



First Quarter Review of Performance 2017/18

September 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:

shapingourservices@cheshireeast.gov.uk



OFFICIAL

Introduction

Cheshire East Council is the third largest Council in the Northwest of England, supporting over 370,000 local people with annual spending of over £720m.

Local government is going through a period of unprecedented change and financial challenge. A combination of increasing demand for services, rising costs and reduced Government grant is creating significant pressures on the Council's revenue budget. The Council's response continues to be based on innovation, creativity and the relentless pursuit of greater efficiency and productivity and minimising bureaucracy to enable us to deliver a high level of sustainable, quality services for a lower overall cost.

Demand for Council services is high however, with more individuals and families needing support than ever before. This reflects an increase in population but also reflects changes in demographics. This demand has resulted in revenue pressures of £17.7m (6.7%) against a budget of £264.6m. A mitigation plan is being developed, and to date services have identified £7.7m of savings options which has reduced the forecast overspend to £10m. Further robust action is being taken to deliver a balanced outturn position and protect General Reserves.

To support openness and transparency the report has three main sections, to provide background and context, and then twelve supporting appendices with detailed information about allocation and management of public money during 2017/18:

Section 1 provides a summary of Council performance and brings together service achievement highlights against the six 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 2017/18 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 six Outcomes.
- **Appendix 2** explains changes to the Original Budget.
- **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 requests for Supplementary Capital Estimates and Virements over £1m for Council approval.
- **Appendix 8** lists Capital Budget reductions.
- **Appendix 9** provides details of Treasury Management investments.
- **Appendix 10** lists requests for allocation of additional Grant funding.
- **Appendix 11** analyses the position on Outstanding Debt.
- **Appendix 12** lists details of Earmarked Reserves.

Jan Willis

Director of Finance and Procurement (Section 151 Officer)

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2017/18 Outturn Forecast at First Quarter Review - Financial Position

2017/18 First Quarter Review (GROSS Revenue Budget £608.6m)	Revised Budget (NET) £m	Forecast Actual Outturn £m	Forecast Over / (Underspend) £m	For further information please see the following sections
SERVICE DIRECTORATES				
People	154.1	161.9	7.8	Section 1 - Paragraphs 67-78, 136-147
Place	22.7	22.7	-	Section 1 - Paragraphs 59-61
Corporate	73.9	75.0	1.1	Section 1 - Paragraphs 90-94, 107, 158-164
Corporate Unallocated	(1.1)	(0.8)	0.3	Section 2 - Paragraph 220
Total Services Net Budget	249.6	258.8	9.2	
CENTRAL BUDGETS				
Capital Financing	14.0	14.0	-	Section 2 - Paragraphs 210-219
Transfer to/(from) Earmarked Reserves	(0.2)	-	0.2	Section 2 - Paragraph 220
Corporate Contributions / Central Budgets	1.2	1.9	0.7	Section 2 - Paragraph 220
Total Central Budgets	15.0	15.9	0.9	
TOTAL NET BUDGET	264.6	274.7	10.1	
Business Rates Retention Scheme	(41.0)	(41.0)	-	Section 2 - Paragraphs 188-193
Revenue Support Grant	(13.4)	(13.4)	-	Section 2 - Paragraph 175
Specific Grants	(17.8)	(17.9)	(0.1)	Section 2 - Paragraphs 169-175
Council Tax	(191.1)	(191.1)	-	Section 2 - Paragraphs 176-187
Sourced from Collection Fund	(1.3)	(1.3)	-	
CENTRAL BUDGETS FUNDING	(264.6)	(264.7)	(0.1)	
FUNDING POSITION	-	10.0	10.0	
	Planned Contribution 2017/18 £m	Forecast Variance Quarter 1 £m	Impact on Reserves Quarter 1 Forecast £m	
Impact on Reserves	-	(10.0)	(10.0)	
General Reserves Balance	2017/18 Budget (estimated) £m		Quarter 1 Forecast	
Opening Balance April 2017	10.3	Actual	10.3	
2017/18 Impact on Reserves (see above)	-	Forecast	(10.0)	Section 2 - Paragraphs 222 - 223
Closing Balance March 2018	10.3	Forecast	0.3	

Overview of Performance

ACHIEVING THE COUNCIL'S SIX OUTCOMES

Cheshire East Council provides more than 500 services, supporting over 370,000 residents, and over 18,500 businesses.

1 ~ Our local communities are strong and supportive

- Six community centres have been approved to become known as Connected Community Centres
- Democratic Services organised the delivery of Parliamentary Elections
- The Council set out an ambitious plan for connecting with the voluntary, community and faith sector over the next three years
- The Safer Cheshire East Partnership's three year plan has been published

2 ~ Cheshire East has a strong and resilient economy

- The Council commissioned support to 40 businesses working to expand their operations in the area
- The Regeneration team continue to help shape the Crewe Masterplan vision and to make progress with regeneration plans for Crewe and Macclesfield including developing plans for delivering a Crewe Hub Station

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

- More than £745,000 of additional government capital funding was secured to boost the provision of free nursery places across the Borough
- The Council has been successful in offering 98% of children a place in one of their preference primary or secondary schools to start in September
- Published National Achievement Rates Tables (key indicators of performance in education and training at 19 years and over) show a Cheshire East rate of 94% compared to a national average of 84%

4 ~ Cheshire East is a green and sustainable place

- Development Management dealt with over 1,700 applications, with turnaround of major, minor and other planning applications continuing to improve
- The final report on the Local Plan was approved by Full Council at the end of July
- The Council's once again secured 'Green Flag' awards for its parks
- During the quarter the Council projects collection of around 21,000 tonnes of waste for recycling

5 ~ People live well and for longer

- Strategic Housing launched a new ICT system for allocating social housing
- Attendances at leisure facilities increased and exceeded target at 846,609 during the quarter
- The Council has developed a 12 month plan to promote health, wellbeing and self care in the workplace for National Health Service (NHS) and Council staff
- Adult Social Care celebrated and marked National Approved Mental Health Professional day
- In partnership with Manchester, Salford, Trafford and Stockport councils, Cheshire East became part of only the second regional adoption agency ('Adoption Counts') to be formed in the UK

6 ~ A Responsible, Effective and Efficient Organisation

- Significant progress is being made on delivery of the new Equality and Diversity Strategy and objectives
- The Health and Safety service recently collected a fifth consecutive award from the Royal Society for the Prevention of Accidents
- Socitm awarded the Council's website a 4* (top award) ranking

FINANCIAL STABILITY

Cheshire East Council has a strong track record of sound financial management. Nevertheless, pressures on our revenue budget are intensifying.

