time lived with a disability to derive a measure that describes the total burden of disease and illness.

6 ~ A Responsible, Effective and Efficient Organisation

157. Budget planning shows that the Council is 'in great shape' financially. Council Tax was frozen for the fourth consecutive year in 2014/15 and, in February 2015, Council voted to freeze Council Tax for 2015/16.
158. Consistent and effective debt recovery processes continue to support high collection rates for council tax and business rates, with two year rates of 99.0% and 99.2% respectively against a target of 98.75% for both.
159. The average age of debt invoices has been reduced to 288 days significantly outperforming the target of 375 days. Ongoing cleansing of historic cases and thorough and effective processes to deal with current debt have contributed to a significant impact on the indicator.
160. The budget for Chief Operating Officer (COO) Services was underspent overall by £3.4m which is an improvement against third quarter and includes underspending of one off budgets
161. Corporate Resources & Stewardship underspent by £2m. mainly within Facilities Management. Energy being underspent by £1.1m, and Repairs and Maintenance being underspent by £0.5m. Pressure from unbudgeted voluntary redundancy costs was offset by staff vacancies across the service resulting in an underspend of £0.4m.

162. Organisational Development underspent by £0.7m partly as a result of unspent one-off budgets (£0.2m), and budget underspends within Organisational Development, and Workforce Development. Organisational Development was underspent (£0.2m), in part due to the ending of the graduate trainee scheme and being unable to get all training programmes running this year. Workforce Development were underspent by £0.3m, largely due to programmes not running as anticipated, such as Care Act training which will now be incurred in 2015/16.
163. Legal Services underspent by £0.1m at outturn (net-nil forecast at third quarter). Following the COO structure costing exercise and the resulting realignment of employee's budgets, the staffing budget for Legal Services increased to accurately reflect the cost of the service's structure. Throughout the year the service has been carrying a number of vacancies, resulting in Legal Services underspending against their staffing budget. Income from general fees and charges improved in the final quarter. The underspend against the staffing budget offset an overspend on supplies and services expenditure, mainly due to additional costs of External Legal Advice.
164. The Governance & Democratic service underspent by £0.1m at outturn (net-nil forecast at third quarter). The underspend was due to pressures within the Coroner's budget, and the Registration Service (which eased in the final quarter) being offset by part-year vacancies within the Chief Executive Office, and an underspend on Members Allowances.
165. Communications underspent by £42,000 (£80,000 underspend forecast at third quarter). The staffing underspend decreased to £62,000 due to increased costs of agency staff. This underspend was offset by a small overspend on supplies and services.
166. The Strategic Commissioning service underspent by £0.4m mainly due to unspent one off budgets (£0.3m) as the majority of expenditure to be funded from this budget will not be incurred

until 2015/16, and an underspend on the staffing budget due to part-year vacancies which were only filled at the end of the year.

2. Financial Stability

Introduction

167. Financial performance has continued to improve compared to previous financial years. Improvements in financial planning, governance and stewardship are having a clear impact on the Council's ability to manage its budget and create greater confidence in the medium term plans which is evidenced by further improved outturn forecasts throughout 2014/15.
168. Applying the best fit approach towards commissioning means the Council now wholly owns several supplier companies as well as maintaining relationships with private sector suppliers, charitable trusts and voluntary sector organisations. The financial position of the wholly owned companies will have a direct effect on the financial performance of the Council over time, but to date no forecast profit or loss is being factored in to the outturn position for the Council.
169. **Table 1** provides a service summary of financial performance for 2014/15. For further details please see Section 1 and the notes below the table. Changes to service net budgets since the Third Quarter Review are analysed in **Appendix 2**.

Table 1 - Service Revenue Outturn Forecasts

	Revised Net Budget	Final Outturn Position	Over / (Underspend)	Over / (Underspend)	Outcome Number 1 - 5
	£000	£000	£000	%	
Children & Families	46,000	45,807	-193	-0.4%	3, 5
Adult Social Care & Independent Living	94,461	94,251	-210	-0.2%	5
Public Health & Wellbeing	2,229	2,274	45	2.0%	5
Environment	28,364	28,799	435	1.5%	4
Highways	10,673	10,882	209	1.9%	4
Communities	10,076	9,287	-789	-7.8%	1, 2
Economic Growth & Prosperity	24,734	25,184	450	1.8%	2
Chief Operating Officer	41,347	37,980	-3,367	-8.1%	
TOTAL SERVICE OUTTURN	257,884	254,464	-3,420	-1.3%	

170. The final service outturn position is an underspend of £3.4m. Further items impacting on the final level of the Council's balances are detailed in the paragraphs below on centrally held budgets.
171. The Council made considerable improvements in the way it managed its major change programmes. This included extensive training, a refreshed methodology, the setting up of new monitoring and reporting arrangements and regular reporting. In April 2013 the Council launched a corporate project and programme management framework to support achievement of the Three Year Plan. The framework focused on capital or revenue projects or programmes where the total value exceeds £250,000, or posed significant risk to the Council. Progress was reviewed by a Member-led governance group, called the Executive Monitoring Board, which was supported by a Technical Enabler Group and the Programme Management Office.

172. Monitoring of projects and programmes focused on whether projects were expected to achieve the benefits set out in each business case within the timescales and budget initially agreed. Where projects were not meeting time, quality or cost standards these were reviewed by Cabinet as part of a regular summary report.

Government Grant Funding of Local Expenditure

173. Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. The overall total of Government grant budgeted for in 2014/15 was £387.4m.
174. In 2014/15 Cheshire East Council's specific use grants held within the services was budgeted to be £283.6m based on Government announcements to February 2014. Further announcements have revised this figure down to £269.4m mainly due to academy conversions. Spending in relation to specific use grants must be in line with the purpose for which it is provided. General purpose grants were budgeted to be £103.9m, but further in-year grant announcements have increased this figure to £107.9m for the year.
175. The Council's budget provides for the receipt of known specific grants. However, where additional non-ringfenced grant funding is received, services wishing to increase their expenditure budgets are required by Finance Procedure Rules to seek approval to use this additional funding. Additional general purpose grants totalling £176,000 were received during the final quarter of 2014/15, and have been transferred to an earmarked reserve. These grants were received too late in 2014/15 to seek approval to spend in year, and therefore this report seeks approval to services' requests to incur additional expenditure in 2015/16 fully funded by these additional grants. Details of the allocations are contained in **Appendix 10**.
176. Business Rates Retention Section 31 compensation grants of £3.2m have also been received during 2014/15 to reimburse billing authorities for the extra discounts offered to businesses as announced in the 2013 Autumn Statement. This includes the doubling of Small Business Rate relief for a further year and a new

Retail Relief discount. These grants have been transferred to the Business Rates Retention earmarked reserve.

177. Services general purpose grant was originally budgeted at £17.4m. Net additional grant of £4m has been received during the year. £1.2m of additional grant has been allocated to services during the year, leaving a net underspend against budget of £2.8m. After allowing for the transfer of £3.4m to earmarked reserves, the net outturn variance is a £0.6m overspend, mainly reflecting a £0.5m reduction in Education Services Grant as reported at the mid year review.
178. **Table 2** provides a summary of the updated budget position for all grants in 2014/15. A full list is provided at **Appendix 3**.

Table 2 – Summary of Grants 2014/15

	Original Budget 2014/15 £m	Revised Forecast 2014/15 £m	Final Outturn 2014/15 £m	Change from TQR 2014/15 £m
SPECIFIC USE				
Held within Services	283.6	269.4	269.4	0.1
GENERAL PURPOSE				
Central Funding	86.5	86.5	86.5	0.0
Service Funding:				
Children's & Families	1.0	1.7	1.8	0.0
Adult Social Care & Independent Living	0.3	0.4	0.4	0.0
Environment	0.1	0.1	0.1	0.0
Highways	0.0	0.1	0.0	-0.1
Communities	3.2	3.2	3.3	0.1
Economic Growth & Prosperity	0.8	0.9	0.9	0.0
Chief Operating Officer	12.0	11.7	14.9	3.2
Total Service Funding	17.4	18.2	21.4	3.3
TOTAL GENERAL PURPOSE	103.9	104.6	107.9	3.3
TOTAL GRANT FUNDING	387.4	374.0	377.4	3.3

Collecting Local Taxes for Local Expenditure

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

Council Tax

180. Council Tax is set locally and retained for spending locally. Council Tax was frozen for 2014/15 at £1,216.34 for a Band D property. This is applied to the taxbase.
181. The taxbase for Cheshire East reflects the equivalent number of domestic properties in Band D that the Council is able to collect Council Tax from (after adjustments for relevant discounts, exemptions and an element of non collection). The taxbase for 2014/15 was agreed at 137,548.53 which, when multiplied by the Band D charge, means that the expected income for the year is £167.3m.
182. In addition to this, Cheshire East Council collects Council Tax on behalf of the Cheshire Police and Crime Commissioner, the Cheshire Fire Authority and Parish Councils. **Table 3** shows these amounts separately, giving a total budgeted collectable amount of £202.7m.

