

Cheshire East Council Pre-Budget Report 2016/17



October 2015

This document provides an opportunity for interested parties to review and comment on the Council's Budget proposals. It is available to download on the [Cheshire East Council](#) website and has been distributed to all Cheshire East Councillors.

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

Comments on this document are welcome until **Monday, 15th February 2016**.

You can also send any comments, queries or other responses, such as alternative areas for savings, to the email address below - all responses will be captured and reported to Cabinet Members and Council. When submitting a response or comment, please also include your name, organisation (if applicable) and contact details.

If you have any comments or queries please e-mail: shapingourservices@cheshireeast.gov.uk

After this date, interested parties may still submit comments on the budget up to the Council meeting on **Thursday, 25th February 2016** where the Budget is considered by all Members.



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Foreword from the Finance and Assets Portfolio Holder

Cheshire East Council is a local authority with national ambition. We put our residents first and Cheshire East is a great place to live, work and play.

Since the elections in May we have been working hard, reflecting on our ambitions and prioritising our resources. Value for money is essential and Cheshire East is a council that delivers. The 2014/15 Financial Year delivered another small financial surplus, good service performance and Cheshire East earning its place as the Best Place to Live in the Northwest.

The Council has started well in 2015/16, budgets are balanced, satisfaction with services is high and the area retained its place as the Best Place to Live in the Northwest. 2016/17 presents a difficult challenge as the country continues to drive out costs in public services. Government grants may be reduced by up to 25% and the target reduction in Council spending in 2016/17 is almost £24m. But the Council is building from a solid base and as usual will adapt and innovate to meet this challenge.

The 2016/17 Budget provides a refresh of the Council's Outcomes. The Council's 3 year plan 2013 to 2016 introduced Residents First outcomes, and the plan provided an excellent focus for our activities. So, looking ahead, these headline outcomes will remain. The Council can achieve what it needs to, within the resources available, by working in new ways.

The Council will work towards a 4 Year Plan 2016 to 2020 and focus on:

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

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

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

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

Health ~ safeguarding the vulnerable and providing appropriate care that helps people live well and for longer.

We will continue to tackle the issues that concern our local residents. We will work with our partners and plan to invest more in new early intervention activities, and we will specifically aim to eradicate self harm. Cheshire East is a strong player in the regional economy and we will continue to extend opportunities that create a diverse workforce with opportunities for all, there will be no barriers to aspiration. Helping our residents to be ready for work is a key priority and we will work with local business to reduce NEETs even further and increase skills through training and apprenticeships.

Council Tax provides the largest single source of funding for Council Services and, following five consecutive years of freezing payments, the Council is aiming to continue into a sixth year, funding permitting.

Council Tax and business rates that are paid locally already provide the majority of funding for Council Services. Cheshire East is gradually becoming a self financing authority where residents and businesses provide all the necessary funding to meet our ambitions. Local growth is a key factor to continuing this trend, and this will be managed properly in the interests of local residents to continue to make Cheshire East such a great place to live, work and play.

Peter Groves

Cllr Peter Groves,
Finance and Assets Portfolio Holder



Comment from the Chief Operating Officer

Cheshire East Council continues to arrange delivery of over 500 services every day that meet the needs of local people. The Chancellor's announcement of 5th October 2015, about increasing the local retention of business rates, was welcome news. Cheshire East has a large number of businesses and collects more business rates than it currently gets to spend, so we will work hard with central government to ensure the best local deal from any changes to these arrangements.

Putting residents first and providing value for money remain the Council's key priorities. This Pre-Budget Report provides further evidence of how Cheshire East Council is dealing with austerity and continuing to provide sustainable and affordable services.

The financial planning arrangements in recent years have provided a solid foundation for the future. We continued to build on best practice during the development of the Budget for 2015/16, providing increased confidence and assurance over the strong financial management of the Organisation. This was clearly demonstrated in the independent Audit Report on the 2014/15 accounts.

The current financial performance of the organisation is impressive but difficult choices lie ahead. Initial budget deficits of £13m and £10m for 2016/17 and 2017/18 were forecast in February 2015. This report updates these estimates with the latest intelligence and current assumptions. This has increased the size of the financial challenge and this report explains how the revised gap for 2016/17 will be closed through changing the relationships with partners, suppliers and residents and through continuing to drive local sustainable growth in housing, businesses and jobs.

We have continued to improve the budget process and the outline proposals set out in this report are robust and are being shared as early as possible. This is designed to encourage feedback and engagement with all stakeholders.

The Council is committed to exploiting opportunities to revolutionise service delivery arrangements. This is based on the belief that we can find or even create the right arrangements and the right providers that will get close to the resident and better understand local needs and therefore deliver a better service at a better price.

Change is constant and we will constantly monitor and compare our service levels and performance against best practice to continue to challenge, innovate and improve within the financial resources we have available. I encourage everyone to have their say on these proposals and the executive would welcome any new ideas that would help with the financial challenge and continue to put residents first.

PJ Bates

Peter Bates CPFA CIPD MBA

Chief Operating Officer
(Section 151 Officer)



Pre-Budget Report 2016/17 - Putting Residents First

Achieving the Council's outcomes through improved value in services

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

Outcome 1 – Our local communities are strong and supportive

- Individuals and families are self-reliant and take personal responsibility for their quality of life.
- Communities are cohesive, with a strong sense of neighbourliness. There is genuine civic pride and mutual respect.

Outcome 2 – Cheshire East has a strong and resilient economy

- Cheshire East is the place where people mean business – investing in the building blocks that will allow business to grow, ensuring we have the right skills and promoting opportunities for investment. Working together we will create prosperity for all!

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

- Children and young people get a good start in life, and are prepared for the world of work. Everyone is equipped to live independent, self-sufficient lives, and to realise their particular talents and abilities.

Outcome 4 – Cheshire East is a green and sustainable place

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

Outcome 5 – People live well and for longer

- Local people have healthy lifestyles and access to good cultural, leisure and recreational facilities. Care services focus on prevention, early intervention and physical and mental wellbeing.

Outcome 6 – A responsible effective and efficient organisation

- The Council serves the people of Cheshire East through: Ensuring quality and best value for local people, striving to get it right first time, and acting with integrity, being open, honest and accountable and delivering on our promises.

Financial Stability

- Strong financial management, achieving outcomes within budget.
- Council Tax policy that supports national policies and puts residents first.
- Consistently reducing Council debt since 2009.
- Managing reserve levels that are appropriate and based on risks.

Enhanced Budget Processes

- Maintaining improved timescale for developing and sharing draft Budget Proposals.
- Maintaining elected Member input and extended stakeholder engagement.
- Development and stream-lining of internal challenge processes.

PUTTING RESIDENTS
FIRST

The Financial Challenge

The Medium Term Financial Strategy highlighted a potential £13m revenue budget deficit in 2016/17, which reflected reducing government grant and inflationary pressures. Every effort continues to be made to mitigate any additional costs and demands where possible.

To develop a balanced 2016/17 budget the Council started with the 2015/16 baseline position, taking the opportunity to review all services. Potential scale of reductions in government grant was revisited and then the exposure to inflation and increasing demand was considered. This was essential as the government continues to reduce funding for local government services and to reflect other local spending pressures and priorities. The additional unavoidable financial pressures include nationally agreed pay awards, changes to National Insurance contributions and the planned uplift in pension contributions to address the existing pension deficit. Increasing costs also arise within services, for example in social care there are local demographic changes, implications from changes in service provider costs which also reflects the national living wage commitments.

The Council also stated its ambition to make a real positive impact which addresses the root causes of problems that can increase costs to the public purse over the medium term. More activity and investment will therefore be directed towards the development of skills and intervening early.

Overall this meant the Council has to identify substantial reductions in expenditure of circa £24m compared to the current baseline budget for 2015/16.

Financial issues in 2016/17	£m
Potential Reduction in Government Grant	13.0
Inflation (Pay, Pensions, National Insurance)	5.4
Estimated increases from demand for services	5.3
Changes required to balance 2016/17 Budget	23.7



The Council's Response

This Pre-Budget Report identifies where the Council is making changes to address the financial challenge of £23.7m whilst still protecting front line services and meeting local needs.

By reviewing all estimates a revised, balanced position has been developed. The proposals include changes to services which are laid out alongside each outcome in specific sections of this report. The published budget of the Council reflects a net financial position, meaning all income, expenditure and growth pressures from inflation and demand, associated with all services, is consolidated into one overall net budget.

The overall net budget must be funded by Council Tax, Business Rates and General Government Grant. In 2016/17 the combination of changes to

these income sources is expected to leave the Council with £6.4m less to spend than is available in 2015/16.

Throughout the process the Council puts residents first and has focused on achieving efficiency, improving productivity and maximising the income available from sustainable growth in the local tax bases.

The net impact on each of the Outcomes is shown in the table below:

Outcome	Base Budget 2015/16	Budget including pressures	Proposed Budget 2016/17	Change from 2015/16
	£m	£m	£m	£m
Outcome 1	25.5	26.0	25.2	-0.3
Outcome 2	31.7	32.3	31.9	0.2
Outcome 3	12.2	13.4	11.1	-1.1
Outcome 4	30.9	31.3	30.2	-0.7
Outcome 5	109.8	114.8	109.3	-0.5
Outcome 6 (Services and Capital Financing)	54.4	55.3	50.4	-4.0
Total	264.5	273.1	258.1	-6.4

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1. Achieving Outcomes

Cheshire East Council is responsible for providing 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 2015 to March 2016 will be in the region of £750m, which is raised from a combination of local taxes, national taxes (in the form of government grants) and payments direct from service users and other organisations.

Maintaining excellent services requires the constant review of what is needed and how this can best be provided. During the summer of 2015 the Council's Cabinet Members have re-considered the outcomes contained within the current Three-Year Plan (2013-16). The review concluded that the outcomes remain hugely relevant to the way the Council can meet the needs of local residents and businesses. However, it is inevitable that local needs and priorities in Cheshire East change over time and the Council must therefore be flexible. This section provides details on how the Council aims to achieve its outcomes through focused and clear priorities.

Each of the Council's Resident First outcomes is set out on the following pages along with proposed budget changes that will achieve a balanced position in 2016/17.

The following pages set out:

- Some of Cheshire East Council's achievements over the last year, as detailed in the Council's Outturn Report.
- A clear indication of the Council's current priorities.
- The engagement plan for the current budget setting process. The Council Plan details its "Residents First Outcomes" and sub-themes which form the guide for development of any proposals. The proposals in this report reflect the Council's ambition to achieve these outcomes.

The engagement schedule identifies who is being consulted with as part of this budget development process.

The uncertainty over medium term funding levels has led to this document being focused on 2016/17.

These pages are followed by further detail for each of the Council's service areas and corporate initiatives. Each page sets out key facts and figures (including the net budget) and narrative on what services are delivered. This is followed by details on the proposals for changing the budget and the broad financial impact. Service pages also set out the relevant performance indicators that would demonstrate successful performance together with some of the key challenges and opportunities facing each service.

Talking about Cheshire East

**No Council
Tax increase
for five years**

95% Good or Outstanding Schools
Adults with NVQ3 or above up to 57.3%
**Cheshire East Council shortlisted for the
Municipal Journal Achievement Award
for Adoption Services**
**Over 5% increase in GCSE Grades A*-C
since 2009/10 (inc English and Maths)**

**'Connecting Cheshire' fibre
broadband coverage 94% in over
66,000 homes and businesses.**
Launch of App with 1,294 downloads

**Over 5.2 million
website hits per year**

**Household Waste Recycling Centres
have reused and recycled 79.7% of
items deposited**
**Increase in waste used for energy
production resulting in a drop of 35% in
waste sent to landfill**

**1,540,000
library visitors
and no closures**

Only 0.9% benefits claimant count
**Best in the North West – only 3% of
population are Not in Education,
Employment or Training**

**Fairer power new energy
supplier 1,000 customers
signed up to the scheme in
the first two weeks**

**One of only three new business
hotspots outside London**

**Award-winning roadworks
communication App, and
new online 'Report It /
Track It' highways
reporting tool launched.**

**New
companies
set up in
transport
and planning**

Local Engagement

Cabinet and Council meetings

- Cabinet December 2015 (Taxbase)
- Cabinet February 2016 (Budget / MTFS)
- Council February 2016 (Budget)

Member briefings

- Finance Induction Session 13th July 2015
- Programme of Finance briefings covering induction and Budget development

Updates for staff on budget progress

- Updates to be made available in Team Voice, on Centranet and the Cheshire East Council website. This will include the Pre-Budget Report.

