



Third Quarter Review of Performance 2016/17

February 2017

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

Anyone wanting to comment can contact the Council at:

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Introduction

Financial and Non-Financial performance at Cheshire East Council is strong. It is the third largest Council in the Northwest of England, supporting over 370,000 local people with annual spending of over £720m. The Council continues to achieve improvements in the area, putting residents first in the provision of over 500 services delivering more for less.

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

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

At quarter three, the Council's reserves strategy remains effective, with a modest reported overspend of £1.7 (0.7%) against a budget of £247.9m.

To support openness and transparency the report has three main sections, to provide background and context, and then eleven supporting appendices with detailed information about allocation and management of public money during 2016/17:

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

Section 2 provides information on the overall financial stability and resilience of the Council. It demonstrates how spending in 2016/17 is being funded, including the positions on overall service budgets, grants, council tax and business rates, treasury management, centrally held budgets and the management of the Council's reserves.

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

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

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Chief Operating Officer (Section 151 Officer)

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2016/17 Outturn Forecast at Third Quarter Review - Financial Position

2016/17 Third Quarter Review (GROSS Revenue Budget £583.4m)	Revised Budget (NET) £m	Forecast Actual Outturn £m	Forecast Over / (Underspend) £m	For further information please see the following sections
SERVICE DIRECTORATES				
People	143.9	148.5	4.6	Section 1 - Paragraphs 44-53, 124-127
Place	32.3	33.3	1.0	Section 1 - Paragraphs 32-36
Corporate	74.6	72.2	-2.4	Section 1 - Paragraphs 71-75, 92, 129
Total Services Net Budget	250.8	254.0	3.2	
CENTRAL BUDGETS				
Specific Grants	-20.6	-20.6	0.0	Section 2 - Paragraphs 138-140
Capital Financing	14.0	12.8	-1.2	Section 2 - Paragraphs 169-173
Transfer to Earmarked Reserves	2.8	2.8	0.0	Section 2 - Paragraph 188
Corporate Contributions / Central Budgets	0.9	0.6	-0.3	Section 2 - Paragraph 179
Total Central Budgets	-2.9	-4.4	-1.5	
TOTAL NET BUDGET	247.9	249.6	1.7	
	Planned Contribution 2016/17 £m	Forecast Variance Quarter 3 £m	Impact on Reserves Quarter 3 Forecast £m	
Impact on Reserves	-1.0	-1.7	-2.7	
General Reserves Balance	2016/17 Budget (estimated) £m		Quarter 3 Forecast	
Opening Balance April 2016	12.8	Actual	13.0	
2016/17 Impact on Reserves (see above)	-1.0	Forecast	-2.7	Section 2 - Paragraphs 183 - 187
Closing Balance March 2017	11.8	Forecast	10.3	

Overview of Performance ~ Putting Residents First

ACHIEVING THE COUNCIL'S SIX OUTCOMES

Cheshire East Council provides more than 500 services, supporting over 375,000 residents, and over 17,500 businesses.

1 ~ Our local communities are strong and supportive

- Participatory Budgeting (PB) has been rolled out into 12 towns
- 19 voluntary, community and faith sector organisations were awarded a total of £47,387 in the third round of Community Grants
- The 'Knock Knock' project presented to over 800 pupils in 2016, helping to raise awareness of doorstep safety and doorstep crime

2 ~ Cheshire East has a strong and resilient economy

- The number of young people not in education, employment or training (NEET) stands at 281 (2.6%), outperforming local and national figures
- Cheshire East Youth Support Service held their yearly 'Night of the Stars Awards' to celebrate National Youth Work Week
- Regeneration have developed a programme of initiatives to support Crewe town centre in collaboration with the Town Centre Working Group

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

- The new national indicator of pupils achieving English and Maths at grade A* - C saw Cheshire East ranked first against its statistical neighbours
- A new Education and Skills Board was established
- Children from across Cheshire East celebrated one year of our 'Emotionally Healthy Schools' project

4 ~ Cheshire East is a green and sustainable place

- Turnaround of planning applications exceeded targets across Major, Minor and Other applications
- Recommendations on main modifications to the Local Plan were published on 15th December
- The Council collected around 22,000 tonnes of waste for recycling through its silver and green bin schemes and Household Waste Recycling Centres

5 ~ People live well and for longer

- The Housing Options Team has worked with the national charity Centrepont to identify ways to prevent youth homelessness
- The new Crewe Lifestyle Centre is on target to achieve over 700,000 individual attendances in its first year
- Council staff and partners, along with The Children's Society, took part in a number of activities to support November Children's Rights Month
- In-year Leisure facilities attendance is 7.5% above target at 2.25m

6 ~ A Responsible, Effective and Efficient Organisation

- The Assets Service has disposed of 10 surplus Council buildings so far this year

FINANCIAL STABILITY

Cheshire East Council is achieving outcomes based on sound financial management. In 2016/17 the Council will operate on an annual budget of more than £720m.

- At quarter three a potential overspend of **£1.7m** is being reported compared with budget.
- The potential overspend represents only 0.7% of the Council's net revenue budget of £247.9m, and early forecasts have historically tended to be reduced as the year progresses from robust management action to mitigate the pressures before year end.
- **Service Budgets** – a forecast overspend of £3.2m is reported.
- **Central Budgets** – are currently forecast to be underspent by £1.5m due mainly to lower than budgeted costs of capital financing.
- The Council is among the top third of Unitary Councils in terms of **Council Tax collection**. Over 99% of Council Tax and Business Rates are collected within three years.
- **Council Tax** increased in 2016/17 for the first time in six years.

- **Investment Income** is £162,000 higher than budget at quarter three. The average rate earned on investments (1.1%) is higher than the London Inter Bank 3 month rate.
- **General Reserves** - the robust reserves strategy assesses risk at the beginning of the year, and protects the Council against potential overspending. At this stage in the year, the potential overspend of £1.7m is within the original forecast risks. Further mitigation of the forecast overspend is expected to be achieved.
- **Capital Programme** – total capital expenditure of £92.9m is forecast in 2016/17, which is a reduction of £23.0m since mid year review following a review of in-year forecasts.
- For monitoring purposes, the in-year capital budget for schemes committed or in progress is £93.3m, against which an underspend of £19.7m is currently forecast. Again the Council has forecast that there will be no requirement for additional external borrowing this financial year.
- Outstanding **Debt** (excluding local taxation) is £7.7m. Debt over 6 months old is £4.5m (around 6% of total debt raised annually) and this is covered by provisions to meet potential write-offs

1. Summary of Council Performance

Introduction

1. Cheshire East Council is responsible for delivering more than 500 local public services across an area of over 1,100km² for over 375,000 residents. The budget to deliver these services in the period April 2016 to March 2017 is £730m, which is raised from a combination of local taxes, national taxes (in the form of Government Grants) and payments direct from service users. In terms of core spending power per head, Government figures highlight the impact of different levels and sources of funding on total Council spending:

Core Spending Power per Head Comparisons 2016/17			
	Cheshire East £	Rural East Riding of Yorkshire £	Urban Liverpool £
Grants	207	266	593
Council Tax	469	411	295
Total	676	677	888

2. The Council's Corporate Plan 2016-2020, which was agreed by Council on 25th February 2016, has six Residents First Outcomes that will focus service delivery in the medium term (see **Appendix 1**). This section of the report highlights progress towards achieving each of the six outcomes.

3. This report reflects activity that has taken place mostly in the period October 2016 to December 2016. Commentary is also provided on the financial impacts (both revenue and capital) of this activity.

1 ~ Our local communities are strong and supportive

Active, Resilient and Connected Communities where people want to live

4. Cheshire East's Connected Communities Strategy was approved by Cabinet in December 2016. This sets out the Council's ambition to engage effectively with the voluntary, community and faith sector to increase wellbeing and resilience. Each key theme within it will be presented to Cabinet over the next few months. Increasing community cohesion is a key element of this and several cultural events have been delivered to raise awareness of Crewe's multi-cultural community as well as recruit to 'connectors'. These are key community representatives who volunteer in their respective communities to enable people to access and be signposted to services. This will be officially launched in January 2017, but there has been strong interest in this already with 12 signed up.
5. Support has been given to the launch of the South Cheshire Multi-Cultural Forum (SCMCF). A teaching resource pack TRUST (Teaching Respect Uniting Schools Together) has been developed and was launched at a school conference in December 2016 that 19 of the Crewe primary and high schools attended. The pack provides

suggestions for activities to deliver cohesion awareness at all key stages.

6. Hate Crime training, targeting community venues and their safeguarding officers, took place in December 2016 with over 40 attendees. Further training will take place in 2017.
7. Plans for three Cultural Competency workshops are being developed to deliver to Council frontline staff, frontline workers from the Police and Fire Services and teachers in spring 2017, in partnership with the SCMCF.
8. Participatory Budgeting (PB) has been a great success so far and feedback from local community groups and people has been very positive. We delivered training in PB to voluntary and community groups in order to support applications, presentations and future funding bids. A total of 30+ drop-in sessions have taken place, including pre and post decision day events and two presentation training workshops.
9. Participatory Budgeting (PB) has been rolled out into 12 towns. Four decision days have taken place giving out £260,000, with eight decision days planned for January – March 2017 giving out a further £110,000.
10. Development of the community networks in Crewe and Macclesfield has been strengthened from the engagement of groups via PB and we will encourage this development with the other towns. We now have 87 venues across eight localities with community development support currently active in 44 venues. These are strongly linked to PB and a safeguarding and franchise conference will be held in each locality area in the next quarter. The Crewe Community Network meeting in December had over 50

groups represented and future monthly meetings are planned to include partners sharing best practice.

11. There are currently 18 Expressions of Interests being developed by community venues wishing to apply for a Cheshire East franchise.
12. A total of 19 voluntary, community and faith sector organisations were awarded a total of £47,387 in the third round of Community Grants. The final round for this financial year closed on 31st December. Typically each £1 invested by Cheshire East returns £9 in investment.
13. Six new resident-led services have been implemented through Delivering Differently in Macclesfield. Based on two of those programmes using Cost Benefit Analysis for every £1 invested £7 will be saved with a return on investment in the first year. Our Communities service lead officer for this area won our Making a Difference Members' Choice Award for his work on this and PB.
14. The tender for commissioning Voluntary, Community and Faith sector was issued in November 2016. This set out our intent to work with the sector and make sure that they had a voice, and would work with the sector to enable them to be commissioning ready. A contract offer has been made for three years starting on 1 April 2017 and we are awaiting acceptance of that.

Communities where you are Safe, and feel Safe

15. Cheshire East continues to tackle serious and organised crime through the Community Safety Partnership. Organised crime groups have been identified by the police and partners work with them to ensure that a programme of disruption and prevention is in place.

16. A Stay Safe operation completed in Congleton, ensuring children and their parents are educated and aware of the impact of their actions from a young age, and how they can play a big part in helping to reduce anti-social behaviour. An Action Plan has also been developed which may include a Public Space Protection Order for hotspot areas and youth provision is being planned for the Easter holidays. Consultation is live on a Public Space Protection Order in Poynton which closes on 25th January 2017.
17. The Prevent Action Plan is progressing well, and the multi-agency Channel Panel is also making good progress, with 35 referrals to date. There is a local strategy in place for sharing training, two safeguarding board websites have been set up and our self-assessment developed and will be completed in January.
18. The Licensing service issued two formal cautions to taxi drivers during the third quarter. These related to making a false statement on an application form and unauthorised use of a Hackney Carriage rank. Officers continue to undertake out of hours work around taxi licensing to encourage compliance.
19. A full review was undertaken of previous instructions and procedures for Community Enforcement Officers (CEOs), the legislative framework being used to tackle environmental crime, historical processes and also included issues raised by CEOs. This review also included consultation with our legal team who have agreed the changes within this report to ensure consistent enforcement, confidence for our enforcers and legal alike and to bring the CEOs in line with other enforcement services with high standards of enforcement.
20. Procurement of an Environmental Enforcement service to supplement and support existing resources for all Cheshire East was completed and 'Kingdom' began on 5th October. Since then

the service has had between four and seven officers on the streets each day enforcing against environmental crime. 966 Fixed Penalty Notices (FPN) have been issued in October 2016, 609 of which are in Crewe. The FPNs issued by Kingdom are mainly for littering in town centres. 892 FPN's have been issued in November. Total for the two months is 1,858 FPN's issued, 1078 have paid to date (58% payment rate). As Kingdom have been in place for two months, non payment of fines is now at a stage whereby reminders have been sent, yet payment has not been received and progression to legal files for prosecution is the next step for positive action.

21. Due to a rise in alcohol related Anti-social Behaviour (ASB) an underage sales operation for alcohol in Congleton was undertaken in quarter three. Four premises were tested on 28th October and all passed. The premises were sent a letter advising of the test and outcome for further awareness.
22. Trading Standards officers from Cheshire East Council seized cigarettes, vodka and tobacco worth more than £17,000 during a swoop on illegal sellers. More than 25,000 illegal cigarettes, about 800 bottles of vodka and 5.5kg of hand-rolling tobacco were uncovered during raids on properties in Crewe (on Wednesday, December 7th). Officers and sniffer dogs discovered concealed stashes of tobacco at nine premises with products hidden in various places, including under floorboards and in storage units in shops. Operation 'Ignite' follows on from the intelligence-led 'Operation Henry 2', which seized illegal tobacco products valued at more than £9,000 in March this year.
23. The 'Knock Knock' project has concluded for 2016, with over 800 pupils presented to and judging for the 203 submissions (top 50) was undertaken during this period by colleagues and partners. Those chosen as winners and runners up were placed onto a 2017 calendar and provided to the schools for presentations during

assemblies. The calendars are then used by the pupils as Christmas presents for elderly neighbours or relatives to raise awareness of doorstep crime.