- At quarter 1 there are pressures of **£17.7m** against a revenue budget of £264.6m (6.7%).
 - A full mitigation plan is being developed to ensure delivery of a balanced outturn position by the year end. To date £7.7m of mitigation actions have been identified, reducing the forecast overspend to £10m.
 - **Service Budgets** – a forecast overspend of £9.2m is reported.
 - **Central Budgets** – are currently forecast to be overspend by £0.8m due to additional pension costs charged to this budget. Further action is being taken to review the revenue implications of Capital expenditure and appropriate use of reserves, to further mitigate any overspending in 2017/18.
 - 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 by 4.99% in 2017/18 which includes a 3% increase relating to Adult Social Care precept.
 - **Investment income** is £78,000 which is in line with budget at quarter one. The average rate earned on investments (1.2%) is higher than the London Inter Bank 7 day rate.
 - **General Reserves** - A potential overspend of £17.7m would be outside of the original forecast risk parameters. Action to date addresses £7.7m of this forecast and further action in relation to funding capital and using reserves are expected to maintain general reserves at expected levels by year end.
 - **Capital Programme** – the original **total capital budget** of £332.5m has increased to £364.6m to reflect revised forecasts and schemes continuing since reporting the 2016/17 outturn.
 - For monitoring purposes, the in-year capital budget for schemes committed or in progress is £99.9m in line with revised forecasts.
 - Outstanding **Debt** (excluding local taxation) is £7.0m. Debt over 6 months old is £3.8m (around 5% 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 2017 to March 2018 is £727m, 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:

Funding per Head Comparisons 2017/18			
	Cheshire East £	Rural East Riding of Yorkshire £	Urban Liverpool £
Grants (budgeted grants including schools)	763	923	1,489
Council Tax (excluding Parish Precepts)	507	445	322
Retained Business Rates	109	195	513
Total	1,379	1,563	2,324

2. The Council's Corporate Plan 2017-2020, which was agreed by Council on 23rd February 2017, has six Outcomes that 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 April 2017 to June 2017. 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. Following the recent terrorist attacks in Manchester and London the Council has worked with its partners to provide an effective multi-agency response, identifying impacts on our residents here in Cheshire East, and providing support as appropriate. A multi-agency Recovery Issues Group (led by our Emergency Planning Team and the NHS) is in place to monitor the ongoing impacts, implement any future recovery actions for the Cheshire area, and maintain close communication and liaison with the responding agencies in the Greater Manchester area.
5. Six community centres have been approved to become known as Connected Community Centres on a franchise arrangement whereby the franchisee offers a range of community services and opportunities in line with the Council's Connected Communities

Strategy. The strategy sets out how the Council will support the community from 2016-2020 around five key themes of: neighbourhoods, decision making, people, services and voluntary, community and faith. The six approved Connected Community Centres are Bridgend Centre - Bollington, Audlem Community Centre, St Barnabas Church – Crewe, Welcome Café – Knutsford, St John’s Church – Macclesfield Weston Estate and Jubilee House – Crewe.

6. 32 Connected Community Centres will be established during 2017/18 ensuring we have delivery points for early intervention and preventative services across the Borough’s most vulnerable localities. Ensuring we have a robust partnerships in each of these localities will ensure we are making real inroads to tackle local priorities. In Macclesfield alone over the last 12 months we have seen various new initiatives being initiated by local partners with the support from residents that using New Economy’s Cost Benefit Analysis tool are expected to make over £200,000 of future savings through reducing the demand on other services.
7. Democratic Services organised successful delivery of the Parliamentary Elections which returned four MPs on 8 June 2017. The snap election was called with only a few weeks notice and was a huge logistical and technical operation, involving a great deal of out of hours work by the Elections Team, who ensured that approximately 300,000 electors were enabled to vote if they wished (including over 61,000 postal voters). Election day itself involved hundreds of staff working on polling stations, postal votes and at the count centres.
8. The service also organised a successful Mayor Making / Annual Council in May, at which Councillor Arthur Moran was elected as mayor for the 2017/18 municipal year.

9. The first quarter has seen continued growth in the number of wedding ceremonies being booked in the Registration Service. 2017/18 figures are already set to exceed those of 2016/17.
10. In April 2017, Cheshire East Council set out an ambitious plan for how it will connect with the voluntary, community and faith (VCF) sector over the next three years. The Council recognises and values local volunteers and is fully committed to VCF organisations. Research undertaken in 2015 estimates that the voluntary sector in Cheshire East generates income of more than £200 million per year, employs around 5,000 people, more than 53,000 people volunteer each year in the Borough and each week volunteers contribute more than 74,000 hours of their time – the equivalent of nearly 2000 jobs. To support and enable this vital contribution to the local area and community, the Council has commissioned Cheshire Voluntary Services Cheshire East (CVSCE) in a three year deal to provide infrastructure and support to the VCF sector in the Borough. The Council is also working with Cheshire Community Action to provide support and advice to groups and organisations, promote and develop volunteering, help to manage budgets and other resources well and to act as a voice for the sector.
11. Cheshire Association of Local Councils (ChALC) has been given a grant to continue to support the work of local town and parish councils, encouraging their involvement in local community networks and development of Connected Community Centres. ChALC also engage town and parish councils in local consultation, feedback to councils and other larger organisations and to promote important community messages – events, campaigns and health for example.
12. Town Partnerships have been awarded £72,000 over three years to continue the great work that they do in each town. Area and town partnerships work in collaboration with the Council to improve

health and wellbeing for local residents as well as helping to deliver the Connected Communities Strategy.

13. So far this financial year, three nominations have been received under the Community Right to Bid. This is a function of the Localism Act 2011 that is administered by local authorities and is designed to allow community groups time to assemble bids for assets that both they and the Council consider to be of 'community value', by evoking a moratorium period when a valued asset is to be sold. A nomination has been approved for Chelford Bowling Club. One nomination was unsuccessful, and the third will be considered at the end of July.
14. **Participatory Budget** - Putting the community at the heart of our decision making, we undertook a major project to improve community-based early intervention and prevention activities to improve public health outcomes. £400,000 was allocated to 103 different organisations over 12 separate events which saw over 800 local residents vote for local projects. The projects are now being delivered across the Borough and the team continue to support and monitor for evaluation. This project has recently been announced as a finalist in Association for Public Service Excellence (APSE) Best Community Neighbourhood Initiative category, a national scheme for excellence in the public sector with the awards ceremony taking place in September. This is a great example of us working with local communities to deliver early intervention and prevention projects to improve public health outcomes and reduce the demand on mainstream health and social care services. We gave local people the power to choose how to spend £400,000 across the Borough with successful projects including everything from promoting cycling for health and fun in south Cheshire, singing for the brain in Congleton, supporting a 'men in sheds' group in Poynton, supporting groups for carers and those

who suffer from autism and ADHD in Middlewich and a juice bar set up by a nine year old and her grandfather in Macclesfield.