Table 3 – Cheshire East Council collects Council Tax on behalf of other precepting authorities

	£m
Cheshire East Council	167.3
Cheshire Police & Crime Commissioner	21.1
Cheshire Fire Authority	9.5
Town & Parish Councils	4.8
Total	202.7

183. This figure is based on the assumption that the Council will collect at least 98.75% of the amount billed. The Council will always pursue

100% collection, however, to allow for non-collection the actual amount billed will therefore be more than the budget.

184. This figure may also vary during the year to take account of changes to Council Tax Support payments, the granting of discounts and exemptions, and changes in numbers and value of properties. The amount billed in 2014/15 was £205.5m.
185. **Table 4** shows collection rates for the last three years, and demonstrates that 99% collection is on target to be achieved within this period.

Table 4 – Over 99% of Council Tax is collected within three years

Financial Year	CEC Cumulative		
	2012/13 %	2013/14 %	2014/15 %
After 1 year	98.2	98.1	97.9
After 2 years	99.3	99.0	**
After 3 years	99.5	**	**

**data not yet available

186. The Council Tax in-year collection rate for 2014/15 was 97.9% compared to 98.1% for the same period in 2013/14. This reduction is due to the continued impact of Council Tax Support Scheme arrangements.
187. Council Tax Support payments (including Police and Fire) were budgeted at £19.1m for 2014/15 and at the end of the year the total benefit awarded was £16.1m. The Council Tax Support caseload has reduced since April 2014 and there have been more reductions in the awards in the year than increased or new awards.
188. Council Tax discounts awarded are £18.9m which is slightly higher than 2013/14 (£18.6m).

189. Council Tax exemptions awarded totalled £3.6m which is in line with the awards granted in 2013/14.

Non-Domestic Rates (NDR)

190. NDR is collected from businesses in Cheshire East based on commercial rateable property values and a nationally set multiplier. The multiplier changes annually in line with inflation and takes account of the costs of small business rate relief. This year the multiplier increase was capped by the Government at 2%.
191. The small business multiplier, applied to businesses which qualify for the small business relief, was set at 47.1p in 2014/15. The non-domestic multiplier was set at 48.2p in the pound for 2014/15.
192. The amount of business rates set by Department for Communities and Local Government (DCLG), to be collected by Cheshire East at the start up of the business rates retention scheme, was £132.5m (including an allowance for valuation appeals). This baseline is subject to an inflationary increase each year (capped at 2% for this year) and therefore for 2014/15 the level was £135.1m.
193. At final outturn net rates collected was £129.8m. This reduction was due to an increase in the provision required for possible successful appeals. This was as a result of a large spike in the number of late appeals lodged with the Valuation Office Agency at the end of March 2015. The final provision was set at £5.9m for Cheshire East (£12.1m total provision for all preceptors).
194. **Table 5** demonstrates how collection continues to improve even after year end. The table shows how over 99% of non-domestic rates are collected within three years.

Table 5 – Over 99% of Business Rates are collected within three years

Financial Year	CEC Cumulative		
	2012/13 %	2013/14 %	2014/15 %
After 1 year	98.0	98.3	98.1
After 2 years	98.8	99.2	**
After 3 years	99.4	**	**

**data not yet available

195. The business rates in-year collection rate for 2014/15 was 98.1% compared to 98.3% for 2013/14. This represents a decrease in collection rate of 0.2% following changes to the payment schedules of a large number of business rate payers who chose to extend payments into February and March. This impacted on the ability to pursue late payment before year-end.

Capital Programme 2014/18

196. Since the Third Quarter Review the overall programme has decreased by £1.7m as shown in **Table 6**.

Table 6 – Summary Capital Programme

	TQR Total Forecast Budget 2014/18 £m	Amendments to Outturn Forecast Budget 2014/18 £m	Amended Outturn Forecast Budget 2014/18 £m	Budget Reductions £m	Supp Revenue Estimates £m	Revised Total Forecast Budget 2014/18 £m
Early Help & Protection	2.3	0.0	2.3	0.0	0.0	2.3
Education Strategy	32.4	0.0	32.4	-0.6	0.0	31.8
Adult Social Care & Independent Living	3.4	1.0	4.4	0.0	0.0	4.4
Public Health & Wellbeing	27.1	0.0	27.1	0.0	0.0	27.1
Environment	17.0	-2.8	14.2	-0.1	0.2	14.3
Highways	36.5	0.6	37.1	-0.1	0.2	37.2
Communities	2.9	0.0	2.9	0.0	0.0	2.9
Economic Growth & Prosperity	224.9	0.0	224.9	-0.1	0.3	225.1
Chief Operating Officer	70.7	-0.3	70.4	0.0	0.0	70.4
	417.2	-1.5	415.7	-0.9	0.7	415.5

Table 7 – Capital Funding Sources

	TQR Total Forecast Budget £m	Outturn Total Forecast Budget £m	Change £m
Grants	183.0	186.5	3.5
External Contributions	59.6	58.5	-1.1
Cheshire East Resources	174.6	170.5	-4.1
Total	417.2	415.5	-1.7

Capital Budget 2014/15

197. The amendment since third quarter review of £2.8m within Environment relates to the purchase of waste vehicles that have now been leased back by ANSA so the requirement for a capital budget has reduced.
198. There have also been a number of budget reductions totalling £0.9m, and Supplementary Capital Estimates of £0.7m which are grant or externally funded.
199. The revised programme is funded from both direct income (grants, external contributions) and the Council's own resources (prudential borrowing, revenue contributions, capital reserve). A funding summary is shown in **Table 7**.

200. At the Outturn stage the Council has incurred actual expenditure of £101.5m in 2014/15 against an approved in-year budget of £132.7m, as shown in **Appendix 4**. The Council has also contributed expenditure of £13.6m for the SEMMMS relief road with matched grant funding from the Department of Transport. The new relief road straddles Stockport MBC and Manchester City Council boundaries as well as Cheshire East. As the host council, Stockport MBC includes the full costs within their capital programme.
201. Since the start of 2014/15 slippage on the capital programme has been measured on schemes that are at the Gateway 2 stage. These are classed as committed schemes as they should have commenced prior to, or during, 2014/15 and have a detailed forecast expenditure plan in place. **Table 8** below shows the actual expenditure incurred on those schemes against the revised outturn budget.

Table 8 – Progress Against Gate 2 Schemes in 2014/15

	TQR Budget	Final Outturn Budget	Actual Exp	Current Forecast Over / Under Spend
	£m	£m	£m	£m
Early Help & Protection	1.3	1.3	0.3	-1.0
Education Strategy	10.1	10.0	8.5	-1.5
Adult Social Care & Independent Living	0.8	1.8	1.6	-0.2
Public Health & Wellbeing	8.5	8.5	4.7	-3.8
Environment	2.7	2.8	1.2	-1.6
Highways	31.4	31.9	29.9	-2.0
Communities	1.2	1.1	0.4	-0.7
Economic Growth & Prosperity	26.0	25.8	20.5	-5.3
Chief Operating Officer	37.5	37.6	28.9	-8.7
Total	119.5	120.9	96.0	-24.9

still on target so that the new facility opens in March 2016 as expected.