2 ~ Cheshire East has a strong and resilient economy

Business Growth and Tourism

24. Latest figures released in quarter three show that Tourism spending hit a new record in Cheshire East during 2015. Income generated by the visitor economy rose to £842m in 2015, a rise of 4.4% on the previous year and nearly 55% up on 2009 figures.
25. The number of visitors to Cheshire East also performed strongly, increasing by 4.2% in 2015 to over 15m visitors and this growth has resulted in the visitor economy sector now employing 11,100 full time equivalents. This is a rise of almost 30% since Cheshire East Council was formed in 2009.
26. Cheshire East also welcomed Stage 3 of the Tour of Britain in 2016 where 300,000 spectators (the highest stage attendance alongside London) generated a net economic benefit direct to Cheshire East of £3.5m. The success of stage 3 was shown on TV where 1.23m viewers watched on ITV4 (the 2nd highest stage viewing figures).

Jobs and Skills

27. Cheshire East Youth Support Service held their yearly 'Night of the Stars Awards' in quarter three to celebrate National Youth Work Week. The events, one in the north and the other in the south of the Borough, were recognition of the importance of young people and their achievements, and involved young people from across the area coming together. The events celebrated the achievements of the young people that have been involved with the Youth

Support Service and the projects that have been running, including youth clubs, painting projects, summer canoeing trips and residential stays. As at quarter three, the number of young people not in education, employment or training (NEET) stood at 281 (2.6%); Cheshire East continues to outperform in this area when compared both locally and nationally.

28. Cheshire East's Lifelong Learning Service continues to support residents some distance from the labour market. Current courses delivered by the in-house team, and focusing on Maths and English, are supporting 64 residents, whilst the range of local organisations Cheshire East commissions, who have great knowledge of and access to the community, has collectively enrolled 64 residents, with many entering a formal education environment for the first time in years.

Inward Investment

29. Terms have been agreed with Ask Real Estate for the sale of Churchill Way car park to enable the development of a new cinema-led development to enhance the town centre's leisure offer as part of the Macclesfield Town Centre Regeneration Programme, representing total investment of circa £20m in the Town Centre.
30. Cheshire East Regeneration Team have developed a programme of short-term initiatives to support Crewe town centre, undertaken in collaboration with the recently-established partnership-based Town Centre Working Group. Recent initiatives include 'deep clean' of town squares and pedestrianised areas, vinyls for vacant shop units, and 'Shop of the Week' promotions. New initiatives will include upgrading some existing street furniture, temporary use of a major vacant unit and measure to improve pedestrian

connectivity between the Grand Junction Retail Park and the town centre.

31. The Regeneration Team were part of the 'CEC Team of the Year for Collaboration' in relation to their role in the delivery of the Lifestyle Centre project which opened earlier this year. More recently the team continued input into development of the emerging Crewe Masterplan Framework, and their engagement and dialogue with key landowners and investors in Crewe. Detailed dialogue is also underway with tenderers in relation to the selection of a development partner for the Royal Arcade scheme in Crewe town centre.
32. The Place Directorate is reporting a pressure of £1.0m against the 2016/17 full year net budget of £32.3m at third quarter.
33. The most significant variance is within the Infrastructure & Highways service and relates to the contract with TSSL which is currently facing a £1.0m pressure. In particular, increased costs have arisen due to the requirement to replace local bus services. As at Mid-Year, one-off corporate support is needed to mitigate this pressure.
34. Other pressures include higher costs with respect to the Skills & Growth Company and a lower expectation of income for Building Control, Land Charges and Planning Support which are leading to a combined pressure of £134,000. Some of this pressure will be reduced by the profit sharing arrangements which are held centrally.
35. The remaining £91,000 pressure is predominantly due to additional costs needed to respond to an increasing number of planning appeals and the need to engage the services of a number of external consultants, particularly legal advisors.

36. Excluding the TSSL budget, the Place Directorate is committed to achieving a balanced budget by the year end.

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

Securing the Best Start in Life

37. Our Ofsted profile shows that our schools continue to perform extremely strongly; 96% of providers were rated good or outstanding in Cheshire East, with over 48,000 pupils attending these schools.
38. In quarter three, the Schools Catering Service was shortlisted for a prestigious award relating to their exciting menus in promoting the best quality and nutritious lunches for pupils in our schools. Being shortlisted was recognition for Cheshire East having high quality ingredients and increasing choice of creative meals that provide many of our primary school children with the best start in life in terms of a balanced and nutritional lunch.

Highest Achievement for All Learners

39. Provisional end of Key Stage 4 data shows that in terms of the new national indicator of pupils achieving English and Maths at grade A* - C, Cheshire East was ranked first against its statistical neighbours for this new indicator. However, the progress made by some pupils remains an issue and focus area for improvement.
40. Quarter three saw the establishment of a new Education and Skills Board, which has the strategic role to agree key priority workstreams and monitoring arrangements to best support all schools in delivering the highest quality provision for our learners.

Increased involvement of school leaders will bring added expertise to this key group promoting effective partnership working.

41. There has been a structured programme of consultation events with school leaders and governors in sharing the latest pupil place planning forecasts and funding arrangements. These sessions have been well received and promote the revised methodologies and commitment to work closely with school leaders in planning the future expansion of schools to meet the growing demand, especially across the primary sector.

Inclusion

42. Work to improve outcomes for children and young people with special educational needs and disabilities (SEND) has been ongoing in quarter three. This includes reshaping the team supporting these families to better meet their needs, the development of a policy and procedure around preparing for adulthood and transition and a procedure for placement at an Independent Specialist Provider (ISP). The Council also submitted an expression of interest to the Department for Education as part of a newly announced free school proposal route for local authorities. If approved, this could see the opening of a new special school in Crewe. There has been significant engagement with key stakeholders in quarter three, including six sessions with parents/carers and a conference for Special Educational Needs Coordinators in schools (SENCOs). Work in quarter four will continue, including the development of a new directory to improve access to the Local Offer for families with SEND.
43. In quarter three school children from across Cheshire East celebrated one year of our 'Emotionally Healthy Schools' project, supporting the health and wellbeing of young people across the borough. The pilot project, set up last year, has worked to improve

emotional health at a number of local schools. Students at Middlewich High School, along with Ruskin High and Oakfield Lodge in Crewe, Eaton Bank Academy in Congleton, The Macclesfield Academy and Poynton High, have all benefitted from work that has taken place over the last 12 months. Local charities, Visyon and Just Drop In, have worked alongside The Children's Society and Cheshire and Wirral Partnership NHS Trust (CWP) to improve links between schools and health services for young people. The project has focussed on improving resilience, reflection and mental health awareness training and has improved confidence in schools when responding to the emotional health of children and young people.

44. Children and Families is forecasting an overspend of £1.5m at the third quarter review stage. This is caused by the underlying pressure of children in care, and the limit to how effectively this can be mitigated against via in-year activity.
45. The budget for children in care for 2015/16 was set in anticipation of further reductions in numbers based on reductions experienced previously. This reduction has not materialised and numbers have increased locally, regionally and nationally.
46. At March 2015 there were 357 children in care. The numbers increased by 30 (8.5%) to 387 in March 2016 and have reached 412 at November 2016. Increasing gatekeeping has resulted in the cases which are coming through being more complex and therefore cost more. Although children in care numbers have continued to rise they are still below the average level for similar authority areas.
47. The 2015/16 outturn for placements reflected an overspend of £2.2m. This pressure was partially addressed through the 2016/17 budget process (in the context of funding limitations) where an

extra £1m was allocated to placements (plus £0.3m to fostering allowances). The end result is that the overspend has been reduced but the increase in client numbers and complexity has limited the impact.

48. The service continues to seek better value for money placements that provide the necessary support for vulnerable children and reduce cost on an individual basis. The service is also considering other ways of reducing pressures through local projects to improve outcomes and linking up with bids for Department for Education innovation funding.
49. The service has a pressure of £0.4m from a shortfall in adoption income plus other pressures of £0.6m across care in relation to: travel spend for visits; extra costs of allowances and direct payments; and extending project work on different methods of care. It is expected these pressures can be managed.
50. In terms of the Directorate generally there are £0.3m of pressures caused by delays in delivering budget proposals. These are intended to reduce staffing costs and will be considered as part of a service restructure in line with the People's Directorate approach in due course. It is hoped that this action will enable the proposals to be delivered.
51. The service could also face pressures as a result of additional unaccompanied asylum seeking children should a national transfer scheme be put in place. This represents the shortfall between additional costs and grant funding available.
52. The service continues to work proactively to permanently recruit Social Workers and Social Work Managers. This is a critical element of our Ofsted improvement plan, and extensive efforts have been made to increase stability in the children's social work teams.

Consequently, there has been a significant improvement with 88% of posts covered by permanent social workers.

53. The service is also working hard to manage vacancies to offset the pressures being faced.

4 ~ Cheshire East is a green and sustainable place

Planning and Sustainable Development

54. The Local Plan Examination hearings concluded on 20 October – a day earlier than the anticipated programme. The Inspector commented that the Plan was the "most complex and challenging" Local Plan he had ever examined. Recommendations on main modifications on the Plan were published on 15 December and the Inspector endorsed all of the revisions to the Local Plan aside from two minor alterations. This is a significant stepping stone towards finalising the Plan.
55. Turnaround of planning applications across the board has continued to strongly increase in the third quarter demonstrating the hard work and commitment from the team with all targets exceeded.
56. Turnaround of planning applications within timescales during the third quarter has maintained very strong performance of 80% for Major planning applications within 13 weeks. This significantly exceeds the target of 60%, reflecting the continued work of new Principal Planning Officers in working with developers to deliver to agreed timeframes.
57. Turnaround of Minor applications within eight weeks has continued to increase with 79% (above the target of 65%). This again reflects on the continued effort from staff to both deal with

new applications effectively while reducing any remaining applications in the backlog.

58. The volume of "Other" planning applications within eight weeks also reflects continued increases from previous quarters to 94% which significantly exceeds the target (of 80%). There has been significant work on the backlog which means recent staff recruitment is able to focus on delivery of new applications well within the statutory timeframes giving a more accurate reflection of turnover.

Waste Management

59. **Waste & Landfill** – In quarter three, the Authority continued to utilise landfill for just over half of residual waste; this goes to Maw Green Landfill in Crewe. The remaining black bin waste goes to the Stoke-on-Trent waste-to-energy plant.
60. Work is underway to provide permanent transfer facilities for all of the authority's waste from summer 2017 at the central Environmental Hub currently under construction outside Middlesbrough. This will allow greater use of waste-to-energy plants outside the Borough as we seek to meet the Waste Strategy objective of ceasing to use landfill as a primary disposal route.
61. **Reuse and Recycling** – During the third quarter the Council anticipates collecting around 22,000 tonnes of waste for recycling through its silver and green bin schemes and from the nine Household Waste Recycling Centres (HWRC). Around 350 tonnes of this material is reused through charitable partnerships and the HWRC.
62. Indicative estimated Waste, Recycling & Reuse tonnages for quarter three are as follows:

Residual		
Landfill	Waste to Energy	
10,000	11,000	
Recycling		
Household	HWRC	Reuse
10,000	3,000	350
Green Garden		
Household	HWRC	
8,000	1,400	

63. **Fly Tipping** - There were an estimated 650 reported incidents of fly-tipping/side waste in the third quarter; a similar figure to the third quarter last year.
64. A full review of Cheshire East Community Enforcement Officers (CEO) (wardens) has led to recent changes in enforcement processes and procedures in particular around the investigation standards and legislative framework. This will ensure that standards are met when investigating and the whole scope of enforcement tactics and disposals are used moving forwards.
65. The use of directed surveillance is also a consideration in tackling large scale fly tipping but all relevant tests must be applied (proportionality, necessity, reduce collateral damage, human rights considerations, six month threshold for the offence) as well as authority being gained internally and by a Justice of the Peace as per Council policy. The Council carried out its first covert surveillance (overnight for two nights) and further ongoing investigations in a known hot spot for fly tipping, following complaints from local residents. This resulted in a dramatic decrease in the issue.