15. We have re-launched neighbourhood partnerships and currently have nine up and running or under development.
16. The Council supported The Great Get Together held in June, making £15,000 available for local street parties, sports and music events, bringing people together in memory of Jo Cox M.P. 70 separate events took place across the Borough including two large events organised by the Council's Partnerships Team in Westminster Park, Crewe and West Park, Macclesfield. The Team have also supported a number of events and activities including Armed Forces Day, various carers events, monthly coffee and chat sessions at Wrenbury Primary School, helping families with information on fuel poverty, debt management and loan sharks and mental health training for weekly mums and tots groups.
17. The Partnerships Team have developed two 'Knowledge Hubs' for local community, voluntary and faith organisations to share information, events, training and learning opportunities with each other. Over 150 members are signed up and there are plans to expand membership over the next few months.
18. In June, the Council helped to launch a monthly breakfast café in Crewe for ex-armed forces residents to get together, share experiences and get information and support if needed.
19. The Partnerships Team helps the community to tackle serious health and well being challenges and recently delivered hate crime awareness information to the local Muslim community in Crewe and taxi drivers. Dementia training was also delivered in Poynton High School to get young people involved in helping family members or friends of their parents and grandparents who may be

suffering from dementia. Safeguarding awareness training was also delivered in local colleges and community organisations.

Communities where you are Safe, and feel Safe

20. Democratic Services continues to support the Cheshire Police and Crime Panel which is made up of representatives of the local authorities, plus three independent members. The Panel's role is to scrutinise the work of the Police and Crime Commissioner. During the first quarter, the Panel undertook an exercise to recruit a new independent member and a recommendation will be made to the next meeting. The Panel were successful in being awarded a Home Office grant of £65,131 in the first quarter for work related to the Police and Crime Commissioner Panel in 2016/17.
21. In April, the Council secured the first Public Spaces Protection Order (PSPO) in the Borough on behalf of Poynton Sports Club. Club members and neighbouring residents had suffered abuse, vandalism, the revving of car engines, drug taking and drinking by youths regularly congregating in the club's car park. A breach of the PSPO can result in a £100 fixed penalty or as much as £1,000 if followed by court action, and penalties apply to anyone aged over 16.
22. In partnership with local Police, the Council's community safety and youth service teams undertook a second 'Stay Safe' operation in Congleton, aimed at keeping young people safe following reports of antisocial behaviour (ASB). Young people at risk were taken home or to another place of safety and parents/guardians made aware of where their children were found, who they were with and potential dangers or risks. The Council helped to distribute a leaflet produced by Congleton Town Council, 40 things to do in Congleton and have organised an event at Eaton Bank Academy to promote local groups and activities available to young people in the town.
23. The Council operates Multi-Agency Action Groups (MAAG) in the north and south of the Borough, designed to support community safety work through early intervention and prevention work, with the relevant local organisations represented including Council, Police, Fire Services, NHS and housing associations. This group shares information and supports work around troubled families where behaviour and activities have negative impacts on the individual, family and local community. By working together, local responsible organisations can achieve better outcomes for all, getting timely support and also ensuring that prosecution and enforcement is done to protect the community when necessary.
24. Cheshire East Serious and Organised Crime (SOC) group continues to meet, bringing together a number of partner agencies to share information on those individuals who are identified as known or at risk of being involved in serious and organised crime. A number of arrests have been made recently resulting in court cases scheduled for August. In June, a serious and organised crime away day was held at Police Headquarters in Winsford to bring together all four Cheshire SOC groups to hear from experts on illegal money lending, the Royal Society for the Prevention of Cruelty to Animals (RSPCA) and officers from Greater Manchester Police involved in Operation Challenger.
25. Following approval last year for land to be transferred to Prestbury Parish Council, work is now underway to transform the land into a community space in the village centre. An attractive entrance to the area and further works are underway to encourage people in the village to make use of this community asset.

26. The Safer Cheshire East Partnership (SCEP) three-year partnership plan has been agreed and published following consultation with the community and professionals. The plan also takes into account local emerging issues and new legislative requirements. SCEP agreed key priorities to bring focus on three identified 'Connecting Partnership Priorities':
- Increasing community intelligence and focusing resources based upon the analysis
 - Added and focused value, understanding the impact of service changes
 - Empowering and enabling communities to challenge issues that affect them
27. Operation Hebe is a multiagency enforcement operation in Crewe targeting rogue traders, road safety and illegal waste carriers. Road blocks were put in several locations and officers stopped 37 vehicles to make a range of checks – from trading regulations, including waste carrier licences to stolen plant machinery and traffic offences. One arrest was made for a person wanted for theft offences. Rogue traders regularly profit from defrauding elderly people who often feel pressured into parting with cash by making on the spot decisions. During the day of activities, officers were also on the lookout for fly-tipping offences.
28. We have listened to local residents and taken action on fly-tipping, littering and dog fouling with a pilot project in Crewe to tackle issues that blight our streets and our lives. Our hard-hitting 'No Rubbish Excuses' campaign categorically says that Cheshire East Council does not tolerate these environmental crimes and takes action against those who break the law. Since the campaign started last October, we have issued over 6,000 fixed penalty notices for litter and dog fouling offences. We are successfully prosecuting offenders in court for fly-tipping and litter offences including 176 prosecutions resulting in over £63,000 in court fines and no cases lost during the last three months.
29. Investigations and seizures this quarter have led to over 32,000 illegal cigarettes and over 25kg of illegal rolling tobacco being seized; a mixture of counterfeit and non-duty paid.
30. Five community presentations on doorstep crime were made to community groups, with 124 residents in attendance.
31. Our CCTV service dealt with 1,100 incidents this quarter and began the process to upgrade the control room and procedures. Incidents included theft, ASB, violence and drug offences, arson, damage, fraud, traffic and sexual offences. CCTV were also instrumental in three covert operations undertaken this quarter, with one ongoing and two resulting in Police arrests. Cheshire Police have recognised the work of one of our CCTV operators, sending written thanks for helping them to identify suspects and subsequently make arrests.
32. The ASB Team has worked tirelessly on an application for a Community Behaviour Order (CBO) for a juvenile who has caused considerable issues for residents and members of public in the Crewe area. This involved much multi-agency working and numerous court attendances. The team currently manage 19 live community behaviour orders. Furthermore 222 warning letters have been sent as part of the ASB 'yellow cards' and 31 new cases opened for ASB this quarter; four community questionnaires have been completed covering 148 properties.
33. **Gypsy and Traveller Liaison** – There were 21 encampments in this quarter, of which five were on private land. We used a range of legal means to deal with the encampments under the Criminal Justice and Public Order Act 1994 including the issue of 12 section

77 notices asking travellers to leave the site, three section 78 orders from the magistrates (which authorise the Council to enter land and remove property) and 1 section 61 Police powers to remove trespassers from land.