202. During 2014/15 a number of major projects have started and are progressing at a steady pace, including the Crewe Green Link Road (£11.8m), Crewe Lifestyle Centre (£4.6m), Highways Investment Programme (£14.9m) and Connecting Cheshire (£18.6m).
203. However there has been slippage of £24.9m across all services' budgets. £7.8m of this occurred on the Connecting Cheshire project which had anticipated costs of £26.4m but only incurred costs of £18.6m. This was mainly down delivering against a high demand for the service. The Development Programme for Housing and Jobs underspent by £1.3m. The Crewe Green Link Road scheme anticipated costs of £15.7m and delivered significantly against that budget but there was an in-year underspend of £3.9m. Crewe Lifestyle Centre also had an underspend of £3.7m but the project is

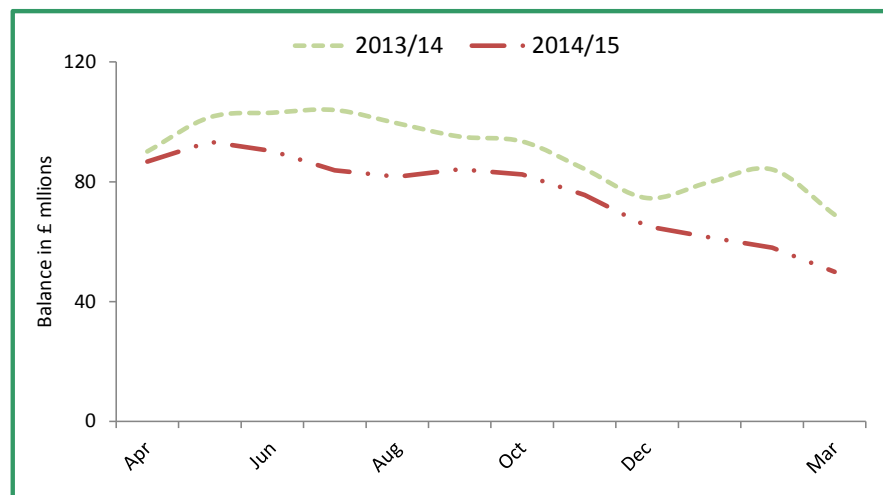
204. **Appendix 5** lists approved supplementary capital estimates and virements up to and including £250,000 approved by delegated decision which are included for noting purposes only.
205. **Appendix 6** details requests for virement of over £250,000 relating to Daven Primary School, and Highways Local Area programme.
206. **Appendix 7** details a request to Council to approve a virement of £1.3m to fund an overspend on the Highways Investment Programme in 2014/15.
207. **Appendix 8** lists details of reductions in Approved Budgets where schemes are completed and surpluses can now be removed. These are for noting purposes only.

Central Adjustments

Capital Financing Costs and Treasury Management

208. The capital financing budget includes the amount charged in respect of the repayment of outstanding debt and the amount of interest payable on the Council's portfolio of long term loans. These costs are partly offset by the interest the Council earns from temporary investment of its cash balances during the year. The capital financing budget of £12.4m accounts for 5% of the Council's net revenue budget.
209. Cash balances remained stable throughout the year, and no additional external borrowing was undertaken as the Council continued its policy of 'internally' borrowing to finance the capital programme. As a result external interest charges have continued to decrease as external loans are repaid and not replaced.

Chart 1 – Average monthly cash balances available for investment



210. Investment income achieved in year was £1.1m (see Table 9), including the full realised income from the sale of externally managed investments of which £0.4m relates to previous years. Since the initial investment of £20m was made in June 2011, the funds have returned an average of 0.6% per year with 2014 being above average.
211. Although returns improved in 2014, prior to this the externally managed pooled funds had not been performing as well as anticipated so were recalled. In their place, investments were placed with the Charities, Churches and Local Authorities property fund and in covered bonds. The property fund is designed to offer high returns but should be viewed over a five to six year period as eventual returns based on the underlying value of the assets of the fund can be volatile. The covered bonds provide additional security as they are backed up by collateral, are exempt from bank bail-in risk and still provide a good level of return. The bonds currently

held are due to mature in March 2016 and are fixed at a margin above the London Inter-bank Offer Rate (LIBOR).

212. There is a difference between the purchase price of the units in the property fund and their selling price of around 7%. Since the purchase of the units at the end of October 2014 the selling price has increased by 5.7% with the fund expected to recoup the costs of initial investment early in 2015/16. In addition to capital growth, the fund pays out income earned from property rents in the form of dividends. This has provided a significant boost to investment income in 2014/15 of £0.1m at a rate of 4.83%.
213. As a result of additional investment income and lower external interest charges overall the budget has underspent by a total of £1.8m. This has been transferred to an earmarked reserve to fund future capital expenditure from revenue contributions. The budget is therefore reporting a net nil variance at outturn.

Table 9 – Investment Returns

Sources of Income	£000
In House Managed Investments	359
Fund Manager Gains in Value from 2011	591
Property Fund	101
Other Interest Income	79
Total Income	1,130

- The average lend position (the 'cash balance') including fund manager in the year was £76.3m.
- The average interest rate received on in-house investments in the year was 0.57%.
- The average interest rate (after fees) received on the externally managed pooled funds in the year was 0.97%.

- The average dividend return from the property fund in the year was 4.83%.

214. The Council's total average interest rate received in the year was 0.74%. This is favourable when compared to the London Inter-bank Bid Rate (LIBID) for 7 days at 0.44% (see Table 10). The Council benefited from improved performance of the managed funds in 2014 and the high yields from the property fund.

Table 10 – Interest Rate Comparison

Comparator	Average Rate
Cheshire East	0.74%
LIBID 7 Day Rate	0.44%
LIBID 3 Month Rate	0.50%
Base Rate	0.50%

215. All investments are made in accordance with the parameters set out in the Treasury Management Strategy Statement approved by Council on 27th February 2014 and updated on 26th February 2015. Further details of counterparty limits and current investments are given in **Appendix 9**.

Central Contingencies and Contributions

216. The 2014/15 budget included £1.1m to meet ongoing actuarial charges relating to Voluntary Redundancies. A budget of £1m is also held centrally to meet past service Employer Pension contributions relating to staff transferred to the new supplier companies. Spending in year on these items was in line with the budget.
217. The outturn for contingencies also includes £1m of additional income from the NHS relating to settlement of 2013/14 funding, offset by budget pressures arising from contractual obligations in

Leisure. Other miscellaneous items have generated a small underspend of £0.1m.

218. The service underspend has also created flexibility to transfer £2.2m into earmarked reserves to provide for future funding and sustainable investment costs.

Debt Management

219. The balance of outstanding debt is broadly in line with the level at third quarter review. Balances remain within expected levels and adequate provisions have been made. A summary of outstanding invoiced debt by Service is contained in **Appendix 11**.

Outturn Impact

220. The impact of the projected service outturn position increases balances by £3.4m as reported above (**para 170**).
221. Taken into account with the central budget items detailed above and the approved use of general reserves (**para 224**), the financial impact described in this report decreases balances by £5.1m as summarised in **Table 11**.

Table 11 – Impact on Balances

	£m
Service Net Budget Outturn	3.4
Central Budgets Outturn	-2.7
Use of Reserves reported to Council	-5.8
Total	-5.1

Management of Council Reserves

222. The Council's Reserves Strategy 2014/17 stated that the Council would maintain reserves to protect against risk and support investment. The Strategy forecast that the risk assessed level of reserves would be likely to remain at £14.0m throughout the medium term.
223. The opening balance at 1st April 2014 on the Council's General Reserves was £19.8m, as shown in the published statement of accounts for 2013/14.
224. Council have approved the use of £5.8m of general reserves in 2014/15, to support investment in sustainability and communities, at their meetings in February and July 2014.
225. The overall impact of service budgets, central budgets and Council decisions is shown in **Table 11** above. **Table 12** shows how this impacts on the closing balance of general reserves.

Table 12 – Change in Reserves Position

	£m
Opening Balance at 1 April 2014	19.8
Impact on Balances at Final Outturn	-5.1
Final Closing Balance at March 2015	14.7

226. The balance of £14.7m is broadly in line with level planned in the 2014/17 Reserves Strategy. Overall the Council remains in a strong financial position given the major challenges across the public sector.
227. The Council also maintains Earmarked Revenue reserves for specific purposes. At 1st April 2014 balances on these reserves stood at £26.3m (excluding balances held by Schools). Council have approved the transfer of £5.8m from general reserves into earmarked reserves in 2014/15 to support investment in sustainability and communities. An additional £10.5m of unspent

grant (largely Dedicated Schools Grant) has been transferred to revenue grant earmarked reserves, and £4.8m has been transferred into the newly proposed Financing reserve. Other transfers to and from earmarked reserves have increased the balance by £1.7m. At 31st March 2015, total earmarked reserves stood at £49.1m.

228. Services have made provisions within their outturns to reflect slippage in spending plans for temporary cost of investment and other budgets, carry forward of grant backed initiatives and provision for specific liabilities. It is proposed that this expenditure be met from carry forward via the service manager earmarked reserve under Finance procedure Rule A 40, as listed in **Table 13** below.
229. A full list of earmarked reserves is contained in **Appendix 12**. Cabinet are asked to request Council approval to the newly created reserves at 31st March 2015.