Environment

66. **Parks Strategy Delivery** – Feasibility reports are being prepared to consider the options available for major park restoration projects. These reports will be assessed and used to guide activity going forward. The Coronation Valley Restoration Project design phase is complete and the project will move onto site at the start of January 2017, completed by end of quarter four.
67. **Playing Pitches** – Playing Pitch Strategy (PPS) Assessments. To date the PPS team has completed the refresh of data in the assessment report. Next, they will work with national bodies to develop the strategy and action plans in 2017 with the aim of completing the report for April 2017. The report will then form part of the Local Plan with the indoor strategy also on schedule to be completed by April.
68. **S106** – Cheshire East, in partnership with ANSA Environmental Services, is engaged in the delivery of over 20 park improvement projects funded from S106 developer contributions. They are working with local members and local community groups (Friends of Parks) to deliver schemes across the Borough.
69. It is envisaged that the recovery will continue throughout the remainder of the year and into 2017/18 when the lost business associated with the recent improvement works will be fully recovered. At this point, it is anticipated that any remaining shortfall in income will be relatively minor and can be addressed through minimal adjustments in the future charging strategy.
70. As part of Macclesfield Town Centre Regeneration programme, creative public realm enhancement projects have been delivered at Sparrow Park, the Middlewood Way and the Silk Road underpass to enhance quality of place and perceptions of the town centre and to celebrate Macclesfield's creative identity.
71. Overall, Environmental Operations, including Bereavement Services, is currently reporting a £259,000 overspend for 2016/17 against a net £27.3m budget.
72. There is a pressure of £150,000 relating to non-achievable savings related to the suspension of services at the Arclid Household Waste Recycling Centre (HWRC). The suspension of services was initially deferred from April to October 2016 and then revoked.
73. There is a forecasted shortfall in markets income for the year of £90,000, which primarily relates to a continued reduction in trader occupancy levels in Macclesfield. In addition, as a result of ongoing remedial building works at Crewe Market, a period of rent relief has been offered to market traders.
74. Orbitas is forecasting a £75,000 income shortfall position for the year that takes into account a number of variants. It is envisaged that the recovery will continue throughout the remainder of the year and into 2017/18 when the lost business associated with the recent improvement works will be fully recovered.
75. Bereavement income has increased by £192,000 compared to the same period in 2015/16, a 14% increase in income. This is largely attributable to Crewe Crematorium being fully operational from May 2016 after an extensive refurbishment programme and an increase in fees and charges. There has been a 8.41% increase in units recorded compared to April-November 2015/16.

5 ~ People live well and for longer

Empowering people to live independent, healthier and more fulfilled lives

76. The Council is ahead of target at quarter three with the number of home adaptations for older and/or disabled residents; by the end of December, 1,369 adaptations had been completed, ahead of the in-year target of 1,275. These adaptations comprise: 192 Disabled Facilities Grants (Strategic Housing), 1,114 Local Authority funded minor adaptations (Orbitas), 19 self-funded major adaptations (Strategic Housing) and 64 self-funded minor adaptations (Orbitas).
77. The Strategic Housing Service has collectively worked with colleagues from Mental Health, Cheshire and Warrington Partnership (NHS Foundation Trust) and Adults Commissioning to improve the pathway between services and reduce the level of unplanned discharges from hospital. As a result it has developed a working protocol and secured funding to employ two Link Workers and emergency bed provision.
78. The Housing Options Team has helped residents to claim nearly £500,000 in grants and charity funding over the last 14 months. This money has been used to repair or replace boilers and fit central heating for people who've always had to manage without, and another £200,000 to trial innovative renewable energy technology and insulate park homes and caravans in rural areas.
79. The Housing Options Team has been working with the national charity Centrepont to identify what works for preventing youth homelessness. They were named in their research document which was launched at Westminster on October 24th and will be continuing to work alongside their research staff to evidence what

we are doing well. The Team has also submitted two bids with Cheshire West and Chester and Warrington Local Authorities for a share of the £40m Homeless Trailblazer funding from the Department for Communities and Local Government. The bids are innovative, and partners are working upstream to carry out early identification and intervention work to prevent people from getting to crisis point with their housing situation. Further, the Team has hosted a Homeless Prevention Good Practice Event which was attended by 10 Local Authorities including Staffordshire, Trafford, Flintshire and High Peak to name a few. The authorities came together to share hints, tips and best practice on how to tackle and alleviate homelessness. The Housing Options Team organised the event to ensure that Cheshire East is at the fore front of new learning and development in the sector whilst being conscious of trying to be cost efficient. The event was well regarded by those who attended who committed to getting together every six months. Cheshire East has already considered implementing some of the ideas gained from the event.

80. Self-directed support reflects the principles of the Care Act 2014 to maximise the independence and wellbeing of the residents of Cheshire East. Consistent and transparent systems are being introduced within Adult Social Care to ensure individuals with care and support needs have their own personal budget. A resource allocation system has been procured and will be implemented early in 2017/18 to enable a move away from time and task care provision to the allocation of individual indicative care budgets for individuals to direct their care and support in a different way. This requires a diverse care market delivering different outcome based care and support.
81. A care review team was established in 2016/17 to apply self directed support to priority groups of social care customers. This has been driven forward through professional lead officers

delivering practice guidance to front line workers and a strength-based approach to social care assessment.

82. The Stepping Stones Service (Cheshire East Substance Misuse Service) is performing well in terms of service users who have successfully completed and not re-presented (within six months) to drug and alcohol treatment. Data indicates that the Cheshire East Substance Misuse Service is performing well in comparison to national local authority benchmarks. However there needs to be an improvement in terms of individuals who are in treatment and have remained in treatment for six years plus.
83. The 'Change the Conversation' training is now being commissioned making use of the Better Care Fund allocation. A specification is being developed prior to going out to tender. The staff who make up the Integrated Teams in Caring Together and Connecting Care will be the target audience for the first phase of training. This is a new approach to facilitate 'asset based' conversations with people, focused upon the strengths of an individual, their families, networks and communities.
84. **Crewe Lifestyle Centre** – The £15.1m centre from being fully operational from 1st April has seen its services including libraries, leisure, adult social care and family services continue to develop in the new building. The building is on target to achieve over 700,000 individual attendances in its first year.
85. The new gym was recently shortlisted as a finalist for "Newcomer of the Year" at the National Fitness Awards. The Centre continues to be visited by a number of local authorities to share the learning around co-located services.
86. **Peter Mason Leisure Centre Congleton** – Following Cabinet approval the project to upgrade the leisure centre has commenced

its search for a Development Partner to develop the scheme through to planning approval and build in 2017. Following a first stage qualification process the Council will shortly be commencing a "competitive dialogue" with a number of suppliers who will be asked to supply an outline solution of their proposals.

87. The Everybody Sport & Recreation (ESAR) Trust have recently opened a significant new leisure facility, the Holmes Chapel Community Centre in partnership with Holmes Chapel Parish Council. This along with the Council's facilities will be used to deliver the "One You Cheshire East" health and well being programme having been launched recently at the Community Centre along with a range of other partners.
88. Performance for ESAR again showed some excellent results including an increase in attendances at leisure facilities of 2.25m against the quarter three in-year target of 2.09 million. An increase of 7.5% against target. Even if we attendances for Holmes Chapel Community Centre (a non-Council building) are excluded, this is still a 5.5% increase (2.2m). This includes increases against target in the key user groups of: adults (17%), people over 60 (4%) and those with a disability (13%).
89. There was a reduction of 1.5% in attendances by young people under 16. This was primarily due to a month-long closure at Nantwich pool and a week's closure at Knutsford Leisure Centre to undertake capital improvements and repair works including the pools. Whilst alternative temporary water spaces were found for some users such as swimming clubs, the closures resulted in a reduction in attendances from young people on the Learn to Swim Scheme lessons and school swims.

90. Performance on the Bikeability indicator has remained strong with 4,173 young people being trained against the quarter three in-year target of 3,361.
91. There has also been a considerable increase in leisure volunteer hours; 4,702 hours against the quarter three in-year target of 3,720 hours.
92. The Leisure commissioning service is currently forecasting a net nil position against a net £2.3m budget.

Information, Advice & Guidance, Prevention and Early Intervention

93. In quarter three the Council hosted two events highlighting how commissioning for outcomes can support people to live well for longer. Adult Social Care and Health hold 42 contracts with local voluntary community faith sector organisations for the provision of Information, Advice & Guidance, Prevention and Early Intervention.
94. All of these services can be universally accessed by citizens of Cheshire East. Approximately 13,000 people per year have been supported in order to prevent or delay their care and support needs.
95. The new Information and Advice Hub – Information and Advice Cheshire East (IACE) went live on 1st September 2016 and is available to all citizens of Cheshire East who may develop care needs or need some extra support. The service is delivered by a consortium led by Cheshire East CAB Ltd. Their delivery partners are Age UK Cheshire East, Age UK Cheshire, Disability Information Bureau (DIB), Citizens Advice Cheshire East North and Deafness Support Network.

96. CEC also hosted an 'Early Intervention & Prevention in Cheshire East' for North West Elected Member Older People's Champion's Workshop on Thursday 17th November 2016 at Beechmere Extra Care Housing, Crewe. Good practice examples include:
 - Community Agents - support people to live independently and link them into a network of support and services which they may not otherwise be aware of or have physical access to.
 - Local Area Coordinators - supporting people deemed eligible for statutory adult social care services and individuals with non-eligible needs to access community support.
 - Dementia Reablement Service - provides flexible, intensive support to individuals and their families and carers who are living with early stage dementia.
 - Wishing Well, Crewe runs a programme of community events and activities designed to support and empower individuals and promote well-being in the community. This includes training in food hygiene and first aid and work with Nantwich Food Bank to identify individuals needing food parcels and winter warmth equipment and distribute these to those people in need.
97. Adult Social Care have assisted 72 people who had debt to the Council for over one year for social care services and reduced historic debt held in the accounts for over one year by £450,000.
98. Public Health England has recently published (2nd December 2016) their 'Burden of Alcohol and the Effectiveness and Cost Effectiveness of Alcohol Control Policies'. This will be reviewed and will inform the post consultation review of the Alcohol Harm Reduction Position statement and Forward Plan. This will take place in quarter four with adoption of the Plan being completed by 1st April 2017.
99. The Alcohol Identification and Brief Advice (IBA) element of the One You programme is due to go live in January 2017. There is

strong evidence to suggest that providing brief advice and information for alcohol has an impact on preventing alcohol harm and addiction. Individuals who are assessed (identified) as needing specialist advice or treatment will be referred to Stepping Stones (Cheshire East Substance Misuse Service).

100. A programme of training for Drug and Alcohol aimed at health and social care practitioners was piloted during the summer 2016 via the Local Safeguarding Children's Board (LSCB). This programme will now be rolled out from January 2017. The aim is to give practitioners the confidence and knowledge to identify needs for individuals and families affected by drugs and alcohol. It provides information and tools for identification and advice, as well as pathways and referrals for specialist services.

Accessible high quality services, Information & Advice

101. Cheshire East Council is engaged in the health and social care transformation programmes Connecting Care for the South and Caring Together in the East of the Borough. A programme of change has been proposed to transform the patient/customer journey through the health and social care system, to ensure no-one is admitted to hospital unless absolutely necessary and that their discharge to the community is swift and effective. To support this work, Adult Social Care have provided social workers with a primary focus on safe hospital discharge.
102. The Pioneer Programme is currently leading work on 'The Cheshire Offer' which will encourage residents across the footprint to become more independent and self-supporting within their own communities. The needs, resources and opportunities within each locality are being mapped to identify areas of further development.

103. Quarter three has seen the establishment of the Lifestyle services – 'One You Cheshire East' (Provider Plus - assessment, marketing, health promotion, lifestyle support workers and specialist Stop Smoking Services; Community Stop Smoking and Alcohol Service; NHS Health Checks; Sexual Health Testing and Contraception; Weight Management; Physical Activity; Healthy Eating and Falls prevention). An official stakeholders' launch has taken place and further marketing and promotion is now underway to continue over the next few months. The web site is in place - <http://oneyoucheshireeast.org/>
104. **Healthy Child Programme** – The Family Nurse Partnership (FNP) has recruited a part time supervisor, 2.6 family nurses and a Quality Support Assistant, to be based in Crewe. The nurses' residential course is mid-January and the supervisor training is in May. FNP has a Moodle platform with a distant learning pack so the nurses are able learn and to recruit new clients sooner. The site will be starting programme personalisation and the ADAPT project in the New Year and this is also supported on the Moodle platform. There are 96 clients engaged with the FNP programme at the moment.
105. A programme of early engagement has progressed to support the re-commissioning of Substance Misuse Services. This has included: one to one market engagement sessions with Providers; Market Engagement Survey; Provider, Service User and wider Stakeholder Engagement Events; and Service User Journey developments including interviews, focus groups and group visits. Plans are also being developed for the co-assessment of Tenders with service users.
106. The Alcohol and Drugs Joint Strategic Needs Assessment (JSNA) update is currently being finalised for publication January 2017.

107. The JSNA work programme, excess weight in children and all age autism spectrum JSNA sections were published in November 2016. A summary report from community JSNA perinatal mental health peer support project was published, and key findings are being shared with stakeholders for them to agree an action plan in response to the opportunities for improvement.
108. The Cheshire and Merseyside Sustainability and Transformation Plan was published on 16th November. Officers from the Council continue to be involved in system-wide planning with colleagues from the NHS, building upon our work with Eastern Cheshire and South Cheshire's CCGs transformation programmes (Caring Together and Connecting Care respectively) and the work of the Cheshire Pioneer Programme.