2 ~ Cheshire East has a strong and resilient economy

Jobs and Skills

34. The Lifelong Learning service underwent a short inspection by Ofsted, its regulatory body, towards the end of June and is proud to report that it has retained its Good rating, with inspectors noting: "Safeguarding is effective, and learners benefit from teaching, learning and assessment which is of a consistently high standard and which ensures that most make good progress". This is fantastic news for the service and its many learners, made more impressive by the fact that they are the first 19+ accredited and non-accredited Lifelong Learning provider in the Cheshire and Warrington LEP area to be awarded this inspection result under a new assessment framework.
35. As the 2016/17 term draws to an end the achievement rate of the Lifelong Learning service's accredited learning is already at 82% before the rest of the results are in. There will be a hiatus whilst exams are marked and external verifiers authorise our markings so final achievement rates will not be known until September. However it is clear that the service's provision overall is doing well towards its target of 85%.
36. A Vision for Higher Education has now been developed for Cheshire East which is being used to promote the opportunities the Borough has to offer to Universities across the country.

37. Furthermore 18 schools have now signed up to the Enterprise Advisor programme which offers decision-making and career development advice at every stage of school life. In terms of sector specific support, Skills and Growth Company (SAGC) engaged with SHIFT, a vibrant and interactive programme celebrating all things digital in Cheshire East, and most recently to promote the creative and digital sector in Macclesfield.

Business Growth and Inward Investment

38. The Council commissions SAGC to support business growth, and during the quarter they provided support to 40 businesses working to expand their operations in the area. For example they are supporting Quint, with their growth support focusing on car parking and sustainable transport and are facilitating AstraZeneca's project to develop a value proposition for Macclesfield campus.
39. As part of the delivery of the Council's energy strategy, the Authority has had confirmation from the European Investment Bank that £1.05m technical assistance grant has been secured, from the European Local Energy Assistance programme. The funds will be used to undertake a feasibility and project development to unlock a large scale low carbon investment programme across Cheshire East which includes street lighting energy efficiency, heat networks and solar battery storage.
40. Discussions with the Council's preferred development partner have been developed further in relation to the the Crewe Royal Arcade redevelopment proposals (including a new bus station and multi-storey car park). The item is on the Cabinet's Forward Plan for a decision in September 2017, which will include other projects that form the major part of the Medium Term Regeneration Programme for Crewe town centre, including public realm

improvements and a proposal to deliver a new operational model for Crewe Market Hall (subject to consultation). A detailed business case is also being submitted to secure approval from Cheshire & Warrington LEP for £10m of grant funding to support the Crewe Town Centre Regeneration programme.

41. In relation to the Crewe Masterplan, the Regeneration team continues to shape the masterplan vision and develop the associated Land Strategy to help ensure the deliverability of the Crewe Hub Station and the benefits outlined in the emerging Masterplan.
42. The joint initiative with Crewe Town Council to co-fund shorter-term improvements continues, with the appointment of a Town Centre Project Officer and a Crewe 'Ranger' to maintain the environment of the town centre.
43. In Macclesfield, following exchange of conditional contracts for the sale of Churchill Way Car Park to Ask Real Estate in quarter four last year, comprehensive site investigations have now been undertaken and formal pre-app discussions are underway with proposals for the planned £20m cinema and restaurant development being refined prior to finalisation of designs. Concept designs for complementary public realm enhancements are being finalised ahead of planned public consultation. Building condition surveys and heritage assessments were also completed for five key town centre heritage buildings in order to inform option appraisals as part of the Heritage Asset Regeneration Plan.
44. A consultation draft of a formal Vision, Strategy and Action Plan is also being developed to assist the various groups and developers involved in town centre regeneration to work more effectively together and this will be presented to Cabinet in September to seek approval to formally consult on this.

Infrastructure

45. The Strategic Highways Infrastructure Team continues to make strong progress on the Council's major transport schemes by planning, developing and delivering major highway and transport infrastructure improvements, in conjunction with partner organisations.
46. During the first quarter a public inquiry was held between 16th-25th of May 2017 in relation to proposed acquisition of land for the Congleton Link Road Scheme. Tender documentation was prepared for the process to commence from 17th July 2017.
47. The outline Sydney Road Bridge design has been reviewed and approved by the Council. Detailed design requirements have been identified and a Development Services Agreement for detailed design was prepared for issue to Network Rail in July. The scheme planning application was approved at Planning Committee on 5th July. The Heads of Terms for required Agreements with Network Rail have been agreed (agreements will be Transfer of Asset Ownership from Network Rail to Cheshire East; Bridge Easement Agreement and Two Party Overbridge Agreement). Negotiations with affected landowners have been progressed.
48. A public engagement exercise for Crewe Green Roundabout has been completed and information gathered from the exercise was used to compile a public engagement report which has been published on the Crewe Green Roundabout website. A planning application was submitted on 16 June 2017 and supporting documents can be viewed on the Cheshire East website planning portal.
49. By the end of quarter one the Highways service received 7,370 enquiries of which 7,128 were resolved (97%). The number of

enquiries received is lower than the same period last year of 8,549. These figures help indicate the level of customer engagement there is with the Highway Service.

50. Similarly the number of potholes repaired in quarter one (3,206) is a lower figure than the same period last year (5,414). The numbers of pothole defects are currently lower than the original forecast due to the additional reactive and proactive approach of the Highway Service in recent months.
51. The number of third party claims made against the Council (152), has decreased when measured against last year's quarter one figure (173).
52. The capital maintenance and Highway Investment Programme has now started with all surface dressing schemes completed early in May/June. The Micro Asphaltting & Grip Fibre programme also commenced in June and will be completed in October. The surfacing programme this year is being delivered in two phases; phase one was commenced early and completed in May and phase two is being undertaken between July and September to take advantage of the more clement summer weather.
53. The Footway programme started in April and is on track for completion in November. The initial phase of the level two carriageway patching programme is ready and will start to be delivered in August. The Department for Transport (DfT) Pothole Repair Fund is being used to address carriageway defects on the wider highway network.
54. Year two of the residential street lighting LED lantern upgrade and the structural column replacement programmes commenced on site in May with the plan to complete most of the installations by the end of October. Design work and other preparations for Year

three are planned to start later in the year to facilitate another early start for the year three programme.