Overview and Scrutiny

- Corporate Overview and Scrutiny Committee 9th July 2015
- Opportunity to examine service budget proposals on 5th November 2015

Engagement events with other stakeholder groups

- Including businesses, Trades Unions (02/11 and 08/02), key partners, voluntary, community and faith sector, and the Schools Forum (03/12 and 28/01)
- These events will be highlighting how the Cheshire East Council budget will affect our different stakeholders and help to answer questions, address concerns these stakeholders may have, and help us to develop our relationship with our stakeholders and the wider community

Residents

- Any comments? – Speak to your local Councillor
- Information included with Council Tax bills
- Media releases
- Citizens' Panel survey
- Social media

Group meetings

- An opportunity to discuss details of the budget with Officers
- Available upon request

Outcome 1 - Our local communities are strong and supportive

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



Some facts about Outcome 1

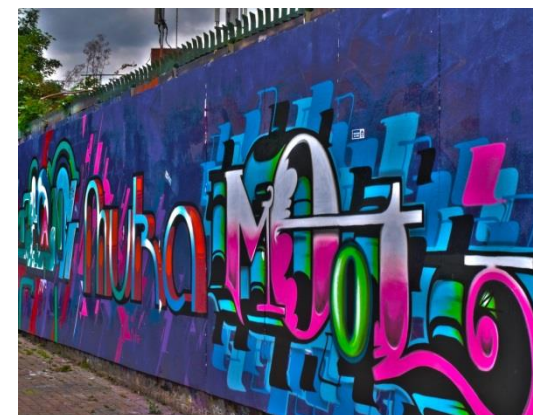
1. Over 1,540,000 visitors pass through the doors of Cheshire East libraries each year.
2. Work in communities delivers a wide range of community activities and projects with over 100 new volunteers getting involved in projects such as managing community centres or volunteering at one of the 16 new work clubs.
3. Focus on local area working attracted £0.65m in external funding and £0.3m in kind contributions from Partners in a year.
4. The number of Council website visits increased to 5.2 million during 2014/15, and visits made via a mobile device increased to 45%. We successfully launched our App on Apple and Android phones and achieved nearly 1,300 downloads in the first three months.
5. 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 during 2014/15.
6. Reports of anti-social behaviour in Cheshire East are less than half the average for the Northwest.
7. Regulatory Services carry out c.1,000 inspections a year in relation to diverse cases such as animal welfare, permitted processes, food safety and health and safety.
8. 97% of businesses and domestic service users are satisfied with the service received from Environmental Health.
9. The Bikeability scheme continues its success with 6,000 young people receiving accreditations in 2014/15.
10. Planning enforcement has responded to almost 600 new reports of alleged breaches of planning control issuing 21 formal notices.

2016/17

2015/16 Budget	£25.5m
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Change	-£0.3m
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Proposed 2016/17 Budget	£25.2m
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Proposals to vary the budget under Outcome 1 are focused on these areas:

After allocating inflationary and demand led budget pressures, the following changes are being targeted -

- **Reducing welfare demand (-£0.28m)**
 - More and more residents are taking responsibility for their own welfare. Only 0.9% of residents are seeking work, which is helped through economic growth initiatives, this enables benefit administration costs to be reduced in preparation for universal credit.
- **Reducing Council Tax Support Compensation Grant (-£0.3m)**
 - Reliance on funding local services through grants has been reducing, and it is proposed that Council Tax Support compensation payments to Town & Parish Councils cease on 31st March 2016.
- **Providing appropriate levels of service in regulatory services (-£0.1m)**
 - The National Citizens Advice Consumer Services will not be duplicated by the Council's Fair Trading Service.
 - Funding from the Proceeds of Crime Act will be used to support the cost of local services.
 - Licensing Budgets will be increased to reflect the increasing workload and reconfiguration of the budgets.
- **Communities / Partnerships Restructure (-£0.13m)**
 - The approach to providing support for the community is changing and staffing levels will be reconfigured and possibly reduced in Communities and Partnerships to reflect new ways of working. Emergency planning as a shared service will increase its income target to achieve a saving in core budget.

Outcome 1 - Capital Investment is focused on:

- **Libraries** – continued capital investment into the Library investment programme (£0.25m).
- **High Quality Housing** – Bringing forward the right mix of housing for our residents with a focus on living independently for longer, Brownfield first, Affordable Accommodation, Gypsy and Travellers site (£2.3m).

Measures of successful performance:

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

- Increased overall satisfaction with the local area (currently at 54%).

- Decreasing incidents of anti-social behaviour.
- Increasing the % of residents confident that Cheshire East are effectively reducing antisocial behaviour (currently at 55%).
- Increase the percentage of people feeling safe when they are alone in their own home at night (which is currently at a positive 87%).

Challenge for 2016/17:

Some of the challenges the Council expects to manage are:

- Enabling communities to become even more independent and less reliant on our services.
- Developing a new model for sustainable libraries within community hubs and bucking the national trend of declining library usage.
- Enabling an effective and efficient civil enforcement and car parking service that ensures our local towns are prosperous and vibrant
- Maintaining our road network and road safety to an appropriate condition with the resources available.
-

Opportunities for 2016/17:

There are a number of opportunities for the Council to improve performance in relation to Outcome 1.

- Supporting communities to take action to improve their neighbourhoods.
- Ensuring that there is the capability to effectively respond to any major emergency and support the community via a multi-agency response.
- Ensuring community assets are open, accessible, meet local needs and are well organised.
- Promoting digital customer services, which can increase access to users and achieve greater efficiency.
- Providing responsive and effective customer access to services.
- Ensuring that residents receive the right benefits at the right time.
- Ensuring the protection of public health consumers.
- Improving the environment and supporting local businesses and taking action when it's not working.



Outcome 2 - Cheshire East has a strong and resilient economy

What this means:	Cheshire East is the place where people mean business – investing in the building blocks that will allow business to grow, ensuring we have the right skills and promoting opportunities for investment. Working together we will create prosperity for all!			
What the Council will focus on:	1. Business Growth and Tourism	2. Jobs and Skills	3. Inward Investment	4. Infrastructure
What this will look like:	Businesses will grow and thrive in Cheshire East. Town centres will be busy and more visitors will be attracted to Cheshire East	The Cheshire East workforce will be well educated and skilled. Unemployment will be kept low, new jobs will be created and people will be ready for work as soon as they leave education or training	Sites will be available to support new business and allow existing businesses to grow	Cheshire East will be well connected. Travel will be safe and efficient.



Some facts about Outcome 2

1. Cheshire East is well established as a top-performing economy; in a national context, out-performing many of the leading economies in the country.
2. Cheshire East's economic output (Gross Added Value) per head is 16% above the UK average and 34% above the regional average.
3. Cheshire East's Job Seekers Allowance claimants are at a five year low at 0.7%; lower than the regional rate of 1.5%.
4. Business birth and survival rates continue to increase with a 92.5% '1-year Business Survival Rate' for 2013/14.
5. Cheshire East is home to nearly 18,500 businesses including 21 of Insider's Top 250 Companies. In fact, there are more businesses in Cheshire East than any other unitary council in the Northwest - even more than in Manchester.
6. An estimated 37% of the Northwest region's Research and Development jobs are based in Cheshire East, with over 5 times more people employed in science R&D than the UK average.
7. Cheshire East has a £240m highways investment programme, one of the largest outside of any metropolitan centre.
8. Cheshire East's visitor economy and tourism industry employs 10,851 Full Time Equivalents and attracts 14.62 million visitors. It has grown 9.4% since 2013 and is now worth £807m to the local economy.
9. "Free after 3" car parking has been introduced in seven car parks across the Borough to help businesses and increase footfall in town centres, with the addition of four more free after 3 car parks in Crewe, Congleton, Macclesfield and Wilmslow.

2016/17

2015/16 Budget	£31.7m
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Change	+£0.2m
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Proposed 2016/17 Budget	£31.9m
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Cheshire East Council is working closely with partners to facilitate the conditions that will encourage economic growth. Cheshire East has all the right ingredients to see a step change in economic productivity and become the growth engine of the North. We are investing in the building blocks that will allow businesses to grow; ensuring we have the right skills, capitalise on opportunities for investment and provide the necessary infrastructure.

Key Priorities:

High Growth City - Crewe

- **Crewe Town Centre** – Stimulating new investment: retail, culture, leisure, residential and business.
- **High Speed2 (HS2) SuperHub Station** – Investing in a state of the art HS2 hub station at the heart of the Northwest.
- **Northern Gateway Partnership** – this is an emerging economic partnership between local authorities and Local Enterprise Partnerships to deliver sustainable plan led growth on the back of HS2 investment.
- **Fostering the growth of Crewe businesses and attracting inward investment.** For example Bentley Automotive.
- **Infrastructure Programme** – Multi-million pound major road building programme for Crewe, Middlewich and Congleton.
- **Ensuring young people have the right skills and experience**, preparing them for Work, University, Technical College and Apprenticeships.
- **Developing skills specialisms** in rail, engineering, automotive and advanced manufacturing.

High Growth Sectors

- **Science** – Maximising investment into the Cheshire Science Corridor and capitalising on the Borough's world class science assets including Jodrell Bank, Alderley Park and Hurdsfield Business Park.
- **Energy** – Delivering the Council's Energy vision by securing investment in renewable and low carbon energy projects such as Geothermal, an Energy Company, Fairer Power, Energy from waste and Renewables.
- **Technology** – exploring opportunities for incubation space to support our creative and digital technology companies. Working with the digital and creative sector, expected one of the fastest growing sectors in the borough, to help it achieve its full growth potential.
- **Creation of a Skills and Growth ASDV**, to ensure all residents have the opportunity to work and all businesses have the opportunity to thrive.

High Quality Places

- **High Quality Town Centres** – focusing and investing in our key towns to create high quality places for residents, visitors and businesses including bringing forward the redevelopment of the Royal Arcade site in Crewe, securing a high quality leisure-led development in Macclesfield alongside investment in the public realm, developing a strategy for regeneration and marketing of Middlewich town centre, and investing in the town centre public realm and securing the future use of a key listed building in Congleton.
- **High Quality Infrastructure** – major investment programmes such as Connecting Cheshire Broadband, M6 Smart Motorway, Congleton Link Road, Macclesfield Movement Strategy, Poynton Relief Road and SEMMMS2 (a strategic development link in regards to airport expansion), Crewe Green Roundabout, Sydney Road Railway Bridge and Middlewich Eastern Bypass.

- **High Quality Rural** – promoting and investing in our rural areas -Tatton Park, Reaseheath Food Enterprise Zone, Jodrell Bank First Light and the visitor economy.
- **High Quality Development** – working with partners to deliver strategic development in key locations including North Cheshire Growth Village, South Macclesfield Development area, Earl Road, Leighton Green and St Ann’s Lane.