Table 13 – Service Manager Carry Forward Earmarked Reserve

Service	Type	Description	Amount £000	Total £000
Children & Families	COI	Young Persons Advice	20	165
	Other	Catering - Food Quality & Marketing	145	
Adult Social Care & Independent Living	COI	Social Care Bill implementation	510	2,949
	COI	Respite Placements Review	100	
	COI	Learning Disability / Fees Review	126	
	Other	Adult Integrated Care	593	
	COI / Other	Commissioning Reviews	1,485	
	COI	Carefund Calculator	135	
Environmental	COI	Bereavement Orbitas	54	676
	COI	Environmental Operations Programme	106	
	COI	New Delivery Model	442	
	COI	Close Automatic Public Conveniences	24	
	COI	Mapping Maintained Assets for Routing	50	
Highways	Grant	Flood Management	215	465
	COI	Highways Contract	150	
	COI	NRSWA Permits	100	
Communities	Other	Local Community Services	140	300
	COI	New Operating Model	50	
	COI	Car Park Strategy	30	
	Other	Licensing Enforcement	50	
	Other	Citizens Advice Bureau	30	
Economic Growth & Prosperity	Other	Lifelong Learning	190	272
	Other	Housing - Choice Based Lettings	33	
	Other	Cultural	49	
Chief Operating Officer	Other	PSN provision	306	417
	Other	Organisational Change	35	
	Other	Organisational Development	76	
GRAND TOTAL				5,244

3. Workforce Development

230. This section sets out the Council's activities and progress in relation to HR, Organisational Development and Workforce Development plans and changes to staffing levels during 2014/15.

Culture Change

231. A number of organisational development projects have continued to support the Council's transformation. For example, the launch of the Council's FIRST values and behaviours which underpin the Council's commitment to Putting Residents First and define the way in which we work together. Supporting this has been the launch of the Making a Difference employee recognition scheme which has seen more than 700 colleagues being recognised for Putting Residents First and making a real difference to colleagues, citizens and communities.
232. To support the Council's ambitious agenda an investment has been made in developing coaching capability to lead and manage change, unlock individual and team potential, and sustain high levels of performance. More than 35 internal accredited coaches are now using a coaching approach with their teams and provide a coaching offer to the wider workforce.

Learning and Development

233. Towards Excellence, the learning, development and staff improvement corporate training programme has continued to grow its offering for all employees comprising of statutory, mandatory, vocational and professional themes and topics. This ensures that the Council creates a workforce which is safe, knowledgeable and competent in performing their duties to the highest possible standard, providing the best quality services to the residents and businesses.

234. Over 4,000 delegates have attended statutory, mandatory and vocational training during 2014/15. For example, to ensure our staff and providers are legally compliant with the Care Act which came into effect from 1st April 2015 more than 30 team based action learning sessions have been delivered exploring compliance with the new legislation for both internal and external employees within the Adult Social Care sector, supported by a launch event and an e-learning package.

235. The delivery of City and Guilds accredited vocational courses in Health and Social Care supporting Adult Services, Business Administration and ATE (Adult Teaching) have been available to support teams across the organisation with Level 2, 3 and 4 qualifications, with the addition this year of Advocacy, Information and Advice NVQ being added to the Council's in-house further education college prospectus.
236. A particular focus during the year has been on developing management capability within the Council with the creation of four cohorts (90 managers) of Institute of Leadership and Management (ILM) nationally recognised qualifications. In addition, a programme of well attended business breakfasts has been run for managers interested in improving their business and commercial awareness in conjunction with North West Employers.
237. The Workforce Development Team continues to work closely with numerous regulatory and professional bodies, and link into several local universities and colleges to ensure academia and research based theories are inherent in everything we do. As a recognised centre of excellence, quality assurance measures ensure that all employees and apprentices receive up to date training and surpass



expectations of external verification and examination boards and feel fully supported throughout all stages of their career.

Employing Young People

238. The Council has provided more than 200 work experience sessions for young adults and school children and arranged more than 50 apprenticeship pathways for school and college leavers in employment. In addition the Council has introduced Higher Apprenticeships in Finance and Social Media. The Council is part of the Government's trailblazing programme to introduce employer standards across apprenticeship frameworks. The Council has also signed up to The Crewe Pledge, an initiative that brings together businesses, schools, further and high education institutions with the aim of providing every young person living, studying or working in Crewe with the opportunity to develop employability related skills.

Education HR Consultancy

239. The Education HR consultancy launched two levels of service in September 2014, Gold and Silver, with the Silver Service having a limit on the amount of time that can be spent providing on-site support to schools and academies. Total buy back during 2014/15 equated to 90% of schools which represents a slight reduction on last year due to a number of Primary Schools joining Multi Academy Trusts which provide HR support.

Health and Safety

240. Cheshire East has been awarded its third (consecutive) Gold Royal Society for the Prevention of Accidents (RoSPA) Award for Health & Safety. This RoSPA award gave us an opportunity to prove our ongoing commitment to raising health and safety standards and means we are part of a long running and highly respected occupational safety awards programme.

Staffing Changes

241. As shown in **Tables 14** and **15**, Cheshire East's employee headcount decreased by almost 20% between March 2014 and 2015. This reduction predominantly relates to employees transferring to ANSA and Orbitas on 1st April 2014, to ESAR and CoSocius on 1st May 2014, and to Transport Service Solutions on 1st January 2015. Employees transferring to Civicance were still employed by the Council on 31st March 2015.

Table 14: March 2014 headcount and FTE figures

Directorate	Employee FTE Mar-14	Employee Headcount Mar-14
Places & Organisational Capacity	1380.1	1869
Adults Services (<i>inc. public health</i>)	995.6	1304
Children & Families	754.3	1104
Finance & Business Services	227.9	246
Shared Services	107.0	113
Legal & Democratic	79.3	120
Apprentices & Graduates	45.0	47
HR & OD	42.3	48
Cheshire East Council Total	3,631.4	4,828

Table 15: March 2015 headcount and FTE figures

Due to the implementation of the new Oracle organisation structure in September 2014 the headcount / FTE information cannot be compared by service across financial years. For example the Workforce Development team were split between Adults and Children's in March 2014 and now appear in People and OD.

Directorate/Service	Employee FTE Mar-15	Employee Headcount Mar-15
Public Health	19.3	22
Media (Communications and PR)	8.0	8
Strategic Commissioning	2,053.2	2,845
Adults Social Care & Independent Living	871.3	1,148
Children's Services	742.1	1,169
Commissioning and Client Support ^a	25.8	27
Communities	413.0	500
Chief Operating Officer	489.8	604
Commissioning	47.2	52
Corporate Resources and Stewardship	254.2	317
Democratic Services and Governance	57.1	92
Legal Services	33.7	38
People and OD	53.7	60
Apprentices	43.0	44
Economic Growth & Prosperity	325.3	407
Assets	28.0	29
Investment	79.8	88
Strategic and Economic Planning	100.1	109
Strategic Infrastructure	9.5	10
Visitor Economy, Culture and Tatton Park	103.2	166
Cheshire East Council Total	2,896.6	3,875

242. As shown in **Table 16**, absence levels were slightly higher in 2014/15 than in 2013/14, but have been consistent (variance of 0.7 days / FTE employee only) over the past three financial years. Management of sickness absence levels during this financial year will focus on developing greater resilience and addressing stress and a detailed action plan to address this has been developed.

Table 16: Average days lost to sickness (per FTE employee) per annum since 2012/13

	2012/13	2013/14	2014/15
Cheshire East (excluding Schools)	12.0	11.3	11.9
Whole Year Target	11.0	12.0	11.0

Voluntary Redundancies

243. The Council's voluntary redundancy scheme continues to support organisational change and the delivery of the planned programme of change in the Council Plan. The effective use of voluntary redundancy in this way enables the Council to achieve its planned savings and efficiencies and also helps to maintain good employee relations within the Authority and minimises the prospect of compulsory redundancy.
244. 30 people have left the Council under voluntary redundancy terms in 2014/15, 14 of whom held posts within the management grades (Grade 10 or above). The total severance cost for all 30 employees was £1.3m inclusive of redundancy and actuarial costs. Over the next five years, these reductions are estimated to save the Council over £6.7m (which is the combined accumulated costs of the deleted posts).