Public Protection, Health Protection & Safeguarding

109. The Environmental health team has issued three formal cautions during the quarter. Two of these related to food safety offences and the third was linked to an ongoing investigation into the illegal dumping of waste on land which is also scheduled for court in the New Year.
110. The Air Quality team have identified the need for the declaration of a number of new Air Quality Management Areas across Cheshire East. This includes sites in Sandbach, Middlewich and Macclesfield. Public consultation and engagement in this process will run from 12th December 2016 and 5th February 2017.
111. 2016 sees the renewal of Scrap Metal Dealers Licences following the introduction of new legislation in 2013. Renewal applications are low at the current time so it will be necessary to follow up non applications with compliance checks to ensure that operators are adequately licensed.
112. The Animal Health and Welfare Service are currently ensuring that controls relating to the recent declaration of the Avian Influenza Prevention Zone in Europe are being communicated amongst the poultry farming community.
113. **Health Protection** – To support the promotion of the flu vaccination programme a number of additional activities are underway:
- Small cards have been purchased and sent to community pharmacies to be added to prescription bags, reminding everyone of the eligibility criteria for a free flu vaccine
 - Posters and leaflets about the vaccine have been distributed to children's and family centres, libraries and leisure centres, with electronic information to all early years providers including nurseries and childminders
 - Leaflets have been distributed via the Reablement Shared Lives service, and Plus Dane Housing
 - All Care Homes have been sent an electronic copy of a leaflet regarding vaccination for their residents and staff
 - Community pharmacies across Cheshire East have vaccinated over 6,000 people so far this winter, via a scheme to increase availability. The current provisional uptake for GP patients across Cheshire East, to the end of November, is slightly higher for eligible adults than in the previous two years. However as the vaccination programme starts in September and will continue until the end of January, uptake at this stage can vary from year to year.
114. The Winter Wellbeing Partnership continues its preparations for colder weather with a media campaign now underway advising residents how to stay safe warm and well during winter.
115. A Head of Safeguarding Adults is now in post. A review in practice to better manage the volume of Deprivation of Liberty

Safeguarding cases is underway, and a peer review of safeguarding within the Council will take place during February. The ADASS Peer Review challenge toolkit has been completed and submitted. The job description for social care workers now includes requirements for them to undertake 'Best Interest' assessments for those individuals who lack capacity. There is a recognised need to support our care market to report consistently and accurately on their concerns and the work to improve this area is underway.

116. An e-learning package to raise basic awareness on safeguarding issues has been circulated for all adult social care staff in December.
117. An event was held in October to promote awareness of disability hate crime. A spoken word piece put together by service users and staff with assistance from Manchester Metropolitan University has been completed, and the clip can be viewed at: <http://www.stopadultabuse.org.uk/home.aspx> This spoken word piece was nominated for a Council recognition award in December, and has been widely viewed and shared locally and nationally to promote awareness of disability hate crime.
118. Cheshire East's Social Worker recruitment and retention campaign 'Where social work works' was highly commended in the national Children and Young People Now Awards under the category of Recruitment and Professional Development. These awards are the gold standard for everyone working with children, young people and families and provide a great source of pride and recognition for all those who work hard day in, day out, to improve the lives of others. The judges were impressed with the Council's submission that focussed on how young people are involved in the recruitment process and the development of a brand new website <http://cheshireeastjobs.co.uk>.
119. Cheshire East Children's Services has been successful in getting through to the next stage of the Department for Education's innovation projects shortlisting process. The local authority is one of up to 30 local authorities partnering with Munro, Turnell and Murphy to adopt the 'Signs of Safety' approach as our way of working with children, young people and families. 'Signs of Safety' is widely recognised internationally as the leading approach to child protection casework. There is a solid evidence base which demonstrates this approach improves outcomes for children and young people, and effectively supports families to develop their own sustainable solutions to keeping their children safe. The project will involve many changes and will ensure that Cheshire East puts children and young people first in everything we do.
120. The process of redesigning the borough's residential homes for children in care has continued over quarter three. The aim is to provide a more flexible range of children homes and to increase the capacity to care for more of our children within the borough. The Council has tendered for a supplier to provide five separate homes within Cheshire East; two of the homes currently within the Macclesfield locality and a further three homes based within Crewe, including the existing home in Crewe. The two new two bed properties in the Crewe area will provide the flexibility to meet the needs of children with more complex needs.
121. The Council continues to meet its commitments to take unaccompanied children and young people from the various Home Office resettlement programmes and we have now received a total of 8 young people. The Council has a good track record over many years of receiving unaccompanied children, and we now care for and support a total of 22 children and young people. The rise in the number of cared for children now stands at 420 and consequently is placing considerable strain on existing budgets. However the Council has approved a proposal for additional funding for 2017/18

and beyond to meet the increase demand and to ensure our cared for children and care leavers achieve the best possible outcomes.

122. For the third year running Cheshire East has dedicated the whole month of November to raising awareness of children and young people's rights and making it clear to them that we value their opinions and rights. During November Children's Rights Month (NCRM) staff from across the council and our partners, supported by The Children's Society, took part in a number of activities, including raising their hands for children's rights and taking up the offer of a 'takeover takeaway' where young people from Cheshire East Youth Council challenged adults to experience what it is like to be a young person today, including sitting an exam, living on a budget etc. The month included the 'Star Awards', an event to celebrate the achievements of our cared for children and care leavers.
123. Friday 25th November was International White Ribbon Day - a day of action to eradicate violence against women. This year Cheshire East's Domestic Abuse Partnership hosted an event called 'Getting it right together' where partners, service providers, staff, councillors and women who have suffered domestic abuse came together to celebrate what's working, learn about new services, shape future practice and hear from experts by experience. Senior managers and councillors were also asked to make a pledge to support children's rights to live free from fear in their homes and relationships.
124. The Adult Social Care and Public Health budget remains under continued pressure not only here in Cheshire East but across the country. The pressure here in Cheshire East comes from a combination of factors which all relate to meeting the needs of our most vulnerable residents. Demand for services creates pressure at the front line teams which, in turn, means staff time assessing

needs in order to provide the appropriate response becomes stretched. There has been a 4% rise in the number of residents receiving care and support. For example there are now 1,431 people being funded to live in residential care, compared to 1,380 this time last year. Sometimes we are able to offer information and advice which enables people to access the right services but on other occasions we are duty bound to provide services which meet our residents' eligible needs. The care market itself also contributes to the existing pressure as despite the recent increase in fee levels providers are struggling to both recruit and retain staff. This means that some providers are struggling to respond and making placements and providing care packages remains a daily challenge.

125. The department has commenced work on a number of actions aimed at reducing the extent of any adverse pressure to the budget and continue to meet the outcome. The projection overspend is currently £3.1m against a base budget of £98.5m, meaning a variance of 3.1%. Further measures are also being considered to deliver savings based on service redesign with the resident always in mind whilst ensuring a safe service is maintained. A further financial risk at the present time relates to the current financial position of the Council's largest partner the local NHS who are already reducing direct funding to both the Council and key partners in the sector which can further add to the Council's financial pressure. These actions which are being implemented in order to produce a balanced position are only likely to increase during the winter period when demand for Health services has repeatedly been evidenced to rise.
126. It should be recognised that savings and better outcomes have been successfully delivered in a number of areas but there is much more to do.

127. Adult Social Care and Health, with support from colleagues in Finance and Performance, are working together to support the service to develop more detailed information using new systems, in order to help identify trends and enable appropriate action to be implemented earlier. This work involves a deep examination of the underlying position, which whilst positive over the last three years, contains inherent pressure which has been masked by temporary mitigations. Any growth in costs will also be identified through this exercise. This will lead to increased transparency and setting of clear outcomes going forward.

6 ~ A Responsible, Effective and Efficient Organisation

128. The Assets Service has disposed of ten surplus Council buildings so far this year, bringing in £6.5m in capital receipts. The estimated capital receipts target for this financial year is £10.3m, and work is well advanced to achieve this. In addition to this they have completed 12 academy transfers, one of its statutory responsibilities, while resolving over 500 property transaction queries received in to the service, reducing the number of priority cases still 'live' to less than 50. This financial year will also see the close of rating appeals against the 2010 listing issued by the Valuation Office Agency, with the review and challenge process saving Cheshire operational budgets in the region of £3.0m revenue for their occupation of corporate and service buildings. On the projects front, the Assets Service has supported the delivery of a number of capital projects in the current financial year valued at over £14.8m including the design and enabling works for the ongoing Environmental Services Hub as well as various refurbishment and demolition projects, and school extensions. It has also just completed an Official Journal of the European Union (OJEU) procurement process for the replacement framework for low value construction services, due to be concluded in final quarter to replace the current framework.

129. At third quarter, the overall budget for Corporate Services (excluding Client Commissioning) is forecast to be underspent by £2.6m (£1.2m underspend at mid-year). Customer Operations is forecasting an underspend of £1.2m mainly due to a change to the methodology for calculating the Benefits Bad Debts Provision, this is an overall improvement of £1.4m from the position reported by Customer Operations at Mid-Year. There is a high risk that the benefits payments position could deteriorate, a £140,000 pressure has been built into these numbers for a lower subsidy percentage but this has been mitigated by savings elsewhere in the service. Professional and Commercial Services is forecasting an underspend of £762,000, with the majority of this relating to an underspend on energy budgets due to low energy prices and greater savings than expected on the combined heat and power unit at Crewe Lifestyle Centre. Further savings relate to posts which have been vacant for periods of time. Underspends against budget are also being reported across Corporate Services including: Legal & Democratic Services (£100,000); Finance and Performance (£237,000); and Human Resources (£230,000). ICT are reporting a net nil position.

2. Financial Stability

Introduction

130. Financial performance has continued to improve compared to previous financial years. Improvements in financial planning, governance and stewardship are having a clear impact on the Council's ability to manage its budget and create greater confidence in the medium term plans.
131. Applying the best fit approach towards commissioning means the Council now wholly owns several supplier companies as well as maintaining relationships with private sector suppliers, charitable trusts and voluntary sector organisations. The financial position of the wholly owned companies has a direct effect on the financial performance of the Council and the Council's share of ongoing surpluses are currently held in the Trading earmarked reserve.
132. **Table 1** provides a service summary of financial performance at quarter three. For further details please see Section 1 and the notes below the table. Changes to service net budgets since the First Quarter Review are analysed in **Appendix 2**.
133. The impact of the projected service outturn position is to decrease balances by £3.2m. Further items impacting on the level of the Council's balances are detailed in the paragraphs below on centrally held budgets.

Table 1 - Service Revenue Outturn Forecasts

2016/17 Third Quarter Review (GROSS Revenue Budget £583.4m)	Revised Budget (NET)	Forecast Actual Outturn	Forecast Over / (Underspend)
	£m	£m	£m
SERVICE DIRECTORATES			
Directorate	0.8	0.8	0.0
Children's Social Care	32.0	33.5	1.5
Education & 14-19 Skills	2.4	2.4	0.0
Prevention & Support	10.4	10.4	0.0
Adult Social Care	94.0	97.2	3.2
Public Health	0.0	0.0	0.0
Community & Partnerships	4.3	4.2	-0.1
People	143.9	148.5	4.6
Directorate	0.4	0.4	0.0
Planning & Sustainable Development	-1.2	-1.2	0.0
Infrastructure & Highways (incl Car Parking)	7.9	7.9	0.0
Growth & Regeneration	4.4	4.4	0.0
Rural & Green Infrastructure	2.8	2.8	0.0
Client Commissioning			
Building Control	1.8	1.8	0.0
Skills & Growth	1.7	1.7	0.0
Transport	14.5	15.5	1.0
Place	32.3	33.3	1.0
Directorate	0.4	0.3	-0.1
Client Commissioning			
Leisure	2.3	2.3	0.0
Environmental & Bereavement	27.3	27.5	0.2
Customer Operations	9.1	7.9	-1.2
Legal Services	4.4	4.4	0.0
Democratic Services	4.0	3.9	-0.1
Human Resources	2.7	2.5	-0.2
Finance & Performance	3.2	3.0	-0.2
Professional Services	13.9	13.1	-0.8
ICT	6.7	6.7	0.0
Communications	0.6	0.6	0.0
Corporate	74.6	72.2	-2.4
Total Services Net Budget	250.8	254.0	3.2

Government Grant Funding of Local Expenditure

134. Cheshire East Council receives two main types of Government grants; specific use grants and general purpose grants. The overall total of Government grant budgeted for in 2016/17 was £304.2m.
135. In 2016/17 Cheshire East Council's specific use grants held within the services was budgeted to be £259.1m based on Government announcements to February 2016. This figure was revised down at the third quarter to £244.5m (a reduction of £3.1m).
136. The third quarter has seen a further decrease in grant of £3.2m. This is due to a £2.7m reduction in schools related grants as a result of academy conversions; seven schools have converted during September and October. Housing Benefit Subsidy payments have reduced by £0.4m.
137. Spending in relation to specific use grants must be in line with the purpose for which it is provided.
138. General purpose grants were originally budgeted to be £45.2m, but further in-year grant announcements increased this figure to £46.7m at third quarter review.
139. Additional general purpose grants of £27,071 have been received during the third quarter of 2016/17. Requests for the allocation of additional grants received are detailed in **Appendix 9**.
140. **Table 2** provides a summary of the updated budget position for all grants in 2016/17. A full list is provided at **Appendix 3**.