Outcome 2 - Budget proposals are focused on these significant areas:

After allocating inflationary and demand led budget pressures, the following budget changes are being targeted -

Economic Growth and Prosperity Team (-£0.6m)

- Invest in the Growth, Regeneration and Planning teams to support the local growth agenda.
- Increase charges for car entry into Tatton Park for the first time in six years to contribute to the conservation and management of the historic estate and achieve efficiencies in other areas of culture and visitor economy expenditure.
- Introduce charges to developers for public rights of way services and increase income from pay & display car parking to contribute to management, conservation and access in our countryside areas.
- Introduce new property charges for asset services, such as implementing rent reviews and lease renewals, effective management of debt and quick turn around on relettings and vacant premises to reduce holding costs and empty rates.
- Removal of vacant posts from the regeneration and investment staff structure.
- Transfer Macclesfield town centre management to Macclesfield Town Council.
- Reduce ground rent to facilitate growth of the Royal Horticultural Society Tatton Show.
- Reduce business rates and holding costs of Council buildings by completing planned asset disposals.
- Apply costs of the Property Management Team and Strategic Infrastructure & Transport Team to capital budgets where appropriate.
- Realign Silk Heritage Trust contribution to achieve revenue reduction over time.

Highways Winter Services (-£0.22m)

- Reduce costs from a Winter Service Review into routes treated and provision of salt bins, in accordance with the Councils Policy and stop further payments to reserves as balances are already adequate.

Car Parking (+£0.37m)

- Our emerging strategy will reflect our ambition around economic prosperity in town centres and effective traffic management. This may mean, after a period of consultation, possible alterations to pricing. It also takes into account the impact of Crewe Lifestyle Centre and the refund of car parking charges for users.

Outcome 2 – Capital Investment is focused on:

- Strategic Infrastructure and Connectivity.
- Town Centre Regeneration.
- Development of Council assets to support growth and regeneration.
- Tatton Vision: investment in developing a sustainable income base to support the conservation, management and access of this important heritage attraction and its contribution to visitor economy.
- Investment to bring forward the right mix of housing for residents.

Measures of successful performance:

- Increasing the employment rate in Cheshire East
- Increase in skills for people aged 14 years+
- New jobs created and jobs safeguarded
- Levels of employment / unemployment
- Economic productivity
- Business survival rates
- Inward investment
- High-speed broadband coverage
- Strategic highways investment.
- Business Rates.
- Vacancy rates in town centres



Opportunities for 2016/17:

- Development of benefits associated with a HS2 / SuperHub station.
- Explore potential of a new approach to affordable housing and housing delivery.
- Promoting local issues and opportunities as part of the science corridor programme.
- Development sectoral proposition for Rail and Engineering, Advanced Manufacturing, Financial and Technical services and Digital and Creative.
- Making the most of our towns and attracting inward investment.
- Working with companies to boost employment.
- Maximising investment and grant funds specifically European Structural funds and the Leader Programme.
- Making the most of our cultural, heritage, natural and visitor assets in contributing to town centre regeneration, rural and visitor economy, quality of places and related growth opportunities.

Challenges for 2016/17:

- Availability of commercial premises and land.
- Changing landscape of incentives and local government funding.
- Ability to compete with other towns and out of town locations to retain and grow retail and leisure spend.
- Establishing and implementing a car parking strategy across Cheshire East town centres.
- Maintaining impetus on the development and delivery of new road infrastructure in a climate where government capital funding is reducing.
- HS2 SuperHub station to continue to influence the choice and scale of investment required to deliver a solution that supports transformational economic growth.
- Maintaining levels of growth in the cultural & visitor economy, including the financial performance of Tatton Park, remains a significant challenge in a competitive market.
- Delivery of regeneration proposals linked to silk heritage in Macclesfield has high dependency on a number of inter-related projects and partnerships coming together in the context of the wider town centre vision.

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

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

These outcomes align with existing partnership plans and strategies, including the Children and Young People's Plan where Priority 5 is to ensure that children and young people leave school with the best skills and qualifications they can achieve and the life skills they need to thrive into adulthood.



Some facts about Outcome 3

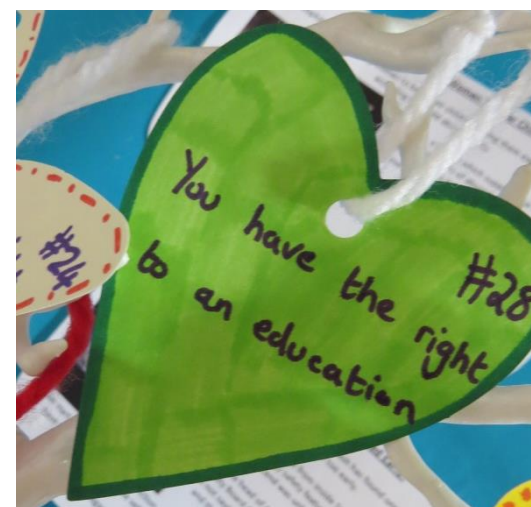
1. 95% of all schools in Cheshire East are rated good or outstanding, which places the Authority 3rd nationally when compared to all other Authorities.
2. Over 25% of post-16 learners in schools achieve the top A/A* grade at A Level with over 50% achieving an A* - B grade.
3. Latest figures for 2014 show that the number of adults with NVQ3 or above is at 57.3%; higher than England (56.5%) and North West (52.7%).
4. Excellent education, employment and training uptake – over 97% of young people are in education, employment and training (EET), with only 45 young people (0.4%) whose destination is not known.
5. The overall performance of schools at the end of every Key Stage shows that Cheshire East performs above national comparators and rates highly compared to our statistical neighbours. Provisional end of key stage 4 performance (5 A*-C in English & Maths) shows Cheshire East ranked 26 out of 152 local authorities.
6. 87% of cared for children and young people attend good or outstanding schools. There has been improvements in the number of these young people who achieve 5 A* - C including English and Maths at the end of Key Stage 4 – this has increased from 15% to 25% over the last 12 months, with good rates of progress in core subjects. More cared for children continue to access higher and further education courses.
7. Cheshire East has a higher than national uptake of the two year old offer in the summer term. Currently around 70% of eligible two year olds take up the offer, compared with the national average of 63%.
8. In the early years, 68.4% of young learners achieved the expected good level of development this year, which is a rise of 6.4% points on the previous year.

2016/17

2015/16 Budget	£12.2m
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Change	-£1.1m
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Proposed 2016/17 Budgets	£11.1m
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In Cheshire East we believe in delivering the best education to give our young people the best chance of succeeding in later life. The majority of children and young people in the borough make good educational progress in schools but we know that differences exist across Cheshire and our positive achievement figures overall mask variation differences across the borough, which extend into adulthood. Addressing this gap in achievement needs to start in the early years and extend to after young people leave school. The outcome focuses on providing children with a good start in life in their early years, ensuring resilience and aspiration, raising achievement across primary and secondary education, and working closely with partners to protect vulnerable children including those placed in the care of the Council.

Achievements within the Children's and Families Service will be measured through improvements in areas such as increased numbers of recognised qualifications, an increase in the number of young people in education, employment and training and the improved attainment of vulnerable children. In addition, there will be an increased focus on the life skills of young people in preparing them for the world of work as well as supporting the emotional health and wellbeing of children from a young age.

Cheshire East was inspected for the first time under the single inspection framework in July 2015 and the inspection report was published on the [Ofsted website](#) on 15th September 2015. The Inspection, which was carried out by ten Ofsted Inspectors, took place over a four week period and inspected the following key areas:

- The experiences and progress of children who need help and protection;
- The experiences and progress of children looked after and achieving; permanence including graded judgements on
 - i) Adoption performance; and ii) Care leavers;
- Leadership, management and governance; and
- A review of the Local Safeguarding Children Board.

Ofsted's judgement was that Cheshire East Council requires improvement to ensure it is providing good services in the above areas; however, Inspectors were impressed with the Council's adoption services, which they judged to be 'good'. Inspectors found that planning for permanence is improving with a good focus on adoption and children are well supported in their new families. They also stated that support for adopters is a strength.

The following strengths of the local authority were identified by Inspectors:

- Plans, resources and Political commitment is in place
- There is active involvement of young people in strategic decisions and plans.
- The local authority knows itself well and uses external scrutiny and challenge to inform improvement
- The strategic response to children who go missing or are at risk of child sexual exploitation is strong
- The identification and referral to Children's Services for assessment, intervention and support is swift
- There is improved stability and reduced caseloads for most social workers which has led to greater continuity for children.
- Planning for permanence is improving with a good focus on adoption.
- Support for adopters is a strength.

Outcome 3 - Budget proposals are focused on these significant areas:

After allocating inflationary and demand led budget pressures, the following changes are being targeted -

1) Reduction in agency staff costs (-£0.3m)

The proposal to reduce the reliance of agency staff and interim specialist support will enable permanent savings to be made. Through a proactive and innovative approach, to recruitment and retention, high cost agency staff are being replaced by permanent staff at a lower cost.

2) Commissioning Efficiencies (-£0.66m)

Efficiencies will be achieved through improvements in the effectiveness of commissioning and a focus on value for money together with a reduction in the value of some contracts. This will be done as some contracts are due to come to the end of their initial period and the requirements will be reviewed upon re-commissioning. We will also look at better commissioning of short breaks.

3) Traded Services – increase income through efficiency and growing the business (-£0.4m)

The proposal is to maximise the business trading models for the School Meals service and Adoption services to deliver increased income so the services reduce the need for base budget funding. Both services already generate levels of income but this can be further realised by increasing efficiency and growing the businesses.

4) Incentives for Foster Carers (-£0.13m)

The current 100% council tax support provided to all Cheshire East Foster Carers will be targeted to support lower income foster carer households and those households with exceptional circumstances whilst retaining a generous 50% reduction for all Cheshire East foster carers.

5) Review of Staffing (-£0.16m)

A reduction in posts and greater efficiencies across the children's workforce will realise savings in staffing budgets and supplies and services. A full consultation will take place with any permanent staff affected by this review.

6) Realignment of Children's Centre Provision (-£0.5m)

Children's Centres deliver both universal and targeted services some of which serve geographical areas where the number of vulnerable children is very low. Delivery will be focused upon those areas of greatest need with the development of a flexible offer, taking the support to the heart of the community via a mobile service delivery approach. Any decision to de-designate a small number of Children's Centres will be the subject of public consultation which will also involve consultation with any affected staff.

7) Youth Engagement Service (-£0.04m)

The Youth Engagement Service will delete a vacant post, realising efficiencies of £40,000. The work undertaken by the post is now managed by the Public Health team.

8) Supplies and services and Special Guardianship Allowances (-£0.1m)

A review of expenditure on supplies and services, and allowances, to ensure value for money and a consistent and fair application of policy. This will generate savings whilst ensuring we are continuing to meet statutory obligations.



Outcome 3 – Capital Investment is focused on:

- Ongoing maintenance of maintained schools based upon their condition.
- Responding to Basic Need requirements to ensure sufficiency of school places.
- Reviewing Special Educational Needs Provision across the Borough as part of an ongoing review.
- Shaping new provision in schools in Knutsford and Crewe which promotes creative solutions to address primary / secondary transition.
- Reviewing existing IT systems within Children's Services which provide essential data to undertake statutory processes.
- Redesign of Children's residential services.

Measures of successful performance:

Early Years	% of learners achieving a good level of development
Early Years	Gap in achievement for lowest 20% of learners
End of Key Stage (KS) 2	% of learners achieving combined Level 4 in Reading, Writing and Maths
End of KS2	% of learners achieving expected progress in Maths
End of KS2	% of learners achieving expected progress in English
End of KS4	% of learners achieving 5 A* - C including English and Maths
End of KS4	% of learners achieving expected progress in English
End of KS4	% of learners achieving expected progress in Maths
End of KS2	Disadvantage Gaps – L4 Reading, Writing and Maths
End of KS4	Disadvantage Gaps – 5 A* - C including English and Maths
Ofsted	% of Schools Good and Outstanding
NEET Rates	Maintain current low rates
Sufficiency of Places	Areas of highest need have sufficient places to meet need.