Appendices to Final Outturn Review of Performance 2014/15

July 2015

Appendix 1 – The Three Year Council Plan



To assist with reading this page a PDF version has been made available at: www.cheshireeast.gov.uk/budget

Appendix 2 – Changes to Revenue Budget 2014/15 since Third Quarter Review (TQR)

	TQR Net Budget £000	Restructuring & Realignments £000	Other Virements £000	Final Outturn Net Budget £000
Children & Families	46,101	-74	-27	46,000
Adult Social Care & Independent Living	94,455		6	94,461
Public Health & Wellbeing	2,229			2,229
Environment	28,289	74	1	28,364
Highways	10,673			10,673
Communities	10,076			10,076
Economic Growth & Prosperity	24,670	64		24,734
Chief Operating Officer	41,263	-64	147	41,346
TOTAL SERVICE BUDGET	257,756	0	127	257,883
Central Budgets				
Specific Grants	-18,608			-18,608
Capital Financing	12,511		-120	12,391
Contingencies & Corporate Contributions	2,130		-7	2,123
	-3,967	0	-127	-4,094
TOTAL BUDGET	253,789	0	0	253,789

Appendix 3 – Corporate Grants Register

Corporate Grants Register 2014/15		Original Budget	Revised Forecast	Final Outturn	Change from	SRE / Balances
Final Outturn			TQR		TQR	(Note 2)
	Note	2014/15 £000	2014/15 £000	2014/15 £000	2014/15 £000	
SPECIFIC USE (Held within Services)						
Schools						
Dedicated Schools Grant	1	171,759	159,041	158,454	-587	
Pupil Premium Grant	1	7,489	6,795	6,977	182	
Sixth Forms Grant	1	5,512	4,408	4,817	409	
Total Schools Grant		184,760	170,243	170,248	5	
Housing Benefit Subsidy		84,518	84,518	84,660	142	
Public Health Funding		14,274	14,274	14,274	0	
Restorative Justice Development Grant		8	8	4	-4	
Bus Services Operators Grant		0	348	261	-87	
TOTAL SPECIFIC USE		283,560	269,391	269,447	57	
GENERAL PURPOSE (Held Corporately)						
Central Funding						
Revenue Support Grant		48,601	48,601	48,601	0	
Business Rates Retention Scheme		37,883	37,883	37,883	0	
Total Central Funding		86,484	86,484	86,484	0	

Corporate Grants Register 2014/15		Original Budget	Revised Forecast	Final Outturn	Change from	SRE / Balances
Final Outturn			TQR		TQR	(Note 2)
	Note	2014/15 £000	2014/15 £000	2014/15 £000	2014/15 £000	
GENERAL PURPOSE (Held Corporately)						
Children & Families						
Troubled Families		130	130	130	0	
Troubled Families - Co-ordinator		100	100	100	0	
Extended Rights to Free Transport		153	153	153	0	
Adoption Reform Grant (unringfenced element)		275	275	275	0	
Special Educational Needs Reform Grant		384	384	384	0	
Youth Detention - Looked After Children		0	27	27	0	
Youth Justice Grant		0	353	353	0	
Staying Put Grant		0	36	36	0	
Special Educational Needs and Disabilities - New Burden		0	280	280	0	
Special Educational Needs and Disabilities - Additional Funding		0	0	31	31 SRE	
Adult Social Care & Independent Living						
Local Reform and Community Voices Grant		262	262	262	0	
Care Bill Implementation Grant		0	125	125	0	
Environment						
Lead Local Flood Authorities		52	52	52	0	
Highways						
Sustainable Drainage Systems Capability and Capacity Building		0	123	49	-74 Balances	
Communities						
Housing Benefit and Council Tax Administration		1,760	1,760	1,760	0	
NNDR Administration Grant		562	562	560	-2 Balances	
Social Fund - Programme funding		612	612	612	0	
Social Fund - Administration funding		119	119	119	0	
Council Tax - New Burden		135	135	135	0	
Implementing Welfare Reform Changes		0	57	57	0	
Support Neighbourhood Service Transformation		0	0	90	90 SRE	

Corporate Grants Register 2014/15		Original Budget	Revised Forecast	Final Outturn	Change from	SRE / Balances
Final Outturn			TQR		TQR	(Note 2)
	Note	2014/15 £000	2014/15 £000	2014/15 £000	2014/15 £000	
GENERAL PURPOSE (Held Corporately)						
Economic Growth & Prosperity						
Skills Funding Agency		785	890	889	-0	
Neighbourhood Planning Grant		0	40	45	5	SRE
Chief Operating Officer						
Education Services Grant	3	4,700	4,262	4,233	-29	Balances
New Homes Bonus 2011/12		870	870	870	0	
New Homes Bonus 2012/13		1,844	1,844	1,844	0	
New Homes Bonus 2013/14		1,037	1,037	1,037	0	
New Homes Bonus 2014/15		1,358	1,358	1,356	-2	Balances
Affordable Homes 2012/13		85	85	85	0	
Affordable Homes 2013/14		82	82	82	0	
New Homes Bonus 2014/15 - return of topslice		132	129	129	0	
Council Tax Freeze Grant 2014/15		1,816	1,807	1,807	0	
Funding Maximising Registration Activities Grant		0	0	27	27	SRE
Community Rights to Challenge		9	9	9	0	
Community Rights to Bid		8	8	8	0	
Individual Electoral Registration		108	117	117	0	
NNDR - New Burden Administrative Costs		0	8	23	15	SRE
Open Data and Transparency Programme		0	74	74	0	
Local Government Transparency Code 2014		0	0	8	8	Balances
Business Rates Retention Grants		0	0	3,194	3,194	Balances
Total Service Funding		17,379	18,165	21,428	3,264	
TOTAL GENERAL PURPOSE		103,863	104,648	107,912	3,264	
TOTAL GRANT FUNDING		387,422	374,039	377,359	3,320	

Notes

1 The Dedicated Schools Grant, Pupil Premium Grant and Sixth Form Grant from the Education Funding Agency (EFA) figures are based on actual anticipated allocations. Changes are for in-year increases/decreases to allocations by the DfE and conversions to academy status.

2 SRE - Supplementary Revenue Estimate requested by relevant service

3 Reflects the final allocation of Education Services Grant which resulted in a reduction of £0.4m.

Appendix 4 – Summary Capital Programme and Funding

Commissioning Service	In-Year Budget	SCE's Virements Reductions	SCE's Virements Reductions	Revised In-Year Budget	Actual Expenditure	Forecast Expenditure	
	TQR 2014/15 £000	Approved Since TQR £000	Outturn 2014/15 £000	Outturn 2014/15 £000	2014/15 £000	2015/16 £000	2016/17 and Future Years £000
Early Help & Protection							
Committed Schemes - In Progress	1,278	-28	0	1,250	327	1,309	0
Committed Schemes at Gate 1 Stage	0	0	0	0	0	100	0
Medium Term and Rolling Programme	154	0	0	154	143	218	206
Education Strategy							
Committed Schemes - In Progress	10,136	-155	0	9,981	8,512	2,354	267
Committed Schemes at Gate 1 Stage	932	-128	0	804	285	5,057	0
Medium Term and Rolling Programme	309	0	0	309	0	9,611	5,705
Adult Social Care & Independent Living							
Committed Schemes - In Progress	832	986	0	1,818	1,634	185	0
Medium Term and Rolling Programme	0	0	0	0	0	1,808	800
Health & Wellbeing							
Committed Schemes - In Progress	8,524	0	15	8,539	4,713	10,411	0
Longer Term Proposals	300	0	0	300	85	2,985	8,932
Environment							
Committed Schemes - In Progress	2,682	-32	199	2,849	1,245	1,818	90
Medium Term and Rolling Programme	8,165	-3,000	0	5,165	2,814	8,286	50
Highways							
Committed Schemes - In Progress	31,376	443	98	31,917	29,883	4,215	3,062