Table 2 – Summary of Grants to date

	2016/17 Revised Forecast MYR £m	2016/17 Revised Forecast TQR £m	2016/17 Change £m
SPECIFIC USE			
Held within Services	247.6	244.5	-3.1
GENERAL PURPOSE			
Central Funding	26.3	26.3	0.0
<u>Service Funding:</u>			
People - Children and Families	1.3	1.3	0.0
People - Adult Social Care and Independent Living	1.2	1.2	0.0
Place	0.9	0.9	0.0
Corporate – Customer Operations	1.9	1.9	0.0
Corporate – Chief Operating Officer	15.2	15.1	-0.1
Sub Total	20.5	20.4	-0.1
Total General Purpose	46.8	46.7	-0.1
Total Grant Funding	294.4	291.2	-3.2

Collecting Local Taxes for Local Expenditure

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

Council Tax

142. Council Tax is set locally and retained for spending locally. Council Tax was set for 2016/17 at £1,261.95 for a Band D property. This is applied to the taxbase.
143. The taxbase for Cheshire East reflects the equivalent number of domestic properties in Band D that the Council is able to collect Council Tax from (after adjustments for relevant discounts, exemptions and an element of non-collection). The taxbase for 2016/17 was agreed at 142,186.60 which, when multiplied by the Band D charge, means that the expected income for the year is £179.4m.
144. In addition to this, Cheshire East Council collects Council Tax on behalf of the Cheshire Police and Crime Commissioner, the Cheshire Fire Authority and Parish Councils. **Table 3** shows these amounts separately, giving a total budgeted collectable amount of £218.9m.

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

	£m
Cheshire East Council	179.4
Cheshire Police and Crime Commissioner	22.9
Cheshire Fire Authority	10.2
Town and Parish Councils	6.4
Total	218.9

145. This figure is based on the assumption that the Council will collect at least 98.75% of the amount billed. The Council will always pursue 100% collection, however to allow for non-collection the actual amount billed will therefore be more than the budget.
146. This figure may also vary during the year to take account of changes to Council Tax Support payments, the granting of discounts and exemptions, and changes in numbers and value of properties. The amount billed to date is £222.5m.
147. **Table 4** shows collection rates for the last three years, and demonstrates that 99% collection is on target to be achieved within this period.

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

Financial Year	CEC Cumulative		
	2013/14	2014/15	2015/16
	%	%	%
After 1 year	98.1	97.9	98.1
After 2 years	99.0	98.9	*98.8
After 3 years	99.3	*99.2	**

* year to date

**data not yet available

148. The Council Tax in-year collection rate for 2016/17 is 76.8%, identical to the equivalent period last year.
149. Council Tax support payments (including Police and Fire) were budgeted at £16.7m for 2016/17 and at the end of the second quarter the total council tax support awarded was £14.5m. The Council Tax Support caseload has reduced since April 2014 and there have been more reductions in the Council Tax Support awards in the year than increased or new awards.
150. Consultation on changes to the Council Tax Support Scheme for 2016/17 was carried out in summer/autumn 2015, and the final scheme was agreed by full Council in February 2016.
151. Council Tax discounts awarded are £20m which is broadly in line with the same period in 2015/16.
152. Council Tax exemptions currently awarded total £4m which is broadly in line with the same period in 2015/16.

Non-Domestic Rates (NDR)

153. NDR is collected from businesses in Cheshire East based on commercial rateable property values and a nationally set multiplier. The multiplier changes annually in line with inflation and takes account of the costs of small business rate relief.
154. The small business multiplier applied to businesses which qualify for the small business relief was set at 48.4p in 2016/17. The non-domestic multiplier was set at 49.7p in the pound for 2016/17.
155. Cheshire East Council continues to be in a pooling arrangement with the Greater Manchester (GM) Authorities (also includes Cheshire West and Chester for 2016/17) for the purposes of Business Rates Retention. The purpose of the pool is to maximise the retention of locally generated business rates to further support the economic regeneration of Greater Manchester and Cheshire Councils. As a pool the members will be entitled to retain the levy charge on growth that would normally be paid over to Central Government. Cheshire East will retain 50% of this levy charge locally before paying the remainder over to the pool.
156. The Cheshire and GM Pool are also taking part in a pilot scheme where the pool is now able to retain locally the 50% of “additional growth” in business rates which in the usual Business Rates Retention Scheme would be paid directly to DCLG. Income from this pilot is currently being held within the pool with distribution yet to be decided.
157. **Table 5** demonstrates how collection continues to improve even after year end. The table shows how over 99% of non-domestic rates are collected within three years.

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

Financial Year	CEC Cumulative		
	2013/14	2014/15	2015/16
	%	%	%
After 1 year	98.2	98.1	98.1
After 2 years	99.2	99.3	*98.6
After 3 years	99.6	*99.5	**

* year to date

**data not yet available

The business rates in-year collection rate for 2016/17 has decreased to 73.3% compared to 74.7% for the same period in 2015/16.

Capital Programme 2016/20

158. Since reporting the Capital Programme at the Mid Year Review stage the overall forecast expenditure for the next three years has decreased by £2.6m as shown in **Table 6**.

Table 6 – Summary Capital Programme

	Revised Total Forecast Budget MYR 2016/20 £m	Amendments to TQR Forecast Budget 2016/20 £m	Amended TQR Forecast Budget 2016/20 £m	Budget Reductions £m	SCE's £m	Revised Total Forecast Budget 2016/20 £m
People Directorate	48.7	0.1	48.8	-0.9	0.0	47.9
Place Directorate	359.4	0.0	359.4	0.0	0.3	359.7
Corporate Directorate	92.3	0.3	92.6	-2.0	0.0	90.6
	500.4	0.4	500.8	-2.9	0.3	498.2

159. There has been a small change in the overall forecast budget for the period 2016/17 to 2019/20 mainly due to the capital challenge sessions that have taken place in November and December 2016. This has seen a reduction in both the ICT and Facilities Management forecast budgets of £2m. The redesign of Children's Residential Social Care at £0.8m has also been removed from the Capital Programme as the project is no going ahead.
160. There are also a number of Supplementary Capital Estimates totalling £0.3m that requires Members to note as listed in Appendix 5 or to approve as detailed in Appendix 6 of this report.
161. The revised programme is funded from both direct income (grants, external contributions) and the Council's own resources (prudential borrowing, revenue contributions, capital reserve). A funding summary is shown in **Table 7**.

Table 7 – Capital Funding Sources

	MYR Total Forecast Budget £m	TQR Total Forecast Budget £m	Change £m
Grants	194.8	198.8	4.0
External Contributions	69.6	66.2	-3.4
Cheshire East Resources	236.0	233.2	-2.8
	500.4	498.2	-2.2

Capital Budget 2016/17

162. At the Third Quarter Review stage the Council is forecasting actual expenditure of £92.9m. This shows further slippage of £23.0m in to future years as Senior Responsible Officers and Project Officers have been asked to review and re-profile forecasts to reflect a more realistic capital outturn position. The figure reported at Mid Year Review was £115.9m.
163. Since the start of 2016/17 slippage on the capital programme has been measured on schemes that are at the Gateway 2 stage and are classed as committed schemes as these schemes should have commenced prior to or during 2016/17 and have a detailed forecast expenditure plan in place. Schemes will be monitored on their progress during the year and re-categorised quarterly. This includes the net impact in 2016/17 of supplementary capital estimates, virements and budget reductions listed in **Appendices 5 to 7**.
164. **Table 8** below shows the actual expenditure incurred on those schemes against the revised Outturn Budget.

Table 8: Changes to the 2016/17 Capital Budget

Committed Schemes	Revised MYR Budget £m	Revised TQR Budget £m	Forecast Expenditure £m	Current Forecast Over / Underspend £m
People Directorate	4.9	4.9	4.3	-0.6
Place Directorate	47.3	48.9	41.2	-7.7
Corporate Directorate	42.5	39.5	28.1	-11.4
Total Committed Schemes	94.7	93.3	73.6	-19.7

165. At the Third Quarter Review Stage we have revised the in-year forecast and slipped £19.7m to future years.
166. **Appendix 5** details requests of Supplementary Capital Estimates and Virements up to and including £250,000 approved by delegated decision which are included for noting purposes only.
167. **Appendix 6** details requests for a supplementary capital estimate of £300,000 for works to be carried out on Hough Bridge to be funded by a contribution from Highways England.
168. **Appendix 7** lists details of reductions in Approved Budgets where schemes are completed and surpluses can now be removed. These are for noting purposes only.

Central Adjustments

Capital Financing Costs and Treasury Management

169. The capital financing budget includes the amount charged in respect of the repayment of outstanding debt and the amount of interest payable on the Council's portfolio of long term loans. These costs are partly offset by the interest the Council earns from temporary investment of its cash balances during the year. The capital financing budget of £14m accounts for 6% of the Council's net revenue budget.

170. Investment income to November 2016 is £375,000 which is higher than the budgeted income of £213,000 for the period. The level of cash balances has remained high, although market interest rates have reduced since the Bank of England Base Rate was reduced in July. Investments in the CCLA Investment Management Ltd property fund and use of corporate bonds and fixed term investments prior to the base rate reduction has contributed to higher rates of interest earned on investments. Rates achievable on Investments are slowly reducing as the current fixed rate investments mature.

- The average lend position (the 'cash balance') including managed funds up to the end of November 2016 is £75.2m.
- The average annualised interest rate received on in-house investments up to the end of November 2016 is 0.67%.
- The average annualised interest rate received on the externally managed property fund up to the end of November 2016 is 4.78%.

171. The Council's total average interest rate for the period April to November is 1.08%. The returns continue to exceed our

benchmark, the London Inter-bank Bid Rate for 7 days at 0.33%, and our own performance target of 0.75% (Base Rate + 0.50%).

Table 9 – Interest Rate Comparison

Comparator	Average Rate to 30/11/2016
Cheshire East	1.08%
LIBID 7 Day Rate	0.33%
LIBID 3 Month Rate	0.51%
Base Rate	0.25%
Target Rate	0.75%

172. As a result of lower debt repayments, due to slippage in the capital programme, there is an anticipated £1.2m underspend on the £14m budget.

173. A contributory factor of not exceeding the £14m budget and maintaining the underspend position, is the assumed reliance of achieving capital receipts of £10m in 2016/17 to finance capital expenditure. To date, ten assets have been sold generating total receipts of £6.5m.

174. All investments are made in accordance with the parameters set out in the Treasury Management Strategy Statement approved by Council on 25th February 2016. Further details of counterparty limits and current investments are given in **Appendix 8**.

175. The Council has £7.5m invested in the CCLA managed property fund. Following the referendum decision to leave the EU (Brexit) the capital value of the fund has been devalued by 4%. The current value of the units in the fund if sold is £7.4m which is slightly lower

than the invested amount. However, the fund continues to generate income of 4.8% which has exceeded any unrealised capital losses arising from the devaluation of the fund.

176. The aim has been to increase investments which fall outside of bank bail-in regulations, typically covered bond, corporate bonds and Government investments. However, in doing so, the Council should have regard to liquidity – the amount of cash available for investments. Although cash balances are currently high, the expectation is that cash resources will diminish over the remainder of 2016/17. Most bonds are issued for longer periods which has limited the availability of suitable bonds.
177. Covered Bonds provide security as they are backed up by collateral and still provide a good level of return. The Council has one investments in covered bonds for £2.5m due to mature in March 2017.
178. More recently opportunities have been taken to place investments with other Local Authorities which are exempt from bail in. Full details are shown in **Appendix 8**.

Central Contingencies and Contributions

179. A budget of £0.8m is held centrally to meet past service Employer Pension contributions relating to staff transferred to the new supplier companies. At quarter three it is forecast that spend will be in line with budget. Net unallocated savings budgets of £0.2m are also currently held centrally. Within this it is anticipated that an underspend of £0.2m on unallocated expenditure budgets will arise.

Debt Management

180. The balance of outstanding debt has decreased by £0.1m since the end of quarter two, mainly due to settlement of invoices raised against Clinical Commissioning Groups. Balances remain within forecast levels and adequate provisions have been made. Details of the Council's invoiced debt position are contained in **Appendix 10**.

Outturn Impact

181. The impact of the projected service outturn position is to decrease balances by £3.2m as reported above (**para 133**).
182. Taken into account with the central budget items detailed above and the approved use of general reserves below (**para 189**), the financial impact described in this report could result in a reduction in balances of £2.7m as summarised in **Table 10**.

Table 10 – Impact on Balances

	£m
Service Net Budget Outturn	-3.2
Central Budgets Outturn	1.5
Use of Reserves approved by Council	-1.0
Total	-2.7

Management of Council Reserves

183. The Council's Reserves Strategy 2016-19 states that the Council will maintain reserves to protect against risk and support investment. The Strategy forecast that the risk assessed level of reserves is currently £11.8m.
184. The opening balance at 1st April 2016 in the Council's General Reserves was £13.0m as published in the Council's Audited Statement of Accounts for 2015/16.
185. At the February 2016 meeting, Council approved the use of £1.0m of general reserves in 2016/17, to be transferred to earmarked reserves to meet additional costs associated with the Council's planning functions.
186. The overall impact of service budgets, central budgets and Council decisions is identified in **Table 10** above. **Table 11** shows how this impacts on the forecast closing balance of general reserves.

Table 11 – Change in Reserves Position

	£m
Opening Balance at 1 st April 2016	13.0
Impact on Balances at Quarter 3	-2.7
Forecast Closing Balance at March 2017	10.3

187. The projected balance of £10.3m reflects the current forecast that risks associated with budget achievement in 2016/17 may partly materialise, and would bring reserves to below the level planned in the 2016-19 Reserves Strategy. However, the Council will strive to identify remedial actions to bring about a balanced outturn position by year end. Overall the Council remains in a strong

financial position given the major challenges across the public sector.