Challenges for 2016/17:

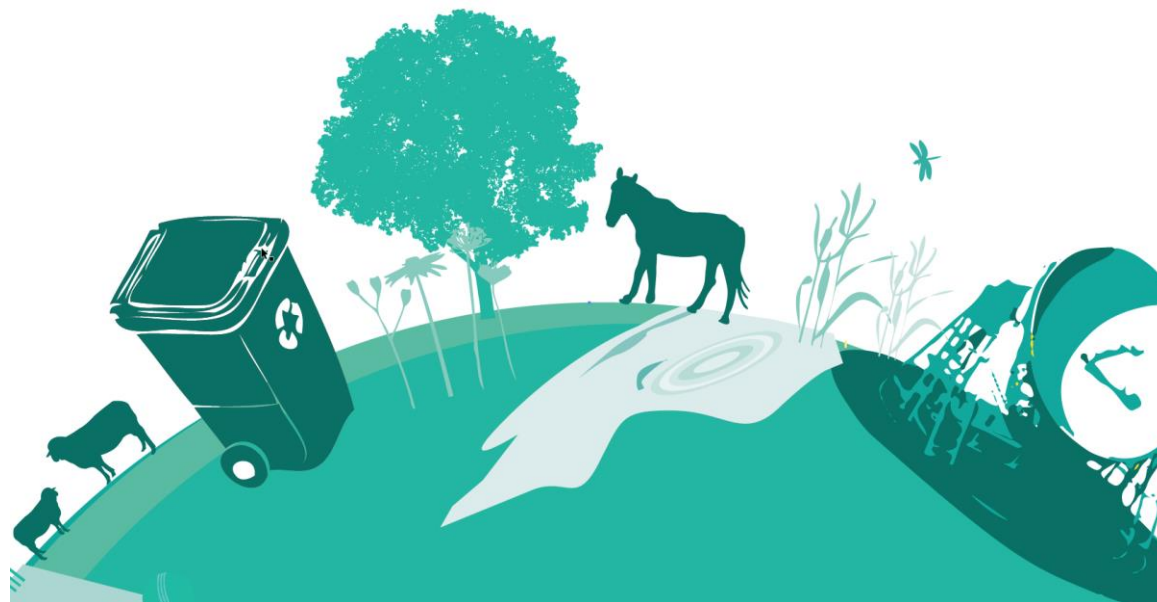
- To continue to close gaps in achievement, especially for disadvantaged learners.
- To meet sufficiency of school places resulting from associated issues linked to the Local Plan.
- To ensure young people leave education with the skills needed to be successful in a range of employment opportunities.
- To ensure that Special Educational Needs (SEN) provision appropriately addresses the education, health and care needs of young people.
- To continue to improve Children's social care services.
- To invest in prevention and early intervention.

Opportunities for 2016/17:

- To review and improve within the borough's SEN provision to reduce costs.
- To increase the employability and skills of young people across the borough, ensuring that they succeed in their transition into work.
- To improve school readiness through an improved 2 and 3 year old offer.
- To reduce inequalities in achievement and opportunity of young people through better targeting of resources.

Outcome 4 - Cheshire East is a green and sustainable place

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



Some facts about Outcome 4

1. Over 240,000 bins are emptied every week in Cheshire East, and 12.5 million bins emptied in the year.
2. We have the second highest recycling rate in the North West with an expected 3% rise in recycling this year.
3. The Authority received seven Green Flag awards for its parks and open spaces in 2014/15 and Tatton also achieved 'Green Heritage' status.
4. 56,270 Gullies were cleaned during 2013/14 to achieve reduced flooding last year.
5. Tree of Light events at our cemeteries have helped families remember loved ones by placing over 3,000 stars of light.
6. First local authority to supply energy direct to the public since gas and electricity were nationalised in 1948, through Fairerpower.
7. The Cheshire basin, underneath Crewe and large parts of Cheshire East has enough hot water to provide hot showers for residents in the UK for the next 142 years.
8. We deal with approximately 4,500 planning applications per year and in 2014 we received more major housing applications than any other authority.

2016/17

2015/16 Budget	£30.9m
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Change	-£0.7m
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Proposed 2016/17 Budget	£30.2m
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Environmental Services incorporate a wide range of front line operational services that are delivered by the Council and used by all residents who live in and travel through Cheshire East. The services range from those that are essential to all residents such as waste collection, roads and bereavement services; to services that enhance the environment, such as the Countryside and Public Rights of Way. All of which are vital and valued by the communities within Cheshire East.

From 2014/15 the Council will deliver many of these services through the alternative service delivery vehicles (ASDV) of:

- ANSA Waste Services
- Orbitas Bereavement Services



Orbitas

Achievements in this service are measured by such things as maintaining the high recycling and satisfaction rates in waste services, improving the condition of the Highway Network by reducing the number of potholes, managing down overall pollution in the area whilst increasing satisfaction with parks, open spaces and countryside.

Energy

Key Priorities: The Council has made a commitment to: help reduce the number of local households in fuel poverty; seek to gain energy security and independence; and support a growing energy business.

- **A Cheshire East Council Energy Framework** has been devised and a programme of sustainable alternative energy sources is being explored, to ensure a lower cost and resilient supply of energy and heat for local communities and businesses.
- **A programme of energy projects** is being developed to deliver the ambitions of the framework. This includes development of a district heat network in connection with deep geothermal energy and seeking to secure decentralised energy and working in partnership with an energy knowledge transfer network partner to seek further external funding and drive innovation.
- There will be development of a specification for **generating energy from garden waste** and a series of renewable energy projects for the Council's buildings to reduce carbon, increase efficiency and achieve long term sustainability.

Planning and Sustainable Development

- Development Management provides a customer facing service that deals with a wide range of operations including planning applications, appeals and enforcement for residents across Cheshire East. Since 2015/16 the Council's planning support services have been provided through an alternative service delivery vehicle (ASDV), Civicance, which also deals with street naming and numbering, land charges and Building Regulations.
- Spatial planning provides the policy basis through the Local Plan and associated guidance to guide and control growth across the district. It ensures the delivery of plan led growth and provides the control mechanisms to deliver good quality and sustainable development.

Key Priorities:

- **Facilitating the delivery of new development** to appropriate locations whilst protecting the character of the area through preparing and adopting the Local Plan, Supplementary Planning Guidance, Local Development Orders and investigating the potential development of a Community Infrastructure Levy.
- **Providing a more responsive and customer focused service** to support prospective developers, businesses and local residents to guide development to appropriate locations and defend against inappropriate development, including the provision of an effective and proportionate enforcement service.

- **Supporting local Parish and Town Councils** in the production of Neighbourhood Plans which help to identify the built and natural features which contribute to the character of our settlements.



Outcome 4 – Budget Proposals are focused on these significant areas:

After allocating inflationary and demand led budget pressures, the following budget changes are being targeted -

- Working with ASDVs to achieve efficiencies and productivity gains that can be recognised in management fees.
- Re letting our waste disposal contract to reduce waste sent to landfill – 25% of any surplus can be retained by the Council.
- Realigning the Planning budget to address anticipated pressures in policy planning, development management and improvements in service delivery.

Outcome 4 – Capital Investment is focused on:

- The development of a new Environmental Hub in Middlewich providing a waste recycling / transfer station, and base for our parks, waste, street cleaning and vehicle maintenance operations.
- Wheeled bins replacement.
- Procurement of a District Heating Joint Venture partner to progress its Deep Geothermal Energy ambitions as well as other renewable energy initiatives.

Measures of successful performance:

- Maintaining the high percentage of waste recycled
- Diversion of Waste from Landfill to Energy production
- Maintaining satisfaction levels in waste services
- Achieving 6,000 Fairerpower customers in 1 year
- The speed in which planning applications are registered and processed

Challenges for 2016/17:

- Working with greater exposure to market forces.

- Delivering outcomes through commercial skills and effective contract management.
- Reduction in Government Feed in Tariffs and Renewable Heat Incentive subsidies will impact upon the energy sector.
- The pressures of development levels across Cheshire East – plan led growth delivery.

Opportunities for 2016/17:

- Building commercial capacity and producing a dividend on investment.
- Producing new income streams.
- New contracts for waste processing that could allow the future collection of food waste in the garden waste bin, and divert black bin waste from landfill to waste to energy.
- Progression of new Joint Ventures to deal with our household and garden waste.
- To develop the mechanism, through the adoption of a Local Plan, to provide a basis for a plan led approach for future growth and the potential development of a Community Infrastructure Levy to help fund essential infrastructure to support our communities.
- Seek additional savings and income streams through Civicance.
- Alternative models to improve performance and delivery of faster planning decisions.



Outcome 5 - People live well and for longer

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



Some facts about Outcome 5

1. Life expectancy in Cheshire East is significantly higher than the England average for both men and women. However, indicators of quality of life (social inclusion, self reported wellbeing) are only average.
2. Cheshire East Council supports an average of 5,700 adults with their social care needs at any given time. More than one third of the Council's net budget is utilised in support of services to adults.
3. Planned re-tendering of services will take place over the next two years.
4. A new fund has been created to assist in the delivery of new innovative services.
5. There were over 2.7 million visits to Council leisure facilities during 2014/15.
6. There is a clear link between loneliness and poor mental and physical health. Empowering people to engage more with their communities will have a positive impact on their quality and length of life.
7. Demand for health and social care occurs because of poor health. Many health problems are preventable through adopting a healthy lifestyle. In Cheshire East 17% of adults smoke, 61% of adults are overweight, 28% of adults are physically inactive and 27% of adults are high or increasing risk drinkers.
8. Cheshire East is identifying an Early Intervention, Help and Prevention budget of £2m. This brings together the relevant budgets from public health, adult social care, children's and communities to commission together.
9. Responsibility for some public health duties and services were transferred to Local Authorities on 1st April 2013 under reforms set out in the Health and Social Care Act (2012). Drug, alcohol and sexual health services account for around half of the total public health budget.

2016/17

2015/16 **£109.8m**
Budget

Change **-£0.5m**

Proposed **£109.3m**
2016/17
Budget



Responsibility for Public Health functions transferred to local authorities in April 2013 from the National Health Service. This means Cheshire East Council is required to “take appropriate steps to improve the health of the people who live in their area”. We do this by commissioning a wide range of services for residents such as sexual health, drugs and alcohol services, smoking cessation services and the NHS health checks programme. We also ensure that there are effective and tested emergency response arrangements for major incidents and the public is protected from the outbreak of communicable diseases and other significant threats including extreme weather events. Finally, we continue to support the NHS by offering specialist public health advice to ensure the public have access to evidence based services that will not only improve health but will reduce health inequalities.

These new responsibilities for the Local Authority came with a ring-fenced grant from the NHS to ensure the Council can invest in the delivery of these new functions. This has been in place within Cheshire East Council since April 2013 and has been used to support improvements in health and wellbeing for all residents. The changes we have implemented include:

- A new Drug and Alcohol service for adults and young people focused on preventing drug use, ensuring people who need treatment and care have the best possible support and opportunities to move on from substance misuse. We also provide opportunities for those in need to get the right help with housing and employment to aid their individual journey towards recovery which will benefit individuals, families and communities.
- A new Sexual Health service in Cheshire East which will offer residents more opportunities to access contraceptive advice and support locally together with the security of specialist sexual health services to identify and treat sexually transmitted infections. We will continue to invest in ways to help residents access support and advice on sexual health issues and continue to reduce numbers of sexually transmitted infections in Cheshire East.
- A new integrated Health Visiting and School Nursing service offering support for new parents, children, young people and families from birth right through to leaving school. We will support families through dedicated teams of health visitors and school nurses providing advice and at times intensive support combined with the Council’s existing dedicated children’s workforce.

Early next year we will also:

- Launch a new integrated health and wellbeing service, offering lifestyle advice and support to residents in an integrated way for the first time. This will include new services to create more support for residents who want to be more active and for those who want help to lose weight together with existing services offering support for people who want to stop smoking or need to access sexual health services urgently. We will bring all of these services together with a re-invigorated NHS health checks programme to ensure we can support residents to stay healthy for longer.
- Launch a programme to focus on improving mental health and wellbeing including investing in young people in a way that has not been realised before. This will include support and assistance to identify the priority needs of school age children and help them with support to deal with the challenges of growing up in a changing world.
- Deliver a new programme to empower residents to both take responsibility for their own health and well-being, and ensure a positive experience in all interactions with the health and care system. This joint programme with the Health service has the potential to improve quality and length of life and also to reduce demand for health and social care services.