Commissioning Service	In-Year Budget	SCE's Virements Reductions	SCE's Virements Reductions	Revised In-Year Budget	Actual Expenditure	Forecast Expenditure	
	TQR 2014/15 £000	Approved Since TQR £000	Outturn 2014/15 £000	Outturn 2014/15 £000	2014/15 £000	2015/16 £000	2016/17 and Future Years £000
Communities							
Committed Schemes - In Progress	1,171	-10	-34	1,127	365	1,415	39
Committed Schemes at Gate 1 Stage	0	0	0	0	0	0	0
Medium Term and Rolling Programme	0	300	0	300	0	0	995
Economic Growth & Prosperity							
Committed Schemes - In Progress	26,009	-402	187	25,794	20,481	13,532	4,104
Committed Schemes at Gate 1 Stage	995	0	89	1,084	1,107	1,643	6,260
Medium Term and Rolling Programme	2,660	197	-200	2,657	897	4,847	33,980
Longer Term Proposals	459	500	0	959	4	8,366	129,940
Chief Operating Officer							
Committed Schemes - In Progress	37,522	97	10	37,629	28,935	23,907	12,478
Committed Schemes at Gate 1 Stage	500	-400	0	100	76	2,535	2,488
Committed Schemes - In Progress	119,530	899	475	120,904	96,095	59,146	20,040
Committed Schemes at Gate 1 Stage	2,427	-528	89	1,988	1,468	9,335	8,748
Medium Term and Rolling Programme	11,288	-2,503	-200	8,585	3,854	24,770	41,736
Longer Term Proposals	759	500	0	1,259	89	11,351	138,872
Total Net Position	134,004	-1,632	364	132,736	101,506	104,602	209,396

Funding Sources	2014/15 £000	2015/16 £000	2016/17 and Future Years £000
Grants	55,708	30,731	100,031
External Contributions	9,510	15,825	33,192
Cheshire East Council Resources	36,288	58,046	76,173
Total	101,506	104,602	209,396

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

Capital Scheme	Amount Requested	Reason and Funding Source
£		
Summary of Supplementary Capital Estimates and Capital Virements that have been made up to £250,000		
Supplementary Capital Estimates		
Education Strategy		
Wheelock Primary School - Phase 2	7,729	Funds being provided by Wheelock Primary School towards additional works within the school hall.
Residential Development Programme	891	To reinstate an element of the budget due to residual expenditure being incurred.
Highways		
Local Area Programme	97,869	Funded by S106 Agreement
Red Bull Flood Alleviation	529	Funded by Environment Agency Grant
Local Sustainable Transport Fund	33,191	Additional expenditure covered by an increase in the LSTF grant claimed and S106 monies.
Section 278s		
Marsh Lane Holmes Chapel	217	Funded by S278 Developer Contributions
Morrisons Middlewich	15	
S278 Nuneham, Macclesfield	52	
S278 Vernon Lodge Poynton	1,500	
S278 Basford West, Goodman	176	
S278 Co-op Lawton Rd	8	
S278 Tesco, Broken Cross	500	

Capital Scheme	Amount Reason and Funding Source Requested
£	
Summary of Supplementary Capital Estimates and Capital Virements that have been made up to £250,000	
Supplementary Capital Estimates	
Environment	
Household Bins Schemes	216,986 Approved in the Capital Programme - funded by Cheshire East Resources
Communities	
Customer Access	10,500 To fund additional work at Poynton Library - funded by a Revenue Contribution from Facilities Management
Leisure	
Lifestyle Centre Crewe	15,000 A Revenue Contribution to enhancement of the sensory facility at the New Lifestyle Centre from Adults Services.
Economic Growth & Development	
Tatton Vision	25,000 Revenue contribution in relation to maintenance items within the Tatton scheme, which has been completed before the end of March 2015.
A500 Widening at Junction 16	220,559 Budget increase funded by S106 development contribution.
Regeneration & Development Programme	88,943 Developer Contribution towards costs in the Macclesfield Town Centre Regeneration project.
Chief Operating Officer	
Asset Management Maintenance Programme	10,000 Contribution from Kingsgrove High School towards roofing work.
Total Supplementary Capital Estimates	729,665

Capital Scheme	Amount Requested	Reason and Funding Source
£		
Summary of Supplementary Capital Estimates and Capital Virements that have been made up to £250,000		
Capital Budget Virements		
Education Strategy		
Stapeley Broad Lane Primary School	238	Virements of Capital Maintenance grant to meet the cost of time spent of capital projects by Asset Management and Children and Families Organisation and Capital Strategy team
Residential Development Programme	810	
Lacey Green Primary School - Basic Need	1,305	
St Mary's Crewe Primary School - Basic Need	324	
Leighton Academy School - Basic Need	9,535	
Capital Maintenance Central Allocation	11,000	Residual grant from the completed schemes at Sound, Wheelock, Dean Valley, Hollinhey and Pebblebrook Primary School, vired to the Capital Maintenance Block for re-allocation.
	60,000	
	4,000	
	125,000	
	13,024	
Basic Need Block	66,000	Residual grant from the completed Wilmslow Grange Scheme vired to the Basic Needs Block for re-allocation.
Offley Primary School - Basic Need	70,878	Virement from the Basic Need Block allocation to the Offley Primary School Basic Need scheme to fund additional expenditure to support the extension due to poor ground conditions.
Mablins Lane Primary School - Replacement of Mobile Classroom	3,000	Virement from the Mobile Replacement / Removal block allocation to fund additional expenditure to meet legislation for Mablins Lane Scheme.

Capital Scheme	Amount Reason and Funding Source Requested
£	
Summary of Supplementary Capital Estimates and Capital Virements that have been made up to £250,000	
Capital Budget Virements	
Disley Primary School – Replacement of Mobile Classroom	6,081 Residual works of a minor scheme at Disley Primary incorporated into larger scheme.
Highways & Transport	
Capital Condition Surveys	1,271 Funding shortfall taken from Strategic Programme Delivery LTP grant.
Shared Space (Disley / Knutsford)	16,671 Funding shortfall taken from Strategic Programme Delivery LTP grant.
Road Safety Schemes Minor Works	27,131 Funding shortfall taken from Macon Way Cycle Improvements Sustrans grant.
Crewe Bus Station Project	33,709 Funding shortfall taken from Strategic Programme Delivery LTP grant.
Road Safety Cycle Scheme	1,570 Funding from Sustrans grant used to cover shortfall.
Environment	
Countryside Capital Projects	2,361 Funding shortfall taken from PROW Capital Works & Cycle Facilities LTP grant and Sustrans grant.
Lea Avenue Play Area Macon Meadows	5,089 Funding Shortfall - funded by the Park Development Fund

Capital Scheme	Amount Reason and Funding Source Requested
£	
Summary of Supplementary Capital Estimates and Capital Virements that have been made up to £250,000	
Capital Budget Virements	
Economic Growth & Prosperity	
Poynton Revitalisation Scheme	124,106 Funding shortfall taken from Accessibility: Public Transport & Part 1 Claims LTP grant.
A556 Knutsford to Bowdon	41,259 Funding shortfall taken from Strategic Programme Delivery LTP grant.
Total Virements Approved	624,362
Total Supplementary Capital Estimates and Virements	1,354,027

Appendix 6 – Request for Supplementary Capital Estimates and Virements above £250,000 up to and including £1,000,000

Capital Scheme	Amount Reason and Funding Source Requested
	£
Cabinet are asked to approve the Capital Virements above £250,000 up to and including £1,000,000	
Capital Budget Virements	
Education Strategy	
Daven Primary School – Relocation of Kitchen and Removal of HORSAs Block.	434,000 This virement from the Capital Maintenance Block allocations relates to a scheme at Daven Primary School, Endorsed at Gateway 1 during February 2015, and will be funded by grants provided by the Department of Education.
Highways & Transport	
Local Area Programme	534,338 This virement relates to the transfer of funding from the Bridge Maintenance Minor Works project to fund this overspend. Fully funded by Department of Transport grant funding.
Total Capital Virements Requested	968,338

Appendix 7 – Request for Council to approve Supplementary Capital Estimates and Virements above £1,000,000

Capital Scheme	Amount Requested	Reason and Funding Source
£		
Council are asked to approve the Capital Virements over £1,000,000		
Capital Budget Virements		
Highways & Transport		
Highway Investment Programme	1,360,520	Funding shortfall taken from several LTP sources (Strategic Programme Delivery, Bridge Maintenance Minor Works, Flag Lane Link Road, Highway Maintenance Minor Works, and Accessibility: Public Transport) totalling £1.297m, and £64,000 from the Cycle Facilities Sustrans grant.
Total Capital Virements Requested	1,360,520	

Appendix 8 – Capital Budget Reductions

Capital Scheme	Approved Budget	Revised Approval	Reduction Reason and Funding Source
	£	£	£
Cabinet are asked to note the reductions in Approved Budgets			
Education Strategy			
Offley PS - Basic Needs	923,146	527,927	-395,219 Reduction in funds being provided by the Department of Education towards the expansion of Offley Primary School
School Maintenance Projects - Alderley Edge and Gainsborough Primary Schools	3,539,651	3,518,363	-21,288 No further costs are anticipated for the work being undertaken at these schools
School Maintenance Projects - Hollinhey Primary School	3,518,363	3,382,363	-136,000 Reduction in funds being provided by the Department of Education towards the expansion of Hollinhey Primary School
School Maintenance Projects - Dean Valley	3,382,363	3,375,363	-7,000 Reduction in funds being provided by the Department of Education towards the expansion of Dean Valley Primary School
Highways			
Strategic Programme Delivery	430,000	364,179	-65,821 Reduction in funds being provided by S106 agreement
Bridges - Major - Gurnett Bridge Reconstruction	1,020,000	1,018,255	-1,745 Project complete
Wilmslow Grange Cycle Route	10,174	0	-10,174 Budget no longer required
Section 278s			
S278 Santune House, Shavington	3,000	2,233	-767
Marthall Lane, Ollerton	5,000	2,127	-2,873
Nova Court, Crewe	5,000	2,933	-2,067
S278 The ROK Development	50,000	22,500	-27,500
			} S278 schemes now complete - no further budget required.