188. The Council also maintains Earmarked Revenue reserves for specific purposes. At 31st March 2016 balances on these reserves stood at £53.3m, excluding balances held by Schools. Contributions of £2.5m to the Transitional Funding reserve, and £451,000 to the Collection Fund Management reserve, and a contribution of £140,000 from the Investment Sustainability reserve were approved as part of the 2016/17 budget.
189. Together with approved transfer of £1.0m from general reserves into earmarked reserves for planning costs (**para 185**), these items brought the earmarked reserves balance available in 2016/17 to £57.1m.
190. During 2016/17, an estimated £13.1m will be drawn down and applied to fund service expenditure specifically provided for. Service outturn forecasts take account of this expenditure and funding.
191. A full list of earmarked reserves at 1st April 2016 and estimated movement in 2016/17 is contained in **Appendix 11**.

3. Workforce Development

192. This section sets out the Council’s activities and progress in relation to HR, Organisational Development, Health and Safety and Workforce Development plans and changes for the third quarter 2016/17.

Culture and Values

193. Following the feedback from the recent staff survey, action plans have been developed by all senior management teams, working with colleagues across the services. A Corporate Governance Group has been established to review progress of the action plans at regular intervals and update communications to staff will commence in the new year.
194. The Making a Difference employee recognition scheme has continued to be very popular this year with the following nominations during 2016:
- Made my Day – 664
 - Making a Difference monthly awards – 122
 - Making a Difference Annual Awards – 53

The Annual Awards Event took place on 14th December to celebrate and recognise the outstanding achievements of colleagues with 130 people from across the Council in attendance.

Building Capability and Capacity

195. The Corporate Training programme and Continuous Professional Development Portfolios ensure that the Council creates a

workforce which is safe, knowledgeable and competent in performing their duties to the highest possible standard, providing the best quality services to the residents and businesses.



196. Over 570 CEC employees attended a range of regulatory and mandatory learning and development opportunities during the third quarter of 2016/17. A further 15 employees successfully secured funding approval via the Learning and Development Panel for role specific development, seeing £16,500 investment.
197. Developing management capability at all levels has continued with 16 managers and supervisors across the Council currently being supported to complete ILM qualifications through an external commissioning arrangement. Nine staff have completed their qualifications. Leadership and Management training continues with a suite of courses for managers at different levels available on the Corporate Training Programme and a bespoke course in place for Team Managers in Children’s Social Care.
198. The Workforce Development Team continues to work closely with numerous regulatory and professional bodies and links into several local universities and colleges to ensure academia and research based theories are inherent in everything we do, establishing teaching partnerships with Keele University and local Further Education colleges too. We continue to support external students in postgraduate research studies through data collection at

Cheshire East. As a recognised centre of excellence, quality assurance measures ensure that all employees and apprentices receive up to date training and surpass expectations of external verification and examination boards, and feel fully supported throughout all stages of their career. Two external reviews of qualifications this quarter have reported high quality service.

Resourcing and Talent

199. The Council has provided more than 10 work experience sessions for young adults and school children during quarter three. Programmes continue to enable undergraduate and postgraduate students the opportunity to undertake placements within service areas of the Council, with 17 social work student placements organised in partnership with universities and internal initiatives. Placements are also in place within Educational Psychology and Development Management to support course requirements and skill development.
200. The Council's apprenticeship scheme continues to expand, extending the range and levels of qualifications offered with a range of preferred suppliers. During quarter three, five new apprentices have entered the Council's apprenticeship scheme and six apprentices have completed their qualifications and moved into either temporary or permanent contracts with Cheshire East Council or the wider employment market. An officer working group has been established to ensure the Council is ready to respond to the changes being brought in by the Government around apprenticeships and is overseeing the development of processes and procedures to ensure Cheshire East Council is compliant with these Government changes from April 2017.
201. The Council continues to offer opportunities for Graduate and Staff Development. Progression pathways are under development

across several services to offer development from entry to management roles, offering a clear career route and tailored opportunities for existing staff, recent graduates and apprentices.

202. This recognises the importance of early and ongoing career development by providing opportunities to build networks, gain skills and obtain wider insights into a large organisation with a view to development careers within the Council. This also recognises the value of developing and retaining talented staff within the Council service areas. This recognises the importance of early career development by providing opportunities to build networks, gain skills and obtain wider insights into a large organisation with a view to development careers within the Council.

Reward and Recognition

203. To enhance the range of employee benefits an online "Rewards Centre" was launched in September with more than 1,245 staff (32%) already signed up. The Rewards Centre provides staff with over 6,000 different discounts and offers for well known high street retailers, days out, holidays, etc, including discounts at over 120,000 stores. Currently the most popular retailers for staff are Sainsbury's, Tesco, Argos, Boots, M&S, Morrison's, Costa Coffee, Ikea and discounted cinema tickets. Available through telephone, mobile, or website ordering, the Rewards Centre will help staff make their money go further and will support the attraction and retention of employees.

Education HR Consultancy

204. The Education HR consultancy have continued to offer and provide two levels of service, Gold and Silver, with the Silver Service having no on-site support to schools and academies. Buy back from September 2016 remains positive.

Health and Safety

205. Feedback from users of the new Occupational Health service - People Asset Management Ltd (PAM) - has been positive. Reports are produced quickly, usually on the same day as the appointment. Managers are offered the opportunity for a brief pre and post discussion with the Occupational Health Adviser / Doctor and this has proved to be a popular option. It is anticipated that comparable KPI statistics will be available from February 2017.
206. Biannual reviews of the Corporate Health and Safety Policy, and Fire Policy are due in May 2017. A consultation process has been undertaken involving Managers and Trade Union Safety Representatives. Approval by the Portfolio Holder will be sought during Quarter 4.

Staffing Changes

207. As shown in **Table 12**, Cheshire East's headcount and FTE of employees remained largely unchanged overall between September and December 2016.

Table 12: Cheshire East Council employee headcount and FTE figures

Directorate / Service	Employee FTE Sep-16	Employee FTE Nec-16	Employee Headcount Sep-16	Employee Headcount Dec-16
Corporate	853.1	844.9	1,022	1,005
Customer Services	274.6	278.9	351	353
Finance and Performance	76.9	77.1	80	80
Human Resources	41.5	39.1	47	45
ICT	185.2	182.3	192	189
Legal and Democratic Services	112.7	113.1	146	144
Communications and Media	13.7	12.7	14	13
Professional Services	119.4	119.8	161	159
Apprentices	27.2	20.0	29	20
People	1,721.8	1,731.4	2,330	2,323
Adult Social Care and Health	828.7	833.7	1,051	1,046
Children's Services	784.1	787.0	1,162	1,159
Community and Partnerships	107.1	109.7	115	117
Place	300.9	297.1	379	373
Growth and Regeneration	79.6	78.6	86	85
Infrastructure and Transport	41.1	41.0	43	43
Lifelong Learning	10.2	9.2	12	10
Planning and Sustainable Development	71.0	74.0	73	76
Rural and Green Infrastructure	97.1	92.3	163	157
Cheshire East Council Total	2,876.9	2,874.3	3,721*	3,690*

***Note:** The Chief Executive has not been included in any of the Directorate / Service information, but is counted in the overall Cheshire East Council headcount and FTE figures; similarly Executive / Directors and "Business Managers" will not appear in the "Service" totals but will appear in the overall "Directorate" figures. Employees with multiple assignments across services will appear in the headcount figures for each service, but will only be counted once in the total CEC headcount figure; where an employee has multiple assignments in the same service they will appear in the overall headcount figure only once.

Absence

208. As indicated in **Table 13**, absence levels were slightly higher at the end of quarter three in 2016/17 than the same period in 2015/16 but lower than 2014/15.

Table 13: Cumulative average days lost to sickness (per FTE employee) at the end of Quarter 3, by financial year since, 2013/14

	2013/14	2014/15	2015/16	2016/17
Cheshire East (excluding Schools)	8.34	8.87	8.02	8.32

Voluntary Redundancies

209. The Council's voluntary redundancy scheme continues to support organisational change and the delivery of the planned programme of change in the Council Plan. The effective use of voluntary redundancy in this way enables the Council to achieve its planned savings and efficiencies and also helps to maintain good employee relations within the Authority and minimises the prospect of compulsory redundancy.
210. Two people have left the Council under voluntary redundancy terms in quarter three, one of whom held a post within the management grades (Grade 10 or above). The total severance cost for both employees was £54,720 inclusive of redundancy and actuarial costs. Over the next five years, these reductions are estimated to save the Council over £160,000 (which is the combined accumulated costs of the deleted posts).

Appendices to Third Quarter Review of Performance 2016/17

February 2017

Appendix 1 Cheshire East Council Residents First Outcomes



Appendix 2 Changes to Revenue Budget 2016/17 since Mid Year Review

	Quarter 2 Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Quarter 3 Net Budget £000
PEOPLE				
Children & Families	45,158	0	50	45,208
Adult Social Care & Independent Living	92,714	0	1,480	94,194
Public Health	0	0	0	0
Community & Partnerships	4,462	0	0	4,462
	142,334	0	1,530	143,864
PLACE				
Directorate	365	0	0	365
Planning & Sustainable Development	-1,383	150	0	-1,233
Infrastructure & Highways	7,915	0	42	7,957
Growth & Regeneration	4,321	184	-119	4,386
Rural & Green infrastructure	2,745	0	0	2,745
Client Commissioning :				
Building Control, Land Charges and Planning Support	1,814	0	0	1,814
Skills & Growth	1,750	0	26	1,776
Transport	14,486	0	14	14,500
	32,013	334	-37	32,310

	Quarter 2 Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Quarter 3 Net Budget £000
CORPORATE				
Directorate	0	0	422	422
Client Commissioning :				
Leisure	2,260	0	0	2,260
Environmental	27,327	0	-42	27,285
Customer Operations	9,139	0	0	9,139
Legal Services	0	0	4,401	4,401
Democratic Services	0	0	3,962	3,962
Human Resources	0	0	2,708	2,708
Finance & Performance	0	0	3,204	3,204
Professional Services	0	0	13,922	13,922
ICT	0	0	6,740	6,740
Communications	0	0	625	625
Chief Operating Officer - Other (e.g Finance, ICT, Legal, Facilities)	37,779	0	-37,779	0
	76,505	0	-1,837	74,668
TOTAL SERVICE BUDGET	250,852	334	-344	250,842
Central Budgets				
Specific Grants	-20,321	-334	0	-20,655
Capital Financing	14,000	0	0	14,000
Corporate Unallocated	-329	0	69	-260
Corporate Contributions	889	0	275	1,164
Contribution to / from Reserves	2,811	0	0	2,811
	-2,950	-334	344	-2,940
TOTAL BUDGET	247,902	0	0	247,902

Note - £320,000 additional grant funding was approved at outturn 2015/16

Appendix 3 Corporate Grants Register

Corporate Grants Register 2016/17		Revised Forecast	Revised Forecast	Change from	SRE / Balances
		MYR	TQR	MYR	(Note 2)
		2016/17	2016/17	2016/17	
	Note	£000	£000	£000	
SPECIFIC USE (Held within Services)					
Schools					
Dedicated Schools Grant	1	142,201	139,552	-2,649	
Pupil Premium Grant	1	5,354	5,280	-74	
Sixth Forms Grant	1	4,230	4,230	0	
Total Schools Grant		151,785	149,062	-2,723	
Housing Benefit Subsidy		78,566	78,150	-416	
Public Health Funding		17,258	17,258	0	
TOTAL SPECIFIC USE		247,609	244,470	-3,139	
GENERAL PURPOSE (Held Corporately)					
Central Funding					
Revenue Support Grant		26,340	26,340	0	
Total Central Funding		26,340	26,340	0	

Corporate Grants Register 2016/17		Revised Forecast	Revised Forecast	Change from	SRE / Balances
	Note	MYR 2016/17 £000	TQR 2016/17 £000	MYR 2016/17 £000	(Note 2)
People - Children & Families					
Troubled Families		875	875	0	
Youth Justice (YOT)		264	264	0	
Youth Justice Grant for Junior Attendance Centres		35	35	0	
Staying Put Implementation Grant		109	109	0	
Remand Funding		19	19	0	
People - Adult Social Care & Independent Living					
Independent Living Fund		948	948	0	
Local Reform and Community Voices		198	198	0	
Social Care in Prisons		73	73	0	
Place					
Adult Skills (Lifelong Learning)		749	763	14	SRE
Property Search Fees New Burdens		22	22	0	
Extended Rights to Free Transport		118	118	0	
Capacity Support for Self Build & Custom House Building Register		6	6	0	
Lead Local Flood Authorities		1	1	0	
Corporate - Customer Operations					
Housing Benefit and Council Tax Administration		1,335	1,335	0	
NNDR Administration Grant		562	562	0	
Business Rates Revaluation 2017: S31 Grant Reimbursement		1	1	0	