Ultimately, Public Health priorities will focus on helping people to stay healthy. This includes helping people to reduce their risk of illness, decreasing the effects that illness can have on residents and controlling the spread of disease. Services and activities are being refreshed to provide a greater focus on prevention and early intervention and supporting people in taking ownership of their health lifestyle choices. All services will continue to develop collaborative relationships across the Council and with local partners to achieve health and wellbeing improvements for all residents.

Adult Social Care and Independent Living is the single biggest spending directorate, accounting for one in every three pounds spent by the Council. Adult Social Care is facing unprecedented challenges in the numbers of people needing social care support. As the demographic picture changes and many residents are living longer, there are the associated problems of aging and ill health with many people having multiple health conditions and frailty, resulting in the need for additional care and support. As a result, many more people find themselves as carers of their loved ones and they themselves need to be supported in their caring role. In addition, the Council has to respond to the implementation of the Care Act 2014 and the new duties placed on the Council have had to be incorporated into the work we do. Financial pressures have been further impacted with the introduction of the national living wage which has had to be factored into the care services contracts as we move forward.

As this is taking place at a time of financial challenge the service area has had to review its priorities to ensure that we meet the needs of residents, but in doing so we have had to review how we can best do this within the available resources. In order to do this Adult Social Care has adopted a priority based budgeting approach for 2016/17 to ensure that every pound spent helps people live well and for longer.

The approach requires us to identify the priority outcomes we need to achieve and allocate our resources accordingly to ensure that the care and support is targeted so we can meet need and improve outcomes for our residents. In completing this approach we have had to make difficult decisions as to how best we can deliver quality services to those who need them, meet the growing demand and achieve value for money in what we do.

We have, together with our health partners, had the opportunity to engage with service users, carers and the public in the last two years focusing on a number of topics. This has given us rich information and allowed us to hear the views of people relating to the services available to them and what they would like to see going forward. This has informed and influenced our review of the priority areas and what types of services we need to make available.

The implementation of the new Care Act 2014 has led to new entitlements for service users and their carers. We know that we need to focus on wellbeing, on the provision of information and advice in a variety of formats that means our residents can be part of vibrant, connected and supportive communities, where social isolation is actively reduced and support isn't something done to you, it's something we all do together. The focus is on how we can support people to support themselves wherever possible and take responsibility for their own health and well being. We are embarking on an assets based approach where our communities are recognised as one of most important assets.

We are embarking on a new phase of integration with health partners where frontline assessment services will be part of integrated health and social care community services. The residents of Cheshire East will be able to have a single point of access to have the health and care needs assessed and a plan of support arranged for them without the need to be assessed by multiple professionals in different teams and locations.

We are being transparent with where we currently spend our money and it is the intention that this approach prompts reflection both within Cheshire East Council and with our health and wellbeing partners. That will let us identify where we may be duplicating resources, both in effort and spend. In 2016 we will achieve the required savings target by putting in place more efficient and lean methods of carrying out professional practice, and associated processes have been identified to deliver savings without adversely impacting on meeting residents' needs. At the same time we will implement the findings of service reviews in line with our priority outcomes and legislative requirements.

In all of this we will continue to protect our residents. This includes ensuring everyone enjoys physical safety and feels secure. Through our safeguarding activities we will work to protect our residents from physical and emotional abuse, harassment, neglect and self-injury.

Measures of successful performance:

Cheshire East Council performs well in many areas relating to Outcome 5. Our ambition would be to maintain or improve our position in the top quartile of local authorities nationally. We will regularly review (as new benchmarked data becomes available) the long list of indicators that contribute to people living well and for longer. We will focus on actions that deliver a reduction in health inequality, service change and reconfiguration to improve outcomes in the priority areas.

We anticipate the focus for 2016/17 will be to continue to improve in the following areas:

- Reducing social isolation (particularly for carers).
- Access to community based support in a crisis.
- Access to integrated health and social care assessments and support planning.
- Access to advice and information to promote self help and self management.
- People in contact with mental health services in stable and appropriate accommodation.
- Self reported wellbeing.
- Healthier lifestyles (smoking, excess weight, inactivity, alcohol consumption).
- Take up of NHS Health Checks.
- Reducing self harm.
- Identification and successful interventions for those with substance misuse problems.
- The number of people in permanent residential care will decrease overall with an expected reduction in the number of people being admitted into residential care.

- The timeliness and quality of social care assessments, including reviewing needs and support plans.
- The levels of debt held by adult social care.

Outcome 5 - Budget proposals are focused on these significant areas:

After allocating inflationary and demand led budget pressures, the following budget changes are being targeted -

Commissioning Efficiencies in Adults Social Care

Housing related support (-£1m)

This is non statutory support for certain client groups who need help to access, retain and maintain their tenancy. It is planned to reduce the spend on housing related support services by renegotiating contract values and looking for greater efficiencies by new ways of working and eligibility criteria. Other support services can deliver this type of support as part of a comprehensive set of interventions. More efficient use of the full range of support services to deliver multiple types of intervention will reduce the need for specialist housing related support for some client groups.

Care Fund Calculator (-£0.4m)

For people who live in externally provided supported tenancy schemes, it is intended to continue the review of their care and support packages by using the Care Fund Calculator tool. This tool is designed to focus on the needs of individuals to complete a personalised assessment which will allow for the needs to be considered in terms of new ways of meeting needs and to identify how the allocated budget can be spent differently. The focus of assessments is to move to using the community assets available to a person, assistive technology solutions and move away from a care dependency model.

Alternate funding of Community Alarm Provision (-£1m)

For people living in sheltered and extra care accommodation the community alarm service is often included as part of the tenancy arrangement. The options for funding this type of service will be reviewed to ensure maximum use of alternate funding sources and choice for the tenant is maximised. The Adult Social Care service heavily subsidises this provision irrespective of the financial status of the tenants. The subsidy, if required, can be covered by housing benefits or private funding dependent on the financial status of our residents.

Efficiencies through contract reviews (-£0.3m)

Efficiencies will be achieved through improvements in the effectiveness of commissioning, resulting in a reduction in the value and ceasing some contracts.

Digital advice and support (-£0.25m)

The intention is to review existing contracts to reduce the overall cost of information and advice, allowing residents, their families and carers to self-serve via the marketplace and service directory. Work with Public Health, GPs and other partners is underway to promote a wellbeing culture and network of resources. The focus will be to review commissioned traditional information and advice services by implementing online and digital solutions to complement telephone and face to face contact.

Early Help (-£0.2m)

Review the performance and value for money of commissioned early help services reducing spend by £0.2m. Some services within this category have been identified as not delivering on intended outcomes or of being under-utilised. Contracts will be reviewed and either renegotiated or terminated.

Care Act compliance and care provision (-£1.5m)

A review of in-house service provision to comply with the requirements of the Care Act 2014. Services need to be accessible to those who need them in terms of being able to exercise choice of provision and control over what services they access and how they are delivered. The responsibility of the Local Authority in complying with the legislation requires a review of how in-house services can be delivered to enable those who need and wish to access them can purchase them. Alternate models of care and how they are delivered will be co-designed and co-produced with service users, carers and care providers.

Professional practice and process

Using intense occupational therapy within reablement services (-£0.3m)

Utilise occupational therapists to work as part of the reablement service, to support the reablement offer and to maximise the benefits to the individual by short term intensive interventions to reduce need for duration and intensity of further domiciliary care support.

Maximising independence (-£0.2m)

Some people have been assessed to require two carers to support them in mobilising safely. At times this has been at the point of discharge from hospital or when their mobility was at a particularly problematic stage. Mobility can fluctuate and at times two carers to assist can reduce the opportunity for the individual to maximise their independence. Intensive reviews by an occupational therapist will assist in ensuring the most appropriate support is provided to ensure safety and maximise independence.

Mental health domiciliary support (-£0.5m)

Mental health services operate within a recovery model of care and utilise the principle of social inclusion to enable people to maintain or regain access to engaging with their local communities, access employment opportunities, access daytime occupation and leisure activities and secure stable appropriate accommodation. The recovery model focuses on the person taking control of their own lives with short term support to facilitate recovery and independence. A review of spend in this area has revealed a longer term dependency on support services has developed for some people. Reviews of this type of service provision with targeted support is planned to enable people to achieve their aspirations.

Review care packages (-£0.44m)

Review the top 100 high cost care packages to assure ourselves that the needs, expectations and wellbeing of those residents are being served and that care is appropriate and promote independence. Our responsibility to meeting eligible needs that cannot be met by other support systems will not be affected by these reviews.

Low level interventions (-£0.1m)

Review the effectiveness of low level commissioned interventions for individuals and identify alternate solutions to provide the support required by using where appropriate community assets and a greater enabling and socially inclusive approach. The focus of the reviews of care being provided will focus on a strengths based assessment.

Introduction of a self directed support approach – underpinned by a transparent Resource Allocation System (-£1.5m)

There is a strong evidence base to demonstrate that appropriate practice and excellent social care both improve outcomes for residents and improve value for money. The introduction of a revised Resource Allocation system will support the process to deliver a fair and equitable system to ensure allocation of Council resources reflect the levels of need and risk experienced by the service user. This moves the allocation of the personal budget away from a subjective view on an individual professional. The new system will reduce overall care and support costs by using a system underpinning strengths-based assessments, which lead to person-centred support plans. These support plans will utilise community and social assets with Council funded services filling the gap.

Business Support and Finance staff reduction (-£0.1m)

With the implementation of the new case management and finance system for Adult Social Care, the additional admin resource currently required for loading care package information will no longer be required. Moving to a more efficient system design will reduce the staffing budget by £0.1m.

Increase Income (-£1m)

Annual uplift in fees, charges and benefit rates together with revision of the Charging Policy will increase income levels in 2016/17. The Charging Policy proposals have been formally consulted on and recommendations approved by Cabinet. The impact of this change reduces the requirement to support service costs from other general funding.

Supporting investment in Public Health (+£1.2m)

Public Health focuses on helping people to stay healthy. This includes helping people to reduce their risk of illness, decreasing the effects that illness can have on an individual and controlling the spread of disease. Services and activities are being refreshed to provide a greater focus on prevention and early intervention and supporting people in taking ownership of their health lifestyle choices. These services are continuing to develop collaborative relationships across the Council and with local partners to develop health and wellbeing services and the wider determinants that affect the health and wellbeing of the local population. Significant levels of efficiency savings are increasing the amount available for direct service provision.

ASDV Management Fee (-£0.06m)

Work will be done with the Council's Leisure Services provider, ESAR, to achieve savings within the management fee of £62,000. This is expected to be achieved through efficiencies and increased productivity and is in-line with the existing contractual arrangements between the two organisations.

Outcome 5 – Capital Investment is focused on:

- Ensuring that our care and support professionals have the tools and technologies that they need to do their jobs, wherever they are. We are continuing to invest in developing integrated care and support information systems anchored by a shared care record.
- Making sure that our residents have access to excellent self-help tools, information and advice to manage care and support for themselves and their families.
- Supporting communities by providing a marketplace for people to access local groups, community and social enterprises, care and support providers both large and small.
- Using the Disabled Facilities Grant (DFG) to ensure that people can live in their own homes for longer. This will be complemented by assistive technologies and digital care solutions.

Challenge for 2016/17:

- Managing the market to ensure that there is a range of services, care and support available in the right place at the right time whilst the care sector is undergoing unprecedented legislative change such as the national living wage.
- Managing policy reviews, including those by external bodies such as Public Health England.
- Securing desired transformation in public health outcomes at pace that helps people live well and for longer.
- Promoting the care workforce and ensuring it is given prominence and value in order to ensure improved recruitment and attract young people into vocational and educational routes which promote the careers in health and social care.
- Successfully responding to the requirements of the Care Act.
- Launching the Empowerment programme.
- Successful implementation of the Integrated Lifestyle and Wellness system.
- Investing in early intervention and prevention at scale.
- Reducing health inequalities between Wards and reducing the life expectancy gap between the most deprived and least deprived communities.
- Connecting health, social care and communities' agendas to ensure a co-ordinated approach to the key priority outcomes for our residents.
- Ensuring the residents voice is heard and the principles of co-design and co-production of services is made a reality.