Capital Scheme	Approved Budget	Revised Approval	Reduction Reason and Funding Source
	£	£	£
Cabinet are asked to note the reductions in Approved Budgets			
Environmental			
Lea Avenue Play Area Macon Meadows	57,841	45,219	-12,622 Reduction in grant anticipated - reduce budget requirement
Stallard Way Play Area	61,225	18,076	-43,149 Budget no longer required
Milton Park Project	45,678	41,931	-3,747 Reduction in grant anticipated - reduce budget requirement
Mortmer Drive Play area	105,000	48,194	-56,806 Budget no longer required
Cranage Bowling Pavilion	18,710	0	-18,710 Budget no longer required
The Carrs Multi User Route	207,614	207,407	-207 Capital project complete and fully funded
Congleton Park Improvements	123,061	117,270	-5,791 Reduction in grant anticipated - reduce budget requirement
Bollington Arts Centre S106	33,512	31,184	-2,328 Project now fully complete and funded by S106 monies.
Communities			
Electronic Vehicle Recharge Fast	100,000	55,426	-44,574 Project now complete and fully funded from grant.
Economic Growth and Prosperity			
Housing Development	184,699	182,732	-1,967 Budget no longer required
Handforth East	300,000	243,000	-57,000 Budget no longer required
Total Capital Budget Reductions	14,124,037	13,206,682	-917,355

Appendix 9 – Treasury Management

Counterparty Limits and Investment Strategy

1. The maximum amount that can be invested with any one organisation is set in the Treasury Management Strategy Report. For named UK banks and credit rated building societies this has been set at 10% of our total investments subject to a maximum value of £10m (now revised to £5m). These limits apply to the banking group that each bank belongs to. Limits for each Money Market fund have been set at a maximum value of £10m per fund with a limit of 25% of total investments per fund although operationally this is limited to 10% in line with updated guidance. There is also a maximum that can be invested in all Money Market Funds at any one time of 50% of the value of all investments. Due to their smaller size, unrated Building Societies have a limit of £1m each.
2. Our approved counterparties list also includes a number of foreign banks. As the limits applicable to all organisations have been reduced the Council is investing in selected highly rated foreign institutions. The Council currently holds Certificates of Deposits with Deutsche Bank (Germany) and has an investment account with Svenska Handelsbanken (Sweden) at its Crewe based branch.
3. In order to diversify investments over a broader range of counterparties, the Council is also investing with other Local Authorities and some unrated Building Societies on advice from our treasury advisors who are monitoring their financial standing in the absence of any normal credit rating.
4. Banks credit ratings are kept under continual review. There have not been any significant changes in 2014/15 although major changes are now being made in 2015 as Government support is removed following implementation of the Banking Act 2013 and

the UK adoption of further EU directives. These are intended to make it less likely that a bank gets into trouble but increases the risk of the Local Authority deposits being 'bailed-in' if the bank did get into trouble. To mitigate any potential issues there are 4 actions that the Council is taking:

- a. Reduce level of deposits in any one counterparty
 - b. Reduce credit limits referred to in the Treasury Management Strategy
 - c. Invest in more secure financial instruments such as Covered Bonds and Repurchase Agreements (REPO's)
 - d. Invest in highly rated Corporate Bonds which will not be subject to any 'bail-in risk'.
5. The Council amended its Treasury Management Strategy in February 2015 to take account of these changes. Lower limits now apply to unsecured investments. In addition, accounts are currently being opened to invest in REPO's and since April 2015 investments are being made in highly rated corporate bonds.
 6. REPO's are where the Council purchases assets from a counterparty with an agreement that the counterparty repurchases those assets on an agreed future date and at an agreed price. The future price will include interest on the investment. The assets purchased will vary in value over the term of the trade so a third party is used (at the cost of the other party, not the Council) to hold those assets on our behalf and obtain additional assets if the value falls below the level of the investment at any time. It is the quality of the purchased assets that governs the credit quality of the investment rather than the actual counterparty.

7. The Council is making arrangements with Clearstream who can provide the third party facilities and are internationally regarded. **Table 1** shows the current investments and limits with each counterparty. A full analysis of the types of investment and current interest rates achieved is given in **Table 2**.

Table 1 – Current Investments and Limits

Counterparties		Limits		Investments as at 31 st March 2015	
UK Banks					
Barclays Bank	10%	£10m	11%	£5.2m	
Lloyds	10%	£10m	4%	£2.0m	
Foreign Banks					
Deutsche Bank	10%	£10m	12%	£6.0m	
Svenska Handelsbanken	10%	£10m	11%	£5.0m	
Building Societies					
Coventry Building Society	10%	£1m	2%	£1.0m	
Cumberland Building Society	10%	£1m	2%	£1.0m	
Leeds Building Society	10%	£1m	2%	£1.0m	
Nationwide Building Society	10%	£10m	11%	£5.0m	
Yorkshire BS (Covered Bond)	10%	£10m	11%	£5.0m	
Money Market Funds		50%		23%	
Aberdeen Asset	25%	£10m	3%	£1.6m	
Federated Prime Rate	25%	£10m	8%	£3.9m	
Ignis	25%	£10m	5%	£2.5m	
Morgan Stanley	25%	£10m	7%	£3.5m	
Externally Managed Funds					
Property Funds	50%		11%	£5.0m	
				£47.7m	

Table 2 – Types of Investments and Current Interest Rates

Instant Access Accounts	Avg rate %	£m
Instant Access Accounts	0.36%	7.2
Money Market Funds	0.47%	11.5

Fixed Term Deposits (Unsecured)	Start	Maturity	Rate %	£m
Deutsche Bank CD	05/06/2014	04/06/2015	0.82	2.0
Deutsche Bank CD	17/07/2014	17/07/2015	0.92	4.0
Nationwide Building Society	21/08/2014	20/08/2015	0.96	2.0
Barclays	29/08/2014	28/08/2015	0.98	3.0
Lloyds	03/11/2014	05/05/2015	0.70	2.0
Cumberland Building Society	06/01/2015	07/04/2015	0.50	1.0
Coventry Building Society	14/01/2015	17/04/2015	0.45	1.0
Leeds Building Society	27/01/2015	27/04/2015	0.49	1.0
Nationwide Building Society	31/03/2015	09/07/2015	0.52	3.0

Secured Deposits	Start	Maturity	Rate %	£m
Yorkshire Building Society	05/11/2014	16/03/2016	0.73	3.0
Yorkshire Building Society	16/12/2014	16/03/2016	0.73	2.0

Externally Managed Funds	£m
Property Fund	5.0

Maturity Profile	£m
Instant Access	18.7
Maturing < 1 month	3.0
Maturing within 1 - 6 months	16.0
Maturing within 6 - 12 months	5.0
Maturing within 1 – 2 years	0.0
Externally Managed Funds	5.0
Total	47.7

8. The end of March always represents our lowest cash balances position. Cash balances have since risen. At the time all investments were made it was not anticipated that the balance would fall below £50m which is why some counterparties were temporarily in excess of the normal 10% limit at 31st March. Additional funds were held in Barclays accounts at 31st March to cover payments which were delayed until April.