55. In the aftermath of the June 2016 Flooding event in Poynton the Highways Service engaged with partner agencies to quickly assess the legacy of the flood damage to the highway infrastructure and drainage systems. The structural repairs on Middlewood Road commenced in October 2016 and have been successfully completed, incorporating a three fold increase in the amount of drainage to cope with future flooding events. With the road closed the Highway Service took the opportunity to deliver a total road enhancement scheme that also installed 488 metres (m) of new safety barrier systems, 210m of which is on new reinforced concrete foundations, re-surfaced 700 metres of carriageway, laid new road markings to 2.5km of road and facilitated a full litter pick. The road re-opened to traffic on 30th June 2017.
56. Two main flood alleviation projects are being taken forward in conjunction with the Environment Agency, subject to funding approval by DEFRA. In conjunction with this a number of smaller projects will continue to tackle flooding both on the highways and in local communities. The Preliminary Flood Risk Assessment document has been revised and is with the Environment Agency to review the findings. Once approved this document will be published online replacing the existing assessment which is currently accessible to the public.
57. Installation of the new parking pay and display machines was due for completion at the end of July 2017. The new machines accept the new £1 coin, other coinage and payment can also be made via the mobile app. Chip and Pin and Contactless payment facilities are due to be up and running by August 2017 allowing customers to have a full variety of payment methods.

58. An additional seven Civil Enforcement Officers (CEOs) have been recruited and trained in quarter one following the 2017/18 business plan to address resident and member requests for more enforcement. Three additional CEOs will be starting in August/September to complete the full compliment of CEOs.
59. The Place directorate is reporting a pressure of £1.2m against a budget of £22.7m at first quarter review. This includes a pressure of £0.5m within Transport Commissioning and the Executive Director Place will task the contract board meeting, which includes the Managing Director for TSSL and senior officers from People and Place to come up with an appropriate budget recovery plan to mitigate the projected budget pressure in these commissioned services.
60. Productivity and contract savings in 2017/18 totalled £2.8m for Place. £1.5m of savings against this target have been found to date and a further £1.2m will be covered by the use of earmarked reserves or one off savings in year. Shortfalls in establishment budgets have also been corrected. This has led to a £0.3m pressure reported for productivity and contracts at this stage. The place department will put in appropriate measures with the aim of achieving a balanced position by the year end. This includes vacancy control, reviewing all spending with third party suppliers (including ASDVs), reviewing fees and charges and reviewing existing budget savings proposals to see if any can be implemented sooner.
61. Costs of appeals within Planning are higher than budget which has caused a £0.2m pressure in year. Property Services have a permanent pressure of £0.4m which has been mitigated by one off items in the last couple of years. This can be partially mitigated again in 2017/18, but there is a resultant pressure of £0.1m on the outturn position. Unbudgeted costs have arisen due to the

removal and relocation of items out of West Park Museum. This together with a small overspend on the Information Centres has given a pressure of £0.1m on the Rural and Cultural Economy budget.

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

Securing the Best Start in Life

62. During quarter one the Council secured more than £745,000 of additional government capital funding to boost the provision of free nursery places across the Borough. Five early years childcare providers in Cheshire East are to benefit from the capital funding to support the delivery of 30 hours of free childcare for working parents of three and four-year-olds. This is in addition to the one provider approved in January this year and will enable all of these settings to provide the increased offer for eligible children from September (up from the current 15 hours free childcare).
63. The Critical Incident Response team (CIRT) is a highly valued service that offers advice and psychological support to schools, settings and services at the time of an incident in which staff, pupils and parents may experience acute, even prolonged, distress. Following a number of recent incidents, including the Manchester bombing, which affected so many schools, the service has been highly praised by headteachers and governors for their work in providing sensitive help and support to both staff and students.

Highest Achievement for All Learners

64. Cheshire East has been successful in offering 98% of children a place in one of their preference primary or secondary schools to start in September. This reflects the significant work of the

admissions team and the good relationships with schools to ensure we have the right school places to meet local need. 92.18% of primary school applicants this year were offered their first preference place, an increase of nearly four percentage points on last year's figure of 88.53%.

65. Cheshire East's primary pupils have performed well across core key stage 2 subjects. Provisional figures show that 64% of pupils achieved the expected standard or higher for combined reading, writing and maths at the end of the school year (the key measure used nationally). This figure for Cheshire East is up 12 percentage points on the previous year (the national figure rose eight percentage points). A total of 76% of pupils achieved the expected standard or higher in maths for the national curriculum test – a rise of four percentage points on last year. Similar improvements have been seen in English, with 76% of pupils achieving the expected standard or better in the reading test (up five percentage points) with grammar, punctuation and spelling moving up from 76% to 80%. Overall, performance across Cheshire East for 2017 is above the national average for all curriculum test indicators.
66. The national achievement rates tables (NARTs) have been published by the Skills Funding Agency which highlight key indicators of performance in education and training at 19 years and over. This data is used by organisations across the country to benchmark their own targets and actual performance against other organisations, both locally and nationally. Learners supported and monitored through the Cheshire East Lifelong Learning Team have achieved the highest overall achievement rates across the Cheshire and Warrington areas. The Cheshire East rate of 94% exceeds the regional average of 78% and the national average of 84%.

Inclusion

67. Significant work has been carried out over the past few months to produce a comprehensive sufficiency statement outlining the supply and demand for education places to support children and young people with special educational needs and disabilities (SEND). A new SEND Sufficiency Statement has been produced that identifies the types and areas where further provision is needed across the Borough.
68. **SEND Sufficiency** - Initial work has been completed to assess the sufficiency of places for children and young people with special educational needs and disabilities (SEND). Currently 446 children and young people access their education out of Borough and a programme of work is underway to develop more places in the Borough over the next few years. Workshops have been held with all schools to consider how the sufficiency needs can be best met.
69. The Council has also submitted an expression of interest to develop a free school for children with social, emotional and mental health needs. The bid is for the Lodgefield Primary School site and, if successful, will provide a further 40 places for local children. It is planned to issue a 3-5 year plan for development of local SEN provision in the Autumn.
70. **National Funding Formula for schools** – the main consultation on schools funding closed in March. The consultation proposed the introduction of a national funding formula for schools and high needs from 2018/19 and set out changes to the funding for local authority services to schools. The proposals set out by the Government would have reduced the level of schools funding received by the Council by £4.1m (2.1%).