Outcome 6 - A Responsible, Effective and Efficient Organisation

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

Some facts about Outcome 6 and Financial Stability

The Council demonstrates strong financial performance, with a small 0.3% underspend of the budget in 2014/15 being an improvement on 2013/14, and, once again, the Council has slightly increased overall reserves.

The Service manages the Council's property portfolio of approximately 600 major property assets, with an asset value of £440m, which will assist in the delivery of a wide range of services to over 370,000 people in Cheshire East.

Over 10,000 births, deaths or marriages are registered by the Council each year.

Over 290,000 people are registered to vote in the Borough, the third largest electoral role in the Northwest.

The 2014/15 Statement of Accounts received a true and fair opinion from the Council's external auditors. In the first year of producing Group Accounts the Council received just two audit recommendations for changes – an unprecedented low number.

The service maintains and supports front-line services with nearly 4,000 computers and laptops and nearly 350 different applications.

Capital spending by Cheshire East Council exceeded £100m in 2014/15, but, by applying for grants and using developer contributions and receipts, external borrowing was actually reduced.

Council Tax and Business Rates – the Council is among the top third of Unitary Councils in terms of collection. Over 99% of Council Tax and Business Rates are collected within three years.

2016/17

2015/16 **£54.4m**

Budget (incl.
Capital Financing)

Change **-£4.0m**

**Proposed
2016/17
Budget** **-£50.4m**

2015/16 **£264.5m**
**Corporate
Budget**

Less Savings **-£6.4m**



Chief Operating Officer Services focus on providing high quality professional advice in areas, such as legal and accountancy, supporting all Council services. They are also responsible for providing appropriate buildings, facilities and technology that enable front-line services to operate effectively. These Services have a vital role in ensuring compliance, providing legal and procurement advice and project management skills, supporting elected Members and managing the governance and stewardship arrangements that promote transparency and accountability.

The services are focused on driving efficiencies and improved productivity through the better use of systems, automated processes and challenging the value for money of all initiatives to ensure activities add value, achieve priorities and contribute to the Council's stated outcomes. It is crucial that these services are lean and 'fit for purpose' to support and enable front line services delivery that meet residents' needs.

For 2016/17 the Chief Operating Officer has developed a range of savings options or proposed corporate financial changes that provide almost 50% of the overall level of savings required.

Achievements within Chief Operating Officer Services will be measured by such things as promoting local democracy; unqualified 'true and fair' opinions from the external auditors; the acknowledgement of added value from professional staff; the level of income collection; how the costs of support compare with national comparisons; and achieving the best rate of returns on investment and the effective running of the Council's estate.

It is a difficult challenge to balance financial stability with sustainable services that meet residents' needs. The proposals contained within this document are achievable, but in some cases will depend on changing behaviours of residents and staff and moving arrangements to more modern self-service options. Proposals under Outcome 6 are split between savings that will be achieved directly from a reduction in the cost of services and corporate financial issues such as the reviewing the domestic and commercial tax bases and the costs of financing the capital programme. The latter category of savings, from corporate budgets, is referred to as maintaining financial stability.

Outcome 6 - Savings from Chief Operating Officer Services

After allocating inflationary and demand led budget pressures, the following changes are being targeted -

Reductions in employee or employee related costs in **Chief Operating Officer (-£1.62m)**

This will be achieved across the range of Chief Operating Officer Services through a mix of:

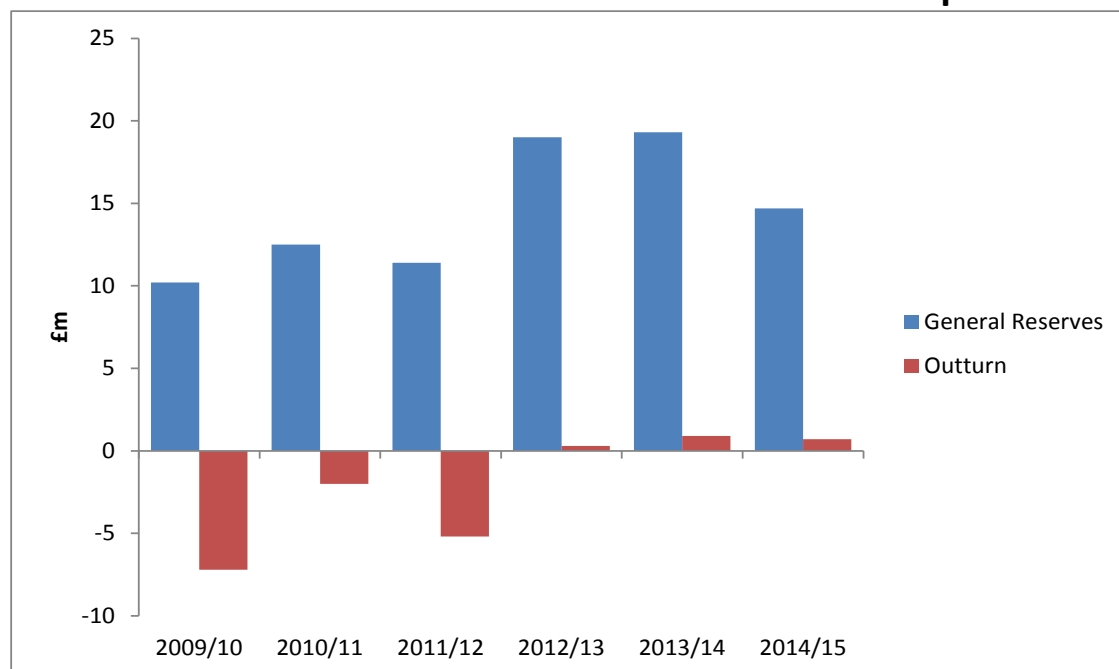
- **Freezing recruitment and deletion of a number of vacant posts that have been created by reshaping services.**
- **Reviewing and reducing staffing levels to focus on priorities and a smaller Council. This will include savings in:**
 - Commissioning;
 - Communications;
 - Changing support to Members and senior officers in line with comparator authorities.
- **Reductions in training and organisational development in line with comparator authorities.**

- **Targeted reductions in professional services such as Legal, HR, Finance and ICT in line with comparator authorities;**
 - These savings will be challenging to deliver but services have been re-designed and core priorities will be maintained.
- **Digital Customer Services project (-£1m)**
 - Better services will be provided through the internet where it works best for residents and keeps costs down. This is part of a multi year programme to increase uptake of digital service options given that 36% of residents prefer digital channels, with potential for up to 70% to shift to digital. A Customer Portal will provide a single route into digital services, with information tailored around the individual's specific needs. Reductions in overall staffing levels will result from shifting to digital services.
- **Facilities Management running costs (-£1.25m)**
 - Efficiencies in the running of the Council's property portfolio are proposed to increase even further in 2016/17 through efficient use of office space and reducing expenditure on things such as maintenance, utilities and business rates.
- **Reducing expenses and reducing costs of supplies and services (-£0.48m)**
 - Technology and changing behaviour can contribute to significant savings. Costs, such as mileage, will be avoided through more efficient use of technology. Costs will also be saved from reducing printing costs and through better procurement arrangements around postage, consumables and printing supplies.

Outcome 6 - Maintaining Financial Stability

The financial stability of Cheshire East Council is strong, and has improved in recent years. **Chart 1** shows how general reserves have changed over time, creating longer term stability. Importantly it also shows how the outturn of spending has been within budget for the last three years, highlighting good financial control and accurate planning. In addition, the latest forecasts for spending in 2015/16 highlight further improvements in this trend.

Chart 1: Reserves have increased and outturn has improved



Source: Cheshire East Finance

In providing a balanced budget the Council must manage the fact that services are funded from a range of income sources. Local residents and businesses contribute to sustainable services through local taxation; contributions and charges; and central government provides grants funded mainly from national taxation. The Chief Operating Officer reviews all changes to these income sources, makes an assessment of risk and then estimates the overall annual impact to the Council's ongoing funding of services.

Changes to the budget as a result of the Chief Operating Officer's reviews are detailed below:

General Government Grants

- A lack of current information makes financial planning for individual grants and associated expenditure levels particularly challenging, however, the Council is making a prudent assumption that core grant could reduce by c.25% in 2016/17. This could be as much as a £13m reduction in income.
- Increasing development in Cheshire East means New Homes Bonus is expected to exceed recent expectations and may increase grant income to the Council by as much as £0.6m. But other specific grants, such as health, care and education, have been maintained at previous medium term forecasts. These are based on best estimates or just a general reduction of 15%.
- No announcements have been made in relation to Council Tax Freeze Grant for 2016/17. To date the Council has accepted the freeze grant when it has been offered. If this grant is available, and members accepted this policy again then Government Grant would increase by c.£1.7m.
- Expenditure directly related to grants is reviewed when the full list of grants is provided by the government. This is expected to follow the Autumn Statement due on 25th November 2015.

Local Taxation

Locally collected taxes, that are directly retained by the Council provide c.80% of the Council's net funding. The Council therefore takes a very careful approach to managing the tax base in a way that reflects local growth ambitions and supports sustainable services in the medium term.

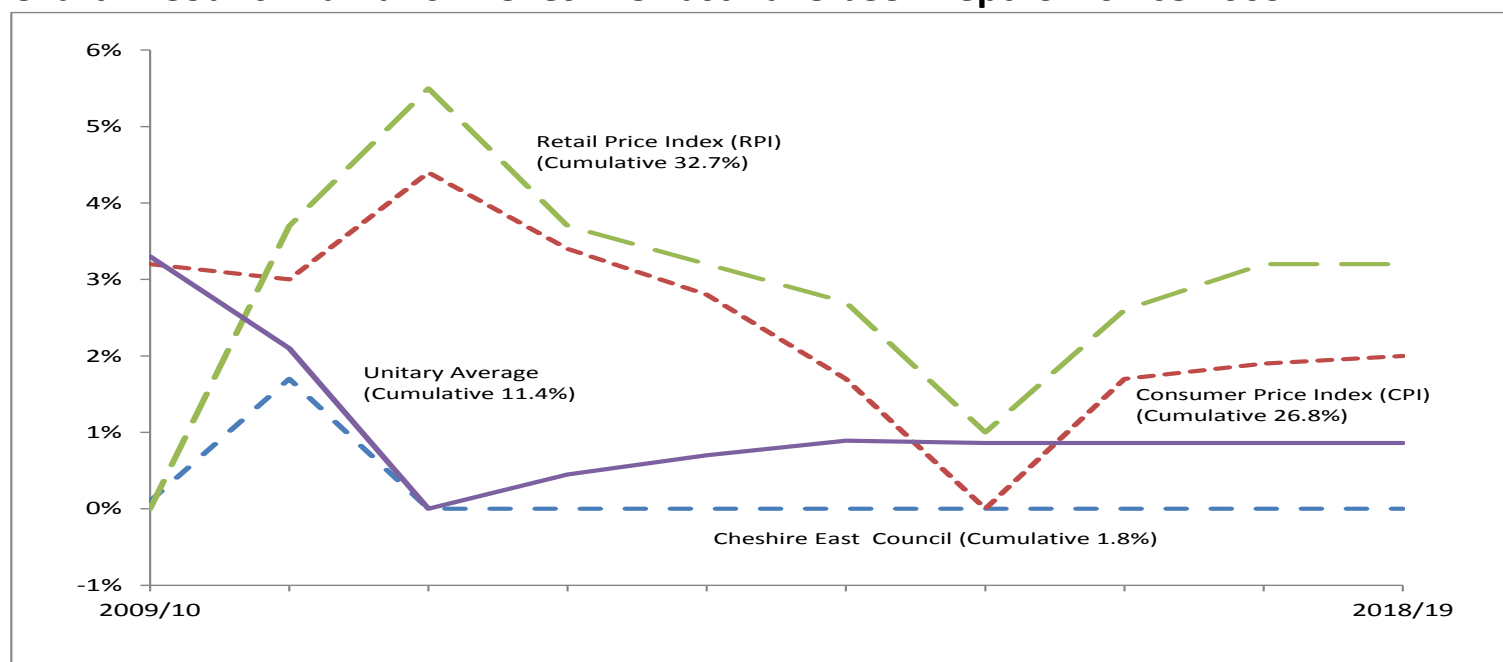
- **Growing the domestic tax base** - each new home brings additional Council Tax revenue, New Homes Bonus and, in the medium term, a Community Infrastructure Levy. But homes also bring additional costs, such as education, waste collection and highways. The Council ensures that any subsidy from its general funding sources is carefully examined to achieve maximum value. Through such actions the Council can protect families from Council Tax increases, make full use of any Government freeze grants but still increase income from Council Tax overall.
- **Increasing employment opportunities** - through economic growth, resulting in fewer people relying on welfare benefits from the Council and releasing funding for further improvements.
- **Maintaining strong collection rates and challenge of tax bases** - to ensure fairness to all involved and ensure the Council maximises local income for local use.