Appendix 10 – Requests for Allocation of Additional Grant Funding

Service	Type of Grant	£000	Details
Children & Families	Special Educational Needs (SEN) and Disabilities – New Burden (General Purpose)	31	The Children and Families Act introduces new duties on local authorities in order to improve outcomes for children and young people with SEN or who are disabled, increase choice and control for parents, and promote a less adversarial system. Local authorities are undertaking a range of activities to prepare for these changes, which are being implemented from September 2014. This is further funding in addition to the original £280,000 already received at Third Quarter Review.
Economic Growth & Prosperity	Neighbourhood Planning Grant (General Purpose)	5	A grant of £5,000 is provided to the Council by the Department for Communities and Local Government for each Neighbourhood Area that is designated. This is to support these local communities to prepare a neighbourhood plan. This is the last designation this financial year. The grant is not ring fenced to Neighbourhood Planning so can be used to support the wider Spatial Planning function.
Communities	Business Rates – New Burdens administrative costs associated with implementing Autumn Statement 2013 (General Purpose)	23	Grant funding provided to cover the cost of a necessary software update and additional administration costs associated with the measures introduced in the Government's Autumn statement for new reliefs to be granted.
Communities	Support Neighbourhood Service Transformation (General Purpose)	90	To deliver outcomes in Expression of Interest to DCLG for Delivering Differently in Neighbourhoods Project running March 2015 to March 2016. The project is based in Macclesfield and covers Transfer & Devolution and Community Hubs. The majority of spend will be on Community Hubs, evaluating impact, delivering new services, developing franchise model and academic research to inform national learning.
Chief Operating Officer	Funding Maximising Registration Activities (General Purpose)	27	The expectation is that this funding should be put towards activities which support the preparation of the most complete and accurate electoral register possible before the elections on 7 May 2015. Aim to maximise the number of registered electors.

Service	Type of Grant	£000	Details
Chief Operating Officer	Business Rates Retention Autumn Measures reimbursement grant (General Purpose)	3,194	Funding to compensate billing authorities for business rate discounts being awarded as part of the Autumn Statement 2013 announcements. This includes the doubling of Small Business rate relief and Retail property reliefs.
TOTAL		3,370	

Appendix 11 – Debt Management

1. Sundry debt includes all invoiced income due to the Council except for statutory taxes (Council Tax and Non-Domestic Rates) for which the performance related data is contained within Section 2 of this report.
2. Around a quarter of the Council's overall sundry debt portfolio relates to charges for Adult Social Care, the remainder being spread across a range of functions including highways, property services, licensing, markets and building control.
3. In 2014/15 the Council raised invoices with a total value of £67m. This includes around £18m in Adult Social Care relating to client contributions towards care packages and income from Health.

Table 1 - Volumes of Invoices raised in 2014/15

	Number	Value £000
Adult Finance	46,623	17,530
Other	8,845	49,057
Total	55,468	66,587

4. The amount of income collected in 2014/15 was £55.7m.
5. The Council's standard collection terms require payment within 28 days of the invoice date, services however receive immediate credit in their accounts for income due. The Council uses a combination of methods to ensure prompt payment of invoices. Recovery action against unpaid invoices may result in the use of debt collectors, court action or the securing of debts against property.

6. The Revenue Recovery team (using their experience gained in collecting Council Tax and Non-Domestic Rates) engage with services to offer advice and assistance in all aspects of debt management, including facilitating access to debt collection/enforcement agent services (currently provided by Bristow & Sutor).
7. In 2014/15 the team collected £1.7m on behalf of services and identified an additional £0.2m which had been received but not correctly identified to an outstanding debt. The Social Care Business Support team are responsible for the collection of debt for Adult Social Care, the total amount of debt recovered in 2014/15 was £2m.
8. During 2014/15 quarterly meetings have been held with the Portfolio Holder for Finance, the Chief Operating Officer and the Head of Legal Services to review and approve the write off of outstanding debt.

Table 2 - Amounts of sundry debt written off in year

	Adult Finance £000	Other £000	Total £000
Under £5,000	87	176	263
£5,000 - £10,000	15	69	84
£10,000 - £50,000	11	65	76
Over £50,000	-	273	273
Total	113	583	696

9. The amount of outstanding service debt at the end of March 2015 was £3.9m as shown in **Table 3**. This excludes debt still within the payment terms. The total amount of service debt over 6 months old is £2.2m; provision of £2.6m has been made to cover this debt in the event that it needs to be written off.

Table 3 – Outstanding Service Debt at the end of March 2015

	Outstanding Debt £000	Over 6 months old £000	Debt Provision £000
Children & Families	313	6	148
Adult Social Care & Independent Living	2,354	1,534	1,767
Public Health & Wellbeing	0	0	0
Environmental	239	200	200
Highways	432	288	265
Communities	28	18	18
Economic Growth & Prosperity	206	46	113
Chief Operating Officer	326	63	62
	3,898	2,155	2,573

Appendix 12 – Earmarked Reserves

Name of Reserve	Opening Balance 1 April 2014	Movement in 2014/15	Balance at 31 March 2015	Notes
	2014 £000	2014/15 £000	2015 £000	
Children & Families				
Long Term Sickness	213	137	350	Carried forward surplus of contributions paid by schools ~ operated as a trading account
Education All Risks (EARS)	261	82	343	Carried forward surplus of contributions paid by schools ~ operated as a trading account
Children's Social Care	650	-273	377	To support implementation of Children's social care bill
Adult Social Care & Independent Living				
Extra Care Housing PFI	1,466	215	1,681	Surplus grant set aside to meet future payments on existing PFI contract which commenced in January 2009
Individual Commissioning	580	-271	309	To provide capacity to perform Deprivation of Liberties and Best Interest reviews of care customers following recent case law
NHS Section 256	1,784	1,751	3,535	To support adult social care which also has a health benefit, as agreed with Eastern Cheshire and South Cheshire Clinical Commissioning Groups and governed by Cheshire East Health and Wellbeing Board.
Public Health & Wellbeing	1,620	352	1,972	Ring-fenced underspend to be invested in areas to improve performance against key targets. Including the creation of an innovation fund to support partners to deliver initiatives that tackle key health issues.
Environmental				
Crematoria	367	-207	160	Mercury abatement income set aside to fund potential replacement cremators as per the capital programme.
Highways				
Winter Weather	120	120	240	To provide for future adverse winter weather expenditure

Name of Reserve	Opening Balance 1 April 2014	Movement in 2014/15	Balance at 31 March 2015	Notes
	2014 £000	2014/15 £000	2015 £000	
Communities				
Communities Investment	2,768	-980	1,788	Amalgamation of Promoting local delivery; Grant support; New initiatives and additional funding from outturn to support community investment.
Emergency Assistance	400	204	604	Carry forward of underspend on previous years' schemes to provide for future hardship payments
Economic Growth & Prosperity				
Building Control	181	-13	168	Ring-fenced surplus (could be used to offset service deficit, if applicable)
Tatton Park	241	-19	222	Ring-fenced surplus on Tatton Park trading account
Economic Development	141	0	141	Support for town centres and economic development initiatives
Chief Operating Officer				
Elections	486	118	604	To provide funds for Election costs every 4 years
Climate Change	67	0	67	Renewable Energy project
Insurance & Risk	2,776	-331	2,445	To settle insurance claims and manage excess costs.
Investment (Sustainability)	2,050	6,181	8,231	To support investment that can increase longer term financial independence and stability of the Council
Pension Contributions	150	23	173	To meet impact of reduced workforce on fixed contribution to Past Service Pensions deficit
Business Rates Retention Scheme	5,071	-423	4,648	To manage cash flow implications as part of the Business Rates Retention Scheme
Financing	0	4,820	4,820	To provide for financing of capital schemes, feasibility studies, and other projects and initiatives

Note 2

Name of Reserve	Opening Balance 1 April 2014	Movement in 2014/15	Balance at 31 March 2015	Notes
	2014 £000	2014/15 £000	2015 £000	
Cross Service				
ASDV Surplus	Note 2 0	36	36	The Authority's share of ASDVs net surplus to be spent in furtherance of the ASDV's objectives
Service Manager carry forward	4,485	759	5,244	Allocations for Cost of Investment or grant funded expenditure
Revenue Grants - Dedicated Schools Grant		8,184	8,184	Unspent specific use grant carried forward into 2015/16
Revenue Grants - Other	467	2,266	2,733	Unspent specific use grant carried forward into 2015/16
TOTAL	Note 1 26,344	22,731	49,075	

Notes:

- Figures exclude Schools balances of £7.499m at 31st March 2015
- Proposed earmarked reserves to be created at March 2015 are highlighted
- Balances at 31st March 2015 exclude the following approved additions to earmarked reserves from 1st April :

	£'000
Planning costs and Investment Service structure	1,000
Insurance & Risk	250
Investment (Sustainability)	450
Communities Investment	241
	<hr/> 1,941