71. Historically this local authority has been one of the lowest funded authorities nationally. In 2015/16 the Department for Education allocated £390m nationally to bring poorer funded local authorities closer to the national average and Cheshire East benefitted by receiving £5.7m, which is now built into school budgets.
72. The Council's 2016/17 final outturn report taken to June 2017 Cabinet provided more details on the original proposals and the Council's response.
73. The Government made an initial response to the consultation on 17th July which included an announcement of an additional £1.3 billion to fund the following:
- Increasing the basic amount that every pupil will attract in 2018-19 and 2019-20
 - For the next two years, this investment will provide for up to 3% gains a year per pupil for underfunded schools, and a 0.5% a year per pupil cash increase for every school
 - Continue to protect funding for pupils with additional needs
 - Provide at least £4,800 per pupil for every secondary school
- Further detail to support the announcement will be released in September 2017.
74. **Education Services Grant** - In addition, the local authority and academies have seen the substantial reduction of the Education Services Grant. It has also been transferred into DSG at the rate of £15 per pupil. The overall amount available will be £0.8m to contribute to the cost of delivering some of the statutory duties the local authority retains for all schools.
75. **High Needs Funding** - The consultation proposes a formula through which funding will be provided to the Council. The Council then uses this funding to support the high costs of supporting children with Education and Health Care Plans and other vulnerable children. Cheshire East will see a potential reduction of 7.8% (£2.5 million) through these proposed changes, due to attracting insufficient funding through the proposed health, attainment and deprivation factors. However, it is proposed to protect Councils at the current level of funding until 2019/20. There is no further update on the high needs consultation.
76. **Early Years Capital Grants** - The Council has scored a major success in attracting £1.2m of capital funding to extend six nurseries across the Borough. This will allow a significant expansion of early years provision, supporting the creation of 266 more childcare places ready for the introduction of 30 hours of free childcare per week for working families of 3 and 4 year olds. The proposal is to extend sites at:
- Bramley Hedge Day Nursery, Wrenbury
 - High Hopes Nursery, Gawsworth
 - Mosley Pre-school, Congleton East
 - Rope Green Farm Day Nursery, Willaston and Rope
 - St Michael's Academy Nursery, Crewe North
 - Oakdean Nursery, Wilmslow
77. **2017-18 School Conditions Allocation Grant** - During quarter one the Council allocated capital funding of £983,000 to the maintained sector through the school conditions allocation grant (academies are able to access similar funding through the Education Funding Agency). This funding stream is part of the wider capital programme for Children and Families services and forms a key aspect of the Council's strategy for providing sufficient high quality school places across the borough. The grant, allocated to 20 different projects across children's centres, primary and secondary schools, includes repairs to existing defects as well as providing ongoing maintenance/improvements to keep all buildings in good condition over their lifecycle. Schemes also improve conditions

/structures of buildings to assist in the delivery of the curriculum thus improving outcomes for learners across the borough.

78. **Early Years Funding** - Agreement has been reached on the new funding formulas for providers of childcare in early years. All hourly rates have increased this year, and agreement has been reached to pay supplements for some children meeting certain criteria. This includes an enhanced rate for children living in disadvantaged areas, in rural communities or if they have SEND.

4 ~ Cheshire East is a green and sustainable place

Sustainable Development

79. During April the Council collated all of the responses from the previous consultation on main modifications to the Local Plan Strategy and sent them to the Examining Inspector. Over the course of May the Inspector wrote his final report and this was sent to the Council on 20 June. The Local Plan Strategy was adopted by the Full Council at the end of July.
80. There was further strong performance during the first quarter in turnaround of planning applications, with the Development Management team dealing with over 1,700 applications in the quarter. Turnaround of major applications continues to be strong at 86% within time, and both minor and other applications performance improving to 87% and 95% respectively. This represents a continuation of improved performance over the past year.

Waste Management

81. **Waste & Landfill** – In quarter one, the Authority continues 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.

82. Work is nearing completion at the central Environmental Hub, 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.
83. **Reuse and Recycling** - During this quarter the Council anticipates collecting around 21,000 tonnes of waste for recycling through its silver and green bin schemes and from its Household Waste Recycling Centres (HWRC). Around 350 tonnes of this material is reused through charitable partnerships and the HWRC.
84. **Waste, Recycling Reuse Figures (Quarter one indicative draft tonnages)**

Residual		
Landfill	Waste to Energy	
13,000	8,700	
Recycling		
Household	HWRC	Reuse
9,900	5,500	350
Green Garden		
Household	HWRC	
4,600	1,100	

85. **Fly Tipping** – There were 924 reported incidents of fly-tipping/side waste during quarter one, and the Council seeks to target this issue through engagement, education and enforcement.

Environment

86. The Council's parks once again secured 'Green Flag' awards, which are given to authorities that deliver parks services to an international standard. All parks are measured on how well they are maintained, their sustainability, and contributions to conservation and heritage. There are also more diverse criteria that parks are measured on, including how they are marketed and managed. Significant investment in our parks in recent years has resulted in the Green Flag award standard being achieved by Queens Park in Crewe, Congleton and Sandbach parks along with the Moor in Knutsford, Bollington recreation ground, Brereton Heath local nature reserve, Tegg's Nose Country Park and Tatton Park. Tatton Park in Knutsford and Queens Park in Crewe have also received the Green Heritage Award, which is given to places that achieve a high standard in management and interpretation of a site with local or national historic importance.
87. **Playing Pitches** – The Playing Pitch Strategy is currently in its final phase of development. The public consultation is complete and the documents are being amended to reflect any necessary changes. We are working with the Cheshire FA on developing a playing pitch improvement partnership, aimed at raising the quality of Council-owned playing fields across the Borough.
88. Cheshire East, in partnership with ANSA Environmental Services, is engaged in the delivery of over 20 park improvement projects. Many projects are funded from Section 106 developer contributions. We are working in partnership with local members and local community groups (Friends of Parks) to deliver schemes across the Borough.
89. **Orbitas** – Following investment in both Macclesfield and Crewe crematoriums last year there has been a recovery of numbers using the facilities meaning Orbitas expects to meet income targets for this year.
90. Overall, Environmental Operations, including Bereavement is currently reporting a £859,000 overspend for 2017/18 against a net £27.7m budget.
91. £500,000 contract savings of Ansa's £1m total planned savings for 2017/18 is scheduled to be delivered. £500,000 of savings due to rota optimisation/re-routing following the move to Cledford Lane is not currently forecast to be delivered due to the delayed move date. This may be mitigated in part if the dry recycling contract remains favourable for the rest of the year and the vacancy management saving in Ansa is achieved.
92. There is a pressure of £150,000 relating to an additional £200,000 savings, identified during budget consultation as unachievable. This was from early delivery of a proposed Dry Anaerobic Digestion plant that procurement has shown is unaffordable, as well as other contract savings. The target remains as part of Environmental Services budget but is at risk with no alternative savings available in year.
93. There is a forecasted shortfall in markets income for the year of £109,000, due to reduced trader occupancy levels in both Crewe and Macclesfield. This forecast out turn together with a long term regeneration project for Crewe markets will require income targets to be adjusted in year.
94. Around £100,000 associated with historic costs held by the commissioner is unachieved on the overall household waste centre contract. This will require a correction in the base budget. Savings associated with the closure of Arclid and charging for rubble waste are on track to be delivered as planned in 2017/18.