Council Tax

- The Council has not increased Council Tax for five consecutive years. For the last four years government grant has been provided (Freeze Grant), but there is no certainty of this being available in 2016/17. This position will be reviewed as part of the analysis of the Chancellor's Autumn Statement and Comprehensive Spending Review. A 1% Freeze Grant, currently assumed within the Pre-Budget Report, or a 1% Council Tax

increase provides an additional £1.7m to fund services in Cheshire East. Chart 2 illustrates the significant impact freezing Council Tax has had on local bills compared to inflation and other areas.

Chart 2: Council Tax bills in Cheshire East have been kept low since 2009.



Source: Cheshire East Finance

- The overall tax base is forecast to increase due to new homes being built in the area, in accordance with the Local Plan estimate less changes to discounts. Overall this is expected to increase Council Tax receipts by c.£1.4m.
- Collection rates for Council Tax in Cheshire East exceed 99% over time. All payments are managed through the Council Tax Collection Fund and this is also being reviewed to ascertain if any surplus can be declared and used for the benefit of the 2016/17 budget. This review reflects on current debt levels and will be completed in January 2016.
- The Council Tax Support Scheme, that helps residents on low incomes to manage Council Tax payments, is also subject to review. Consultation has been undertaken throughout 2015, and a proposal will be made to Council in December. The scheme has remained the same since 2013/14 when it was introduced, but changes could increase overall payments. In addition, economic growth in Cheshire East helps to reduce overall dependency on welfare which acts to increase Council Tax receipts too. Current forecasts are that between £1m and £2m of additional Council Tax payments will be made in 2016/17 through reductions in Council Tax Support costs.

Business Rates

- **Promoting Economic Growth** - business growth can result in additional income being retained for local investment, subject to certain thresholds. This supports the Council's approach to invest in economic growth through unlocking development land and supporting inward investment.
- The Council is maximising the benefit of the business rates retention scheme by pooling with Greater Manchester councils and taking part in a growth pilot, one of only two in the country. Both of these initiatives aim to retain as much local Business Rates as possible. Current forecasts are that an additional £0.8m of business rates receipts will be retained by the Council in 2016/17 on the back of these arrangements. The Chancellor's announcements on 5th October 2015, about local authorities being able to retain 100% of business rates, seem to build on the pilot and further details are awaited.
- Due to continuing volatility in the business rates base, an inherited position since the introduction of the business rates retention system, no growth above inflation (as applied to the multiplier) is currently forecast for Cheshire East Council.

Capital Investment 2016/17

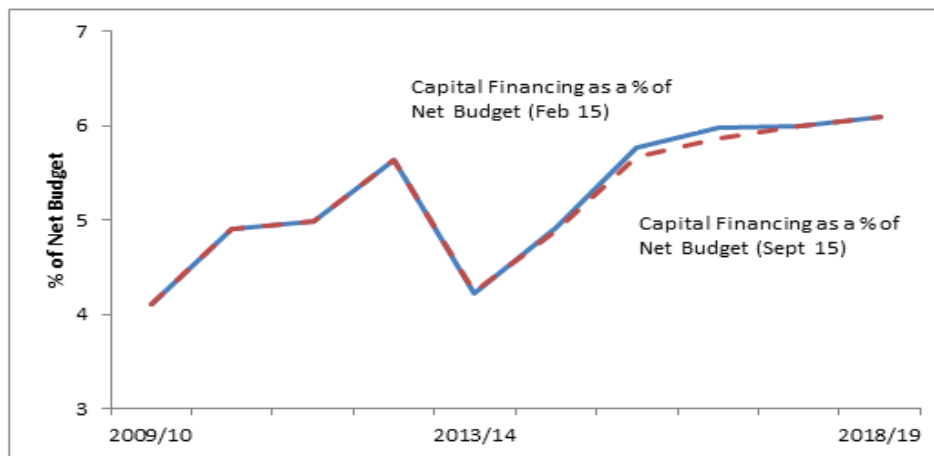
- The Council's strategic Capital Programme of £455.5m for the period 2015/16, 2016/17 and Future Years was approved by Council on 26th February 2015. It has an emphasis on infrastructure which will generate local economic growth; investment in new service delivery models and improvements in the Council's asset base.
- The Capital Programme is intentionally aspirational, reflecting the Council's ambition, to pursue additional external funding, private sector investment and capital receipts. It is designed to allow flexibility, so that schemes can be phased, reviewed and if necessary put on hold until the resources required are identified and secured, or alternatively, started to take advantage of funding and market opportunities as and when they arise.
- All proposals will be subject to scrutiny through the gateway process which ensures a robust quality assurance framework is followed for each project. The governance arrangements will safeguard against projects proceeding where costs may escalate beyond budgets. Variances from approved budgets will be subject to supplementary approval in accordance with financial regulations.
- Longer term proposals are included in the programme for planning purposes. Where costings are not yet available indicative estimates are included and these will be updated as projects progress through the gateway process and variations will be reported to Members via quarterly reports.
- The programme is expected to be funded by c.£80m of capital receipts, depending on the timing of these receipts the start times of some projects may be brought forward or delayed. The current status of the land and property market will be kept under review by the Asset Management Service and East Cheshire Engine of the North Ltd. The programme will be reviewed if the resource position changes.

- Projects that are not included in the current programme may still be considered if there are alternative funding options and there is opportunity to meet the capacity requirements of the project.
- At this point in time, any additional Capital resources to deliver the 2016/17 budget are being identified.
- During 2015 the Project Management Framework has been refined and the Business Planning Process now acts as a first approval stage for all schemes.

Capital Financing

- Capital expenditure includes spend on major items such as new highways and schools. These costs are met through the Council's capital financing budget which takes into account all available income sources.
- The Treasury Management Strategy aims to hold down capital financing requirements at c.£14m per year in the medium term. The net revenue budget will decrease over time so the percentage required to fund capital is therefore likely to increase, which is as expected as the Council targets investment in infrastructure that can support the local economy.
- Properly managing resources ensures that cash balances remain stable and the forecast capital financing budget will reduce compared to the Medium Term Financial Strategy.
- No additional external borrowing is planned in 2016/17.

Chart 3: The impact of capital financing on the revenue budget



Source: Cheshire East Finance

Pay and Pensions

- Staff pay increase of 1% is anticipated for 2016/17 in line with Government announcements, although this is not expected to apply to senior officers and is subject to negotiation.
- Pension contributions by the Council are also expected to increase in line with the Medium Term Financial Strategy forecasts.
- The Council is budgeting for the additional cost of implementing the Living Wage and removal of the second state pension in terms of National Insurance impact. Further details are provided in the workforce section.

Treasury management

- Three year capital programme is funded (subject to confirmation of grants and developer contributions).
- No new external borrowing planned.
- More effective cash flow management and reducing debt.
- Ongoing review will keep within the cap of £14m and expected to deliver a saving.

Reserves to remain adequate

- Maintain £12.5m in risk based general reserves.
- Continue to manage the use of non-statutory earmarked reserves to support investment in local communities and the local economy.
- The Council will also continue to review its Balance Sheet in 2015 focussing on earmarked reserves to ensure these continue to be held according to an agreed plan or returned to general funds for more appropriate allocation.

Outcome 6 – Capital Investment is focused on:

New Schemes

- Enterprise Resource Planning
- Facilities Management

Committed Schemes

- Asset management and maintenance
- Digital Customer Services
- ICT infrastructure
- Data management
- Connecting Cheshire – Phase 2

Measures of successful performance:

- Investing more taxpayer funding in front line services by reducing the percentage of funding spent on professional functions
- Reducing the £ per m² costs of Council properties
- Increasing the percentage of non-pay spending managed by procurement professionals
- Enhancing spending and benefits realisation through management of projects
- Improve engagement and satisfaction with local people through greater use of business intelligence
- Spending in accordance with the estimated budget

Challenge for 2016/17:

- Developing support services to reflect the increasing and different demand from other services within the Council

Protecting Against Risk and Supporting Investment

- Cheshire East's strong taxbase and greater independence provides financial stability and offers some 'local protection' from the impact of national economic fluctuations. Compared to most other English councils, Cheshire East is less reliant on government revenue grant as local businesses and residents provide a higher proportion of the Council's overall funding. In this context, it is also important to note that compared to neighbouring local authorities, total spending per head of population is below average. Given this national and local context its overall financial risk profile is lower than previous years. The Council's consideration and response to threats, and its ability and capacity to recognise and seize new opportunities, underpin its successful performance.
- The Council continues to strengthen its risk management framework and uses this to help it respond to changes. The Council's risk management framework strengthens the effectiveness of its overall governance, and provides a mechanism to ensure effective decision making. The internal control system allows the Council to respond appropriately to risks. This increases the likelihood of the Council achieving its strategic priorities and outcomes.
- Supporting the Council's budget with adequate reserves is a key element to creating financial resilience, and the publication: [Guidance and Data on the Financial Resilience of the Council](#) provides clear evidence of an improving trend of robust forecasting of performance and improvements in the level of general reserves.
- The decision, by the Chancellor in his Autumn Statement (December 2014), to include Council Tax freeze funding as part of the Council's basic grant allocation reduces the threat of that income source being completely removed at some later date. The 2016/17 budgets will therefore rely on much less one-off funding than was estimated in February 2015. As a consequence of this the Council will be much more flexible in its approach to holding or transferring money from general and earmarked reserves.
- Since Local Government Reorganisation in Cheshire in 2009 the Council has invested one-off income sources such as Council Tax freeze grants to pay for items such as redundancy costs or alternatively short term staffing needs that support transformation in service delivery. The Council also establishes a level of reserves that are adequate to protect the Council against financial risks, such as emergencies, which are not specifically budgeted for in individual years.
- The Council will continue to be flexible about investing revenue funding in maintaining sustainable services and reflecting changes to the risks facing the Council. The full Budget Report will include a revised Reserves Strategy for 2016/17 to provide further detail on estimated balances and the application of reserves in the medium term.

The Medium Term

- If the Council had taken no action to mitigate the impact of inflation then a real deficit could have emerged of approximately £60m over the medium term. Cost pressures can materialise in Council services from increasing demand or from inflation in prices.
- The Council is inevitably subject to inflation in demand, for example, an ageing population may require additional social care support and an increasing number of households will require more bins being emptied. Price inflation can also come from rising fuel bills and utility charges.
- Cheshire East Council will maintain an innovative approach to minimise cost and invest in prevention activity which seeks to reduce demand for direct Council services.
- The deficit, forecast for 2017/18, was £10.2m (4%) when the budget was reviewed in February 2015 (see **Annex 4**) and the Council is working towards mitigating that potential issue through significant savings being proposed for 2016/17, strong in-year budget management, analysing and mitigating risk and working with local businesses and communities to get the most value from local services. The development of the commissioning approach to local service delivery is significant, as this focuses resources on achieving outcomes with the agreement of local people.
- Matching the approach taken previously, during 2016/17 the Council will use project management approaches, and consider returns on investment, to support the issues arising from transition, such as achieving staffing reductions or implementing new processes or ICT.
- Maintaining budget control in 2015/16, following the recent trend of spending within budget, assists the Council in understanding the genuine cost base for services.