Corporate Grants Register 2016/17	Revised Forecast	Revised Forecast	Change from	SRE / Balances
	MYR	TQR	MYR	(Note 2)
	2016/17	2016/17	2016/17	
Note	£000	£000	£000	
Corporate - Chief Operating Officer				
New Homes Bonus 2011/12	870	870	0	
New Homes Bonus 2012/13	1,844	1,844	0	
New Homes Bonus 2013/14	1,037	1,037	0	
New Homes Bonus 2014/15	1,356	1,356	0	
New Homes Bonus 2015/16	1,200	1,200	0	
New Homes Bonus 2016/17	2,444	2,444	0	
Affordable Homes 2012/13	85	85	0	
Affordable Homes 2013/14	82	82	0	
Affordable Homes 2015/16	63	63	0	
Affordable Homes 2016/17	222	222	0	
New Homes Bonus Returned Funding Grant 2016/17	90	90	0	
Education Services Grant	2,778	2,689	-89	Balances
Transitional Funding	2,973	2,973	0	
Electoral Register Transfer Programme Resource Grant 2016/17	58	58	0	
Additional Election Funding	37	37	0	
Additional Election Funding: N West Deadline Extension Funding	9	9	0	
Local Government Transparency Code 2016	0	13	13	Balances
Total Service Funding	20,463	20,401	-62	
TOTAL GENERAL PURPOSE	46,803	46,741	-62	
TOTAL GRANT FUNDING	294,412	291,211	-3,201	

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

Appendix 4 Summary Capital Programme and Funding

Service	In-Year	SCE's	SCE's	Revised	Forecast Expenditure		
	Budget	Virements	Virements	In-Year			
	TQR	Reductions	Reductions	Budget			
	2016/17	2016/17	2016/17	2016/17	2016/17	2017/18	2018/19 and
	£000	£000	£000	£000	£000	£000	Future Years
							£000
People Directorate							
Adults, Public Health and Communities							
Committed Schemes - In Progress	544	0	-1	543	477	66	0
New Schemes and Option Developments	0	0	0	0	0	0	0
Recurring Programmes	680	0	0	680	0	680	0
Longer Term Proposals	0	0	0	0	0	0	0
Children's Social Care (Incl. Directorate)							
Committed Schemes - In Progress	203	65	-3	265	165	387	0
New Schemes and Option Developments	0	0	0	0	0	0	0
Recurring Programmes	0	0	0	0	0	0	0
Longer Term Proposals	0	0	0	0	0	0	0
Education and 14-19 Skills							
Committed Schemes - In Progress	3,681	0	-104	3,577	3,376	3,122	1,083
New Schemes and Option Developments	2,733	0	0	2,733	1,933	6,191	2,000
Recurring Programmes	129	0	-37	92	180	7,164	10,363
Longer Term Proposals	350	0	0	350	350	150	9,250
Prevention and Support							
Committed Schemes - In Progress	510	0	-10	500	312	689	0
New Schemes and Option Developments	0	0	0	0	0	0	0
Recurring Programmes	0	0	0	0	0	0	0
Longer Term Proposals	0	0	0	0	0	0	0
Total People Directorate	8,830	65	-155	8,740	6,793	18,449	22,696

Service	In-Year	SCE's	SCE's	Revised	Forecast Expenditure		
	Budget	Virements	Virements	In-Year			
	TQR	Reductions	Reductions	Budget	2016/17	2017/18	2018/19 and
	2016/17	2016/17	2016/17	2016/17	2016/17	2017/18	Future Years
	£000	£000	£000	£000	£000	£000	£000
Place Directorate							
Infrastructure and Highways (inc Car Parking)							
Committed Schemes - In Progress	37,148	92	-46	37,194	32,963	15,128	121,564
New Schemes and Option Developments	2,683	-100	300	2,883	2,883	800	300
Recurring Programmes	2,240	0	0	2,240	2,240	14,717	2,270
Longer Term Proposals	11,905	-10,397	0	1,508	1,509	17,898	31,241
Growth and Regeneration							
Committed Schemes - In Progress	10,232	0	0	10,232	7,161	25,422	19,962
New Schemes and Option Developments	4,050	0	0	4,050	1,072	6,457	11,480
Recurring Programmes	2,853	0	0	2,853	2,128	3,437	1,650
Longer Term Proposals	5,000	0	0	5,000	0	6,900	10,700
Rural and Green Infrastructure							
Committed Schemes - In Progress	1,160	0	331	1,491	1,033	1,189	199
New Schemes and Option Developments	205	-94	0	111	111	218	125
Recurring Programmes	582	-200	0	382	382	1,435	2,154
Longer Term Proposals	0	0	0	0	0	0	13,000
Total Place Directorate	78,058	-10,699	585	67,944	51,482	93,601	214,645

Service	In-Year	SCE's	SCE's	Revised	Forecast Expenditure		
	Budget	Virements	Virements	In-Year			
	TQR	Reductions	Reductions	TQR	2016/17	2017/18	2018/19 and
	2016/17	2016/17	2016/17	2016/17	2016/17	2017/18	Future Years
	£000	£000	£000	£000	£000	£000	£000
Corporate Directorate							
Customer Operations							
Committed Schemes - In Progress	141	0	-4	137	137	0	0
New Schemes and Option Developments	178	0	4	182	182	144	30
Recurring Programmes	0	0	0	0	0	0	0
Longer Term Proposals	0	0	0	0	0	0	0
Finance and Performance							
Committed Schemes - In Progress	5,000	-4,200	0	800	800	4,200	0
New Schemes and Option Developments	0	0	0	0	0	0	0
Recurring Programmes	0	0	0	0	0	0	0
Longer Term Proposals	0	0	0	0	0	0	0
Professional Services							
Committed Schemes - In Progress	822	0	0	822	636	864	0
New Schemes and Option Developments	0	0	0	0	0	0	0
Recurring Programmes	4,306	0	0	4,306	3,464	4,517	3,000
Longer Term Proposals	0	0	0	0	0	0	0
ICT							
Committed Schemes - In Progress	15,401	0	0	15,401	7,310	8,546	857
New Schemes and Option Developments	775	-75	-200	500	500	2,550	2,837
Recurring Programmes	1,697	0	0	1,697	1,659	2,949	1,036
Longer Term Proposals	0	0	0	0	0	0	0
Client Commissioning - Environmental							
Committed Schemes - In Progress	19,421	222	3	19,646	16,733	2,930	0
New Schemes and Option Developments	360	-35	0	325	325	340	12,120
Recurring Programmes	448	0	0	448	380	220	68
Longer Term Proposals	0	0	0	0	0	0	0

Service	In-Year	SCE's	SCE's	Revised	Forecast Expenditure		
	Budget TQR	Virements Reductions During Quarter	Virements Reductions TQR	In-Year Budget TQR	2016/17	2017/18	2018/19 and Future Years
	2016/17 £000	2016/17 £000	2016/17 £000	2016/17 £000	2016/17 £000	2017/18 £000	2018/19 and Future Years £000
Corporate Directorate - Continued							
Client Commissioning - Leisure							
Committed Schemes - In Progress	2,690	1	-31	2,660	2,510	3,226	5,481
New Schemes and Option Developments	0	0	0	0	0	0	0
Recurring Programmes	0	0	0	0	0	0	0
Longer Term Proposals	0	0	0	0	0	0	0
Total Corporate Directorate	51,239	-4,087	-228	46,924	34,636	30,486	25,429
Committed Schemes - In Progress	96,953	-3,820	135	93,268	73,613	65,769	149,146
New Schemes and Option Developments	10,984	-304	104	10,784	7,006	16,700	28,892
Recurring Programmes	12,935	-200	-37	12,698	10,433	35,119	20,541
Longer Term Proposals	17,255	-10,397	0	6,858	1,859	24,948	64,191
Total Net Position	138,127	-14,721	202	123,608	92,911	142,536	262,770

Funding Sources	2016/17 £000	2017/18 £000	2018/19 and Future Years £000
Grants	26,695	47,576	124,499
External Contributions	7,416	8,796	49,972
Cheshire East Council Resources	58,800	86,164	88,299
Total	92,911	142,536	262,770

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

Capital Scheme	Amount Requested £	Reason and Funding Source
Summary of Supplementary Capital Estimates and Capital Virements that have been made up to £250,000		
Supplementary Capital Estimates		
Client Commissioning - Environmental		
The Carrs, Wilmslow - Outdoor Gym Equipment	6,000	Contributions from Wilmslow Town Council and The Rotary Club to contribute to the outdoor gym at The Carrs
Total Supplementary Capital Estimates	6,000	

Capital Scheme	Amount Requested £	Reason and Funding Source
Summary of Supplementary Capital Estimates and Capital Virements that have been made up to £250,000		
Capital Budget Virements		
Education and 14-19 Skills		
Puss Bank Primary School	12,000	} Virement from school condition grant to meet additional cost of mobile classroom demolition due to poor ground conditions. Works from 2015-16 School Managed Schemes programme have now been completed, surplus fund vired back to Schools Condition Capital Grant for re-allocation.
The Dingle Primary School	25,000	
Schools Condition Capital Grant	29,310	
Growth and Regeneration		
Regeneration & Development Programme	51	To transfer the remaining budget from Waters Green funded by S106 to the Regeneration and Development Programme.
Rural and Green Infrastructure		
ROWIP Cycle/Walking Schemes	20,562	Virement from residual project Connect 2 to fund future Rights Of Way Improvement Plans programme.
Customer Operations		
Sustainable Libraries	13,287	} Virement from the Customer Access project, that is now complete, residual budget is to be transferred to the Sustainable Libraries and Next Generation Self Serve projects to support improvements to customer access in other libraries.
Next Generation - Self Service	4,337	
Total Capital Budget Virements Approved	104,547	
Total Supplementary Capital Estimates and Virements	110,547	

Appendix 6 Request for Supplementary Capital Estimates and Virements above £250,000

Capital Scheme	Amount Requested £	Reason and Funding Source
Cabinet are asked to approve the Supplementary Capital Estimates and Virements above £250,000 up to and including £1,000,000		
Supplementary Capital Estimates		
Infrastructure and Highways (inc Car Parking)		
Hough Bridge	300,000	To set up budget to the value of the consent order, to be fully funded by Highways England.
Total Supplementary Capital Estimates Requested	300,000	
Capital Budget Virements		
Rural and Green Infrastructure		
Tatton Vision 1	311,000	Transfer funding from Tatton Vision phase 2 to complete planned additional work in phase 1.
Total Capital Budget Virements Requested	311,000	
Total Supplementary Capital Estimates and Virements	611,000	

Appendix 7 Capital Budget Reductions

Capital Scheme	Approved Budget £	Revised Approval £	Reduction £	Reason and Funding Source
Cabinet are asked to note the reductions in Approved Budgets				
Adults, Public Health and Communities				
CCTV - Infrastructure Rationalisation	169,000	168,283	-717	Project Complete
Children's Social Care (Incl. Directorate)				
Redesign of Children's Residential Social Care	800,000	0	-800,000	Removal of scheme from capital programme it has been decided not to pursue this scheme at this time
Children's Financials	170,000	167,025	-2,975	Project complete
Education and 14-19 Skills				
Devolved Formula Capital - delegated funding to school	5,994,420	5,913,390	-81,030	Reduction due to Gorsey Bank Primary PS, Adlington PS, Acton PS, Calveley PS and St Johns Wood SS converting to academy status
Suitability, Minor Works and Accessibility block	1,441,639	1,435,548	-6,091	Works from 2015-16 School Managed Schemes programme have now been completed, this reduction relates to return of the surplus contributions from School
Prevention and Support				
Tribal Procurement	15,000	4,800	-10,200	Project complete

Capital Scheme	Approved Budget £	Revised Approval £	Reduction Reason and Funding Source £
Cabinet are asked to note the reductions in Approved Budgets			
Infrastructure and Highways (inc Car Parking)			
Lanterns - Salix Investment	3,321,000	3,320,832	-168 Project complete
Carbon Initiatives	2,462,500	2,461,048	-1,452 Project complete
Altrincham Rd Footway/Cycleway	152,000	132,815	-19,185 Project complete
S106 - Jackson Ave, Nantwich	5,000	366	-4,634 Project complete
Professional Services			
Premises Capital (FM)	21,011,845	20,011,845	-1,000,000 Budget reduction as a result from the Facilities Management Capital Challenge.
ICT			
Core Financials	8,289,000	7,289,000	-1,000,000 Budget reduction as a result from the ICT Capital Challenge.
Client Commissioning - Environmental			
Mortmer Drive Play area	48,194	47,600	-594 Project complete
Development of Elworth Park	138,031	136,057	-1,974 Project complete
Milton Park Project	41,931	41,192	-739 Project complete
Odd Rode Footpath No. 22 S106	18,756	18,702	-54 Project complete
Client Commissioning - Leisure			
Sandbach Utd Football Cx	2,282,378	2,251,538	-30,840 Project Complete
Total Capital Budget Reductions	46,360,694	43,400,041	-2,960,653

Appendix 8 Treasury Management

Counterparty Limits and Investment Strategy

1. The maximum amount that can be invested with any one organisation is set in the Treasury Management Strategy Report. The maximum amount and duration of investments with any institution depends on the organisations credit rating, the type of investment and for banks and building societies, the security of the investment. Generally credit rated banks and building societies have been set at a maximum value of £6m for unsecured investments and £12m for secured investments. Any limits apply to the banking group that each bank belongs to. Limits for each Money Market fund have been set at a maximum value of £12m per fund with a limit of 50% of total investments per fund. There is also a maximum that can be invested in all Money Market Funds at any one time of £50m. Due to their smaller size, unrated Building Societies have a limit of £1m each.
2. The limits in the Treasury Management strategy also apply to investments in foreign banks with a limit of £12m per country. Foreign investments held at 30th November 2016 total £10.0m with Canadian and Swedish Banks.
3. To maintain diversification of investments over a broader range of counterparties, the Council is also investing with other Local Authorities and some unrated Building Societies on advice from our treasury advisors who are monitoring their financial standing in the absence of any normal credit rating.
4. The Council is also making use of some Variable Net Asset Value (VNAV) Money Market Funds which invest for a slightly longer duration than the standard money market funds but where the rate of return can be quite variable. In the last 3 months these have returned 0.63% with some underlying capital growth.
5. Banks' credit ratings are kept under continual review. The 'Brexit' issue has resulted in a review of all UK credit ratings but has not yet had a material effect other than the UK credit rating being downgraded. Subject to availability and cash flow requirements the Council is seeking to invest in high credit quality covered bonds and the Government / Local Authority sector.
6. Covered Bonds are fixed period investments (typically three to ten years) which are tradeable and where the investment is secured by collateral. These bonds are exempt from any 'Bail-in' requirements and gives the Council protection in the event the Counterparty gets into difficulties. Bonds are rated depending on their collateral so it is possible that a bond is acceptable to the Council where an unsecured deposit would not be. The Council is looking to invest in shorter periods than most of the currently available bonds which has limited their use.
7. **Chart 1** shows an analysis of the investments by counterparty type. A full analysis of the types of investment and current interest rates achieved is given in **Table 1** with the maturity profile in **Chart 2** which also shows the value of investments potentially subject to bail-in in the event of counterparty failure and those which are exempt from bail in requirements.