5 ~ People live well and for longer

Empowering people to live independent, healthier and more fulfilled lives

95. The Strategic Housing service has launched its new ICT system for allocating social housing. The website is more interactive for customers and easier to navigate and can be accessed from a wider range of platforms. The first lettings cycle has been completed and feedback from customers has been extremely positive.
96. On 1st April 2016 Cheshire East launched its self build register. The Council has a legal duty to provide planning permissions for enough serviced plots to meet the need identified in the self build register. In addition and under new regulations, the Council has the ability to introduce local connection criteria for applicants, charge a fee to be registered and assess the finances of an applicant. A report was approved by Cabinet in July 2017 that will introduce a registration fee and a local connection test. The local connection test means that the duty to provide enough planning permissions only applies to those who have a local connection. For those who do not have a local connection then the Council will still have to have regard to them when discharging its planning, housing and regeneration functions and when disposing of land.
97. Strategic Housing in conjunction with Spatial Planning organised a Partner Workshop on 5th July which was attended by representatives from seven Housebuilders and 14 Housing Associations. The aim of the workshop was to outline the Council's ambition to increase affordable homebuilding in Cheshire East and to directly influence and shape the emerging Affordable Housing Supplementary Planning Document.
98. Joint commissioning between Public Health (Substance Misuse) and Housing under the Transitional Recovery Accommodation has been in place for a year. The 'one year on' report from the provider, 'Emerging Futures' is available and we are progressing with a cost benefit analysis. This has been viewed by Public Health England as innovative practice and Emerging Futures received interest in the Model from the Ministry of Justice and Andrew Burnham, Mayor of Greater Manchester.
99. Following its first year of operation the Crewe Lifestyle Centre has to date succeeded in securing four prestigious regional awards for its design build and service outcomes to its users. The Centre also continues to host visits by a number of local authorities from across the country to share the learning around co-located services.
100. The project to upgrade the Peter Mason Leisure Centre in Congleton including the design and building of a replacement swimming pool continues with the process of selecting a preferred development partner. A decision on the appointment is due to be made by Cabinet in the Autumn.
101. In addition to the capital build programme the Council continues along with the leisure trust to invest in improving the quality of facilities for users. This has included the recent re-opening of the new gym, and spin studio at Knutsford Leisure Centre. A new gym and studio space is also currently being developed at Sandbach Leisure Centre to open after the summer holidays. It is hoped that both sets of improvements will continue to contribute to the increasing number of residents using their local leisure facilities.
102. During the first quarter the Council completed two major strategy documents; the Playing Pitch Strategy & Indoor Built Facilities Strategy. Both will be key to supporting the shortly to be adopted

Local Plan in both protecting existing and developing new facilities. Following approval by Cabinet both documents went out to public consultation and will, subject to the comments received, then be formally approved for use by the Council.

103. The Everybody Sport & Recreation Trust have recently completed their third year as an independent trust and will shortly be bringing their annual performance report to the Council. During they year they have continued to develop their offer to local residents, most significantly the Trust have now commenced the physical activity elements of the "One You Cheshire East" health contract which aims to make a significant contribution to improving the wellbeing of residents. The £2.5m contract over five years includes a diverse range of supporting activities including active recreation, weight management & falls prevention.
104. In addition the Trust had a successful first quarter of performance results including an increase in attendances at leisure facilities to 846,609 against the target of 782,362.
105. The number of young people receiving Bikeability training remained strong with 2,058 young people being trained in the first quarter against a target of 1,222.
106. Once again there was also an increase in volunteer hours in supporting local sports clubs and events of 1,936 hours against the target of 1,686 hours.
107. The Leisure commissioning service is currently forecasting a net nil position against a net £2.4m budget.
108. All unitary councils including Cheshire East now have a duty to improve the health of the whole community now and in the future. The Council ensures that public health is protected and gives

formal public health advice to the NHS Eastern and South Cheshire Clinical Commissioning Groups (ECCCG) - who are responsible for buying health services on behalf of the local community.

109. As part of eastern Cheshire's 'Caring Together Prevention Framework', the Council has developed a 12 month plan to promote health, wellbeing and self care in the workplace for NHS and Council staff. This is part of the 'Every Contact Counts' campaign and links with work across Cheshire to improve health and wellbeing.
110. Alcohol harm reduction: the Public Health England "CLear" – self assessment tool has been used to inform the drafting of the Alcohol Harm reduction implementation plan. This is a multi-agency approach to address different aspects of the harms caused by excessive alcohol consumption and follows on from the Health and Wellbeing Board's adoption of the Alcohol Harm Reduction Position Statement and Forward Plan in March 2017.
111. In respect of delayed discharges from Hospital, Leighton Hospital in Crewe have maintained target levels quite consistently, however Macclesfield hospital are seeing a much improved situation moving closer towards national targets with the lowest number of acute delays ever recorded to NHS England June 2017. Adult Social Care services continue to work in partnership with the improvement plans for the transformation programmes.
112. We have agreed working arrangements with a contracted consultant working with East Cheshire NHS Clinical Commissioning Group tasked with overseeing the transformation work in hospitals and we will be working closely to align our social care offer around this home first model.

113. Adult Social Care operational teams have moved to patch-based working, focusing staff and their work around GP surgery patch boundaries. This has a beneficial impact across health and social care. Care Managers have a clear community focus and know their areas well in order to support residents in need to find local solutions which help to extend independence.

114. The Local Area Coordinators are continuing to work effectively on community asset mapping to support more people to remain as independent as possible and have the following positive outcomes:

- Working and supporting our frontline social work teams
- Supporting over 425 people to access services and support within their communities
- Working on long term packages to review
- Increased community links and social interaction
- Positive use of community resources and buildings
- Increased levels of people taking part in volunteering, training or employment
- Creative and Innovative approach to social care

115. Staff in Adult Social Care have supported 123 people with historic debt to the Council to bring their accounts up to date and have collected over £500,000 in the process.

116. 28 June 2017 marked National Approved Mental Health Professional (AMHP) day. Adult Social Care took the opportunity to celebrate the day with our hard working AMHPs.

117. Six newly qualified social workers in Adult Social Care services have completed their “Assessed and Supported Year of Employment” programme, having consistently demonstrated practice in a wider range of tasks and roles, becoming more effective in their interventions and building confidence, and earning the confidence of others. They have more experience and ability to work

effectively on more complex situations. We also have one social worker who has successfully progressed to a Grade 9 experienced worker via our internal progression panel. Two workers also completed their Practice Educator Stage 1 Award.