2. Workforce Planning

Workforce priorities

Building a workforce which is ready, willing and able to meet future challenges remains at the heart of our Councils success. In many cases, this involves continuing to develop and consolidate on what we are already doing but in others it may involve the development of new skills and different ways of working.

Key workforce priorities are:

- **Resident led & customer focussed** - our workforce will need to continue to be resident led and focussed on providing the very best customer service.
- **Outcome focused & high performing** - we will need to be focussed on outcomes and less on processes but continuously reviewing and improving our performance to be the best that we can be.
- **Well lead and managed** - those with responsibility for directing and supporting the work of others will need to deploy a wider range of skills underpinned by fairness, equality and diversity to ensure that the workforce can address the challenges that the Council faces.
- **Engaged, motivated & resilient** - we will need to ensure that our workforce are fully engaged and motivated to contribute their ideas and views about the best way to deliver the Councils' objectives. We will need them to be more resilient to deal with lots of change and fewer resources but remain focussed on delivery.

- **Professionally skilled & competent but working across boundaries** - we will continue to need highly skilled and competent professionals who operate safe practice and risk awareness but we will need them to work more effectively across internal and external boundaries as the structure and form of public service changes.
- **Flexible, adaptable & innovative** - our workforce will need to be flexible and adaptable to deal with a rapidly changing environment as well as finding innovative ways to organise and deliver services for our residents.
- **Working in a safe, healthy and supportive environment** - which enables the workforce to contribute effectively, reach their potential and maximise attendance.

National Pay claim and Living Wage

The pay deal agreed nationally last year covered a two year period ending on 31 March 2016 and all NJC employees received a pay increase. The current pay claim made by the unions for 2016/2017 is:

- Deletion of NJC and all local pay points which fall below the level of the UK Living Wage.
- A flat rate increase of £1 per hour on all other pay points.
- Retention and protection of green Book Part 2 terms and conditions.

- Fair treatment for school support staff through a joint review of term time working.

As the Council is implementing the Living Wage with effect from 1st November 2015, the first point in the claim above will not cause additional pressure. The further points are being considered in the framework of regional employer consultations led by North West Employers and feeding into the national negotiations.

However, the impact of the new National Living Wage, which will rise to £9 per hour by 2020, will be monitored during the period 2016-20 as it will overtake the current Living Wage of £7.85 and lead to an increased cost on the Council's pay budget and also on commissioned services.

Pension - end of contracting out

On 6th April 2016 the current basic state pension and state second pension (S2P) will be abolished and replaced by a single-tier state pension. The abolition of S2P will also mean the end of contracting out of pension schemes. Currently contracted out schemes must provide a certain level of Defined Benefits (DB) and in return both employer and employees pay lower National Insurance Contributions (NICs). The abolition of contracting out will therefore have cost implications for both employers and employees because of the loss of the NIC rebates. The Council has made provision for this impact. The Local Government Association has advised that they will provide guidance on this issue after the Autumn Statement in November and communications for staff are being prepared to issue in November to take the guidance into account.

Headcount analysis and trend

Between April 2009 and September 2015 the Cheshire East Council employee headcount has reduced by 42%, (equivalent to a 41% reduction in full time equivalent employees). This is mainly, attributable to the restructuring of services and the TUPE transfer of staff to alternative service delivery vehicles.

Measuring success

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

- Employee engagement index
- Employee turnover
- Sickness absence
- Ratio of agency workers to employed staff
- Number of staff with performance development plans and performance ratings.

Staff Reductions

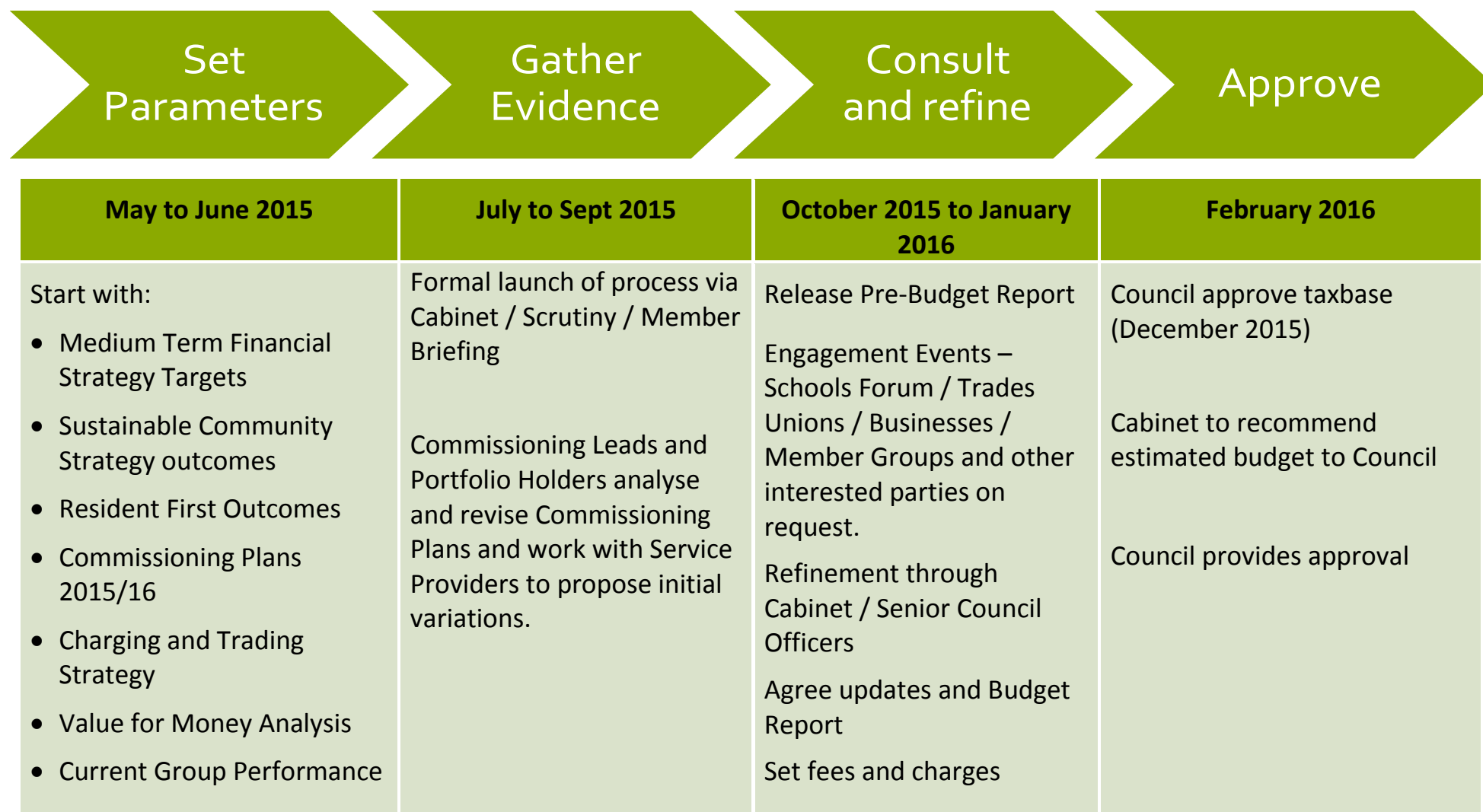
Any proposal with a FTE impact will be shared and consulted on with the relevant staff at the appropriate time.

Annexes to Pre-Budget Report 2016/17

October 2015



1. Developing the Budget



2. Key Budget Events 2016/17

Event	Comments
1. Council 26 th February 2015	Identified potential net budget deficit of £13m
2. Management Group Board and Cabinet Members – May / June 2015	Confirm potential funding deficit and the process to manage it Develop high level proposals
3. HM Treasury – Summer Budget announced – 8 th July 2015	No specific details for local government but reductions expected.
4. Corporate Overview and Scrutiny Committee 9 th July 2015	Receive 2014/15 Final Outturn Receive update on Business Planning Process 2016/17
5. All Member Finance Induction Briefing 13 th July 2015	Receive details of key finance processes
6. Cabinet 21 st July 2015	Receive 2014/15 Final Outturn
7. Budget Challenge Group - August	Refine proposals
8. Management Group Board and Cabinet Members – September 2015	Refine proposals

3. Timetable to Approval

2015	Event	Comments
5 th November	Corporate Overview and Scrutiny Committee	Receive Mid -Year Performance Report and Budget Proposals
Nov to Feb	Engagement on Pre-Budget Report	With Trades Unions, Schools Forum, Businesses etc.
10 th November	Cabinet	Receive Mid -Year Performance Report
8 th December	Cabinet	Council Taxbase
17 th December	Full Council	Agree Council Taxbase
Mid December	Funding announcements	Expected from Government
Mid December	All Member Briefing	Budget proposals
2016		
January	Final proposals issued	Bringing together consultation outcomes, taxbase and funding settlement
Mid January	Final Budget Report released	
Late January	Final Settlement from Government	
4 th February	Corporate Overview and Scrutiny Committee	Receive Quarter 3 Performance Report
9 th February	CABINET MEETING	Receive Quarter 3 Performance Report and recommend 2016/17 MTFS / Budget Report to 25 th February Council
25 th February	COUNCIL MEETING	Agree 2016/17 MTFS / Budget Report and Capital Strategy

4. Forecasts

Forecasts presented to the Council in February 2015 highlighted potential budget deficits in the medium term.

Proposals in the Pre-Budget Report focus on eliminating the short term deficit, whilst building financial resilience for the future.

	2015/16	2016/17	2017/18	Two Year Change	Two Year Change
	£m	£m	£m	£m	%
Outcome 1 - Our Local Communities are strong and supportive	26.0	25.5	25.7		
Outcome 2 - Cheshire East has a strong and resilient economy	32.4	31.9	32.4		
Outcome 3 - People have the life skills and education they need in order to thrive	12.6	12.5	13.2		
Outcome 4 - Cheshire East is a green and sustainable place	31.2	30.9	30.0		
Outcome 5 - People live well and for longer	110.8	110.9	114.1		
Outcome 6 - Efficiency	37.3	39.7	40.9		
Sub Total Outcomes	250.3	251.4	256.3		
Corporate Contributions and Adjustments	1.0	1.0	1.0		
Capital Financing	14.0	14.0	14.0		
Contribution to Earmarked Reserve - 15/16 surplus	0.2	0.0	0.0		
<i>Additional Reductions to closing Funding Deficit Yr 2/3</i>			<i>-13.0</i>		
TOTAL NET REVENUE BUDGET	265.5	266.4	258.3	-7.2	-2.7%
<i>Funded by:</i>					
Business Rate Retention Scheme	-38.6	-38.6	-38.6	0.0	0.0%
Revenue Support Grant	-39.2	-29.4	-23.5	15.7	-40.1%
Specific Grants	-18.9	-14.7	-14.9	4.0	-21.2%
Council Tax	-168.8	-170.7	-171.1	-2.3	1.4%
TOTAL FUNDING	-265.5	-253.4	-248.1	17.4	-6.6%
Potential Funding Deficit	0.0	13.0	10.2		

Source: Cheshire East Finance

5. Feedback

Be involved in decision making in Cheshire East...

If you would like to be involved in consultations undertaken by Cheshire East Council, you can do so by registering for updates on the Consultation pages or joining the Digital Influence Panel. Please use CTRL and Click on the light bulb to join.



If you would like to be view the results of previous consultations undertaken by Cheshire East Council, please use CTRL and Click on the Residents First logo.