Chart 1 – Current Investments by Counterparty Type

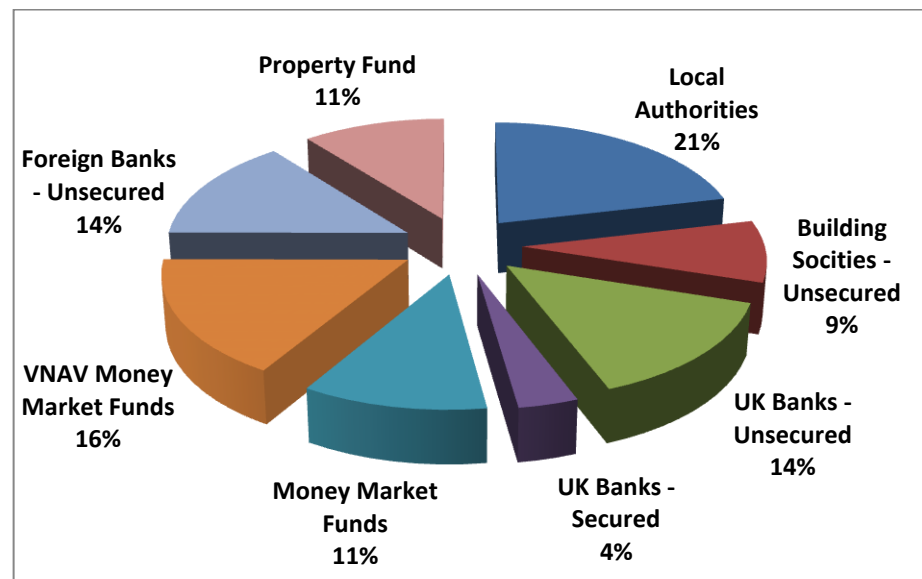


Table 1 – Types of Investments and Current Interest Rates

Instant Access Accounts	Average Rate %	£m
Instant Access Accounts	-	-
Money Market Funds	0.33	7.7

Notice Accounts	Notice Period	Average Rate %	£m
Money Market Funds (VNAV)	2 days	0.69	11.5
Lloyds Bank	175 days	0.67	1.0
Santander (UK)	180 days	1.15	5.0
Svenska Handelsbanken	35 days	0.30	6.0

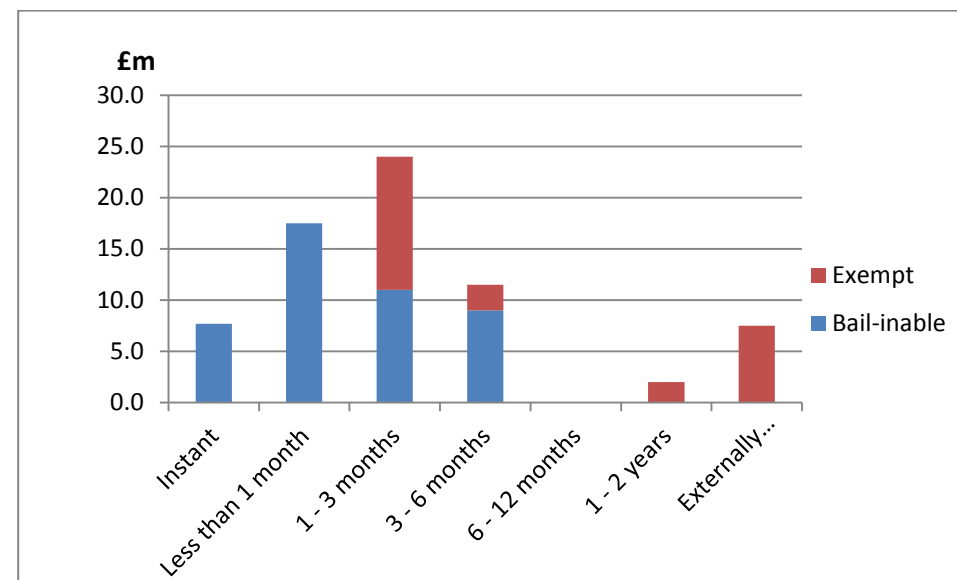
Fixed Term Deposits (Unsecured)	Start	Maturity	Rate %	£m
Lancashire County Council	02/12/2015	04/12/2017	1.00	2.0
Toronto Dominion CD	04/01/2016	03/01/2017	0.90	4.0
Nationwide Building Society	11/07/2016	11/01/2017	0.53	1.0
Nationwide Building Society	11/10/2016	23/03/2017	0.38	3.0
Leeds City Council	04/11/2016	17/02/2017	0.30	5.0
National Counties Building Society	14/11/2016	20/02/2017	0.34	1.0
Nationwide Building Society	16/11/2016	17/03/2017	0.32	1.0
Lloyds Bank	16/11/2016	17/02/2017	0.45	2.0
Lloyds Bank	16/11/2016	20/02/2017	0.45	2.0
Telford & Wrekin Council	22/11/2016	22/02/2017	0.29	3.0
Thurrock Council	30/11/2016	28/02/2017	0.28	5.0

Secured Deposits	Start	Maturity	Rate %	£m
Lloyds Bank	26/08/2016	22/03/2017	0.48	2.5

Externally Managed Funds	£m
Property Fund	7.5

Summary of Current Investments	£m
TOTAL	70.2

Chart 2 – Maturity Profile of Investments



Appendix 9 Requests for Allocation of Additional Grant Funding

Service	Type of Grant	£000	Details
Place	Adult Skills (Lifelong Learning) (General Purpose)	14	Additional funding for learners attending Skills Funding Agency courses. The funding contributes towards the Council's priority area of responding to the changing education and learning environment. The grant is in part awarded subject to achievement of performance measures stipulated in the grant conditions and therefore partial repayment of the grant may be required for underperformance.
Total		14	

Appendix 10 Debt Management

1. Sundry debt includes all invoiced income due to the Council except for statutory taxes (Council Tax and Non-Domestic Rates) for which the performance related data is contained within Section 2 of this report.
2. Annually, the Council raises invoices with a total value of over £75m. Around a quarter of the Council's overall sundry debt portfolio relates to charges for Adult Social Care, the remainder being spread across a range of functions including Highways, Property Services, Licensing, Markets and Building Control.
3. The Council's standard collection terms require payment within 28 days of the invoice date, however, services receive immediate credit in their accounts for income due. The Council uses a combination of methods to ensure prompt payment of invoices. Recovery action against unpaid invoices may result in the use of debt collectors, court action or the securing of debts against property.
4. The Revenue Recovery team (using their experience gained in collecting Council Tax and Non-Domestic Rates) engage with services to offer advice and assistance in all aspects of debt management, including facilitating access to debt collection/enforcement agent services (currently provided by Bristow & Sutor). In 2015/16 the team collected £1.8m on behalf of services.
5. After allowing for debt still within the payment terms, the amount of outstanding service debt at the end of quarter three was £7.7m.

This is a reduction of £0.1m since August 2016 due to settlement of invoices raised to Clinical Commissioning Groups.

6. The total amount of service debt over 6 months old is £4.5m; provision of £3.5m has been made to cover doubtful debt in the event that it needs to be written off.

	Outstanding Debt £000	Over 6 months old £000	Debt Provision £000
People			
Adults, Public Health and Communities	4,847	3,446	2,417
Children's Social Care (Incl. Directorate)	321	19	19
Education and 14-19 Skills	123	7	7
Prevention and Support	2	0	0
Schools	59	26	27
Place			
Planning and Sustainable Development	98	22	22
Infrastructure and Highways (inc Car Parking)	531	280	280
Growth and Regeneration	479	204	204
Rural and Green Infrastructure	54	5	5
Corporate			
Customer Operations	4	3	3
Legal Services	3	1	1
Democratic Services	1	0	0
Human Resources	61	8	8
Finance and Performance	20	20	19
Professional Services	586	251	251
ICT	171	0	0
Communications	1	1	0
Client Commissioning - Environmental	345	191	191
Client Commissioning - Leisure	11	11	11
	7,717	4,495	3,465

Appendix 11 Earmarked Reserves

Name of Reserve	Opening Balance 1 st April 2016 £000	Forecast Movement in 2016/17 £000	Forecast Balance 31 st March 2017 £000	Notes
People				
Adults, Public Health and Communities				
Extra Care Housing PFI	1,879	181	2,060	Surplus grant set aside to meet future payments on existing PFI contract which commenced in January 2009.
Provider Investment & Fees	450		450	Linked to the S256 contribution towards backdated fees, to be used for provider training.
NHS Section 256	3,391	-3,391	0	To support adult social care which also has a health benefit, as agreed with Eastern Cheshire and South Cheshire Clinical Commissioning Groups and governed by Cheshire East Health and Wellbeing Board.
Public Health	1,942	-1,685	257	Ring-fenced underspend to be invested in areas to improve performance against key targets. Including the creation of an innovation fund to support partners to deliver initiatives that tackle key health issues.
Communities Investment	586	-207	379	Amalgamation of promoting local delivery; grant support; new initiatives and additional funding from outturn to support community investment.
Children's Social Care	377	-377	0	To support implementation of Children's Social Care bill.

Name of Reserve	Opening Balance 1 st April 2016 £000	Forecast Movement in 2016/17 £000	Forecast Balance 31 st March 2017 £000	Notes
Place				
Planning and Sustainable Development				
Planning Costs and Investment Service Structure	358	-358	0	To meet potential costs within the Planning Service and Investment Service Structure.
Infrastructure and Highways				
Severe Weather	360	-130	230	To provide for future adverse winter weather expenditure.
Growth and Regeneration				
Royal Arcade Crewe	500	-150	350	To provide for future costs relating to the Royal Arcade including repairs and maintenance.
Rural and Green Structure				
Tatton Park	202	-52	150	Ring-fenced surplus on Tatton Park trading account.
Corporate				
Legal Services				
Insurance & Risk	4,581	-592	3,989	To settle insurance claims and manage excess costs.
Democratic Services				
Elections	12	140	152	To provide funds for Election costs every 4 years.
Customer Operations				
Emergency Assistance	569	-400	169	Carry forward of underspend on previous years' schemes to provide for future hardship payments.
Finance and Performance				
Investment (Sustainability)	2,744	-1,881	863	To support investment that can increase longer term financial independence and stability of the Council.
Collection Fund Management	8,570	319	8,889	To manage cash flow implications as part of the Business Rates Retention Scheme. Includes liabilities that will not be paid until future years.
Financing	11,540	-200	11,340	To provide for financing of capital schemes, other projects and initiatives.
Transforming Services	3,345	-1,008	2,337	Funding for costs associated with service transformation; particularly in relation to staffing related expenditure.
Transitional Funding	0	1,021	1,021	To provide financial support to services or projects during a period of transition to a lower overall cost base.

Name of Reserve	Opening Balance 1 st April 2016 £000	Forecast Movement in 2016/17 £000	Forecast Balance 31 st March 2017 £000	Notes
Cross Service				
Trading Reserve	1,178	0	1,178	The Authority's share of ASDVs net surplus to be spent in furtherance of the ASDV's objectives.
Service Manager carry forward	3,187	-2,306	881	Allocations for Cost of Investment or grant funded expenditure.
Revenue Grants - Dedicated Schools Grant	5,158	-1,000	4,158	Unspent specific use grant carried forward into 2016/17.
Revenue Grants - Other	2,403	-1,009	1,394	Unspent specific use grant carried forward into 2016/17.
TOTAL	53,332	-13,085	40,247	

Notes:

1. Figures exclude Schools balances of £8.058m at 1st April 2016.

2. Forecast Movements in 2016/17 include the following budgeted and approved additions and reductions to earmarked reserves approved by Council

	£000
Planning costs and Investment Service structure	1,000
Transitional Funding	2,500
Collection Fund Management	451
Investment Sustainability	-140
	<u>3,811</u>