Information, Advice & Guidance, Prevention and Early Intervention

118. Cheshire East Council is responsible for commissioning the NHS Health Check programme which is a health based screening for residents aged 40-74 aimed at reducing the prevalence of cardiovascular disease (such as heart disease and strokes) amongst the population through lifestyle advice and treatment (including referral to “One You Cheshire East” services). Performance continues to show good improvement with this programme, a result of new contracts and contract management work.

119. Preventing suicide has been identified by Directors of Public Health in the region as a priority for the area during this financial year. As part of this work, the Council has worked with the Cheshire and Merseyside Public Health Collaborative Service to commission Gatekeeper Basic Suicide Prevention Training. This has made suicide prevention training available for over 125 council and partner staff who work in frontline services (e.g. housing, benefits, social care, youth service) so they can potentially help anyone who they may see or deal with if they think a person is vulnerable to taking their own life. The key advice is to encourage anyone who is suicidal to talk to someone, ideally a professional such as The Samaritans or to anyone they trust if at all possible. The Samaritans also have good advice for anyone who wants to start a conversation with someone they are worried about.

120. Cheshire East Council has funded Youth Connect 5, a programme to support parents and carers across Cheshire and Merseyside with knowledge, skills and understanding to enable them - and their

children - to develop resilience and emotional wellbeing. Help has been given to 25 parents and carers so far this financial year.

121. The Council supported men's health week which ran from 12-18 June with 40 members of Council staff receiving a 'health check' from colleagues at Everybody Sports and Recreation.
122. Staff have also been encouraged to take a break and leave their desks during non-working periods such as lunchtime, as it is widely acknowledged that work performance is better if proper breaks are taken. A group of staff have worked together to organise lunchtime sessions promoting health such as offering blood pressure checks, Nordic walking and table tennis.
123. Our Community Care Board process has been extended to include the input of Communities and Commissioning colleagues to deliver the best possible options for individuals in need of care and support in the community or in long term care.

Accessible high quality services, Information & Advice

124. "One You Cheshire East" aims to improve the life expectancy and long term health of residents by offering a number of programmes aimed at transforming people's lifestyle behaviours such as healthy eating, weight management and physical activity services.
125. Falls prevention programmes continue to be well subscribed and a number of promotional measures are being implemented to maximise take-up for other programmes. Engagement is currently taking place with clinical commissioning groups (CCGs) looking at formalising referral pathways, which will see referrals from health services substantially increased.

126. A newly developed website had a soft launch by Adult and Childrens Services in June 2017. The "Live Well" site provides residents with detailed information on a range of services and care provision across our footprint and enables residents and carers to source information and advice digitally at the touch of a button. It is intended that this development will become a platform for further digital developments and is to be launched officially in September.
127. Our plans to review, improve and extend our internal care provider offer under Care4Ce are starting to take shape as we welcome consultants who will be shaping the work programme with senior leaders. This marks the start of an exciting journey to potential external trading for the service.
128. As a Council we recognise that we are part of a complex partnership landscape and that effective collaboration is essential to deliver the effective, value for money services that our residents require. To this end we continue to be very active in our discussions and planning with colleagues in the NHS supporting their work to develop sustainable and transformed services across Cheshire and Merseyside. Making better connections between professionals involved in the care of an individual is a key part of this and the Cheshire Care Record now provides a vital tool that allows the more effective sharing of information about a person, ensuring the most appropriate and timely interventions are made to the benefit of that person. Data from the records of hospitals, social care, GPs, mental health services and community services is now shared (with the consent of the person) and this will reduce the number of times that people have to give the same information or get passed around from one part of the system to another unnecessarily.

Public Protection, Health Protection & Safeguarding

129. A paper was presented to the Health and Wellbeing Board in July proposing a new system to enable frontline social care staff to access seasonal flu vaccine. The aim is to achieve year-on-year increases amongst Cheshire East employees and also have the potential for care home employers to link into a service commissioned through community pharmacies for their own staff.
130. A YouTube video “Spoken Work” raising awareness of Making Safeguarding Personal, which was co-produced with service users in Cheshire East and Adult safeguarding staff, has gained a lot of interest from Adult Safeguarding Boards across England and is to be featured in a publication by Dr Adi Cooper. The publication will be launched at a national conference in London on 19 September 2017 and is entitled “Safeguarding Adults under the Care Act 2014: Understanding Good Practice”. Practice in safeguarding adults has changed significantly since the introduction of the Care Act 2014, with a shift in approach to ensure practice is person-centred and outcome-focused, and the introduction of new safeguarding duties for local authorities. The publication describes what up-to-date practice should look like, and how to provide the best quality care and support for adults who may be at risk of abuse or neglect. In addition to being a valuable resource for existing adult safeguarding practitioners it is envisaged that this will become a key publication for Higher Education institutions in the delivery of social work qualifying and post-qualifying programmes. It’s fantastic that this excellent example of co-production in Cheshire East is being nationally recognised by a leading expert in this field.
131. On 3 July 2017 Cheshire East, in partnership with Manchester, Salford, Trafford and Stockport councils, became part of only the second regional adoption agency to be formed in the UK. The service, called ‘Adoption Counts’, aims to speed up matching and markedly improve the life chances of neglected and damaged children, improve adopter recruitment and adoption support and reduce costs. Cheshire East is delivering this service three years ahead of the 2020 target set by government to make these improvements happen sooner for our children and young people.
132. Work continues on developing sub-regional collaborative arrangements around fostering services. In May 2017, approval was given to progress the development of a shared fostering service for Cheshire East alongside Warrington, Halton and Cheshire West and Chester. Approval has also been given to explore the feasibility of a single local authority delivering the functions of the fostering service on behalf of the partnership.
133. Nationally, neglect affects one in ten young people and in many cases leads to even more serious issues such as radicalisation or child sexual exploitation. Cheshire East Local Safeguarding Children Board recently launched a new Neglect campaign, introduced to raise awareness and encourage young people to speak out if they are affected by neglect. Aimed at adolescent neglect, the campaign was designed with the help of students from Eaton Bank Academy in Congleton and includes quotes from some of our young people who have experienced neglect. Our strategy has already received national interest and we have been approached by the National Association of LSCB Chairs to present at their national conference as an example of good practice.
134. Project Crewe, our pilot project to support at-risk children and families in Crewe, has been found to be effective and is now being extended across the Borough. For two years Catch 22 and Cheshire East Council have delivered tailored interventions to help prevent children, young people and families from falling into the care or justice system. The work in Crewe has proved that early intervention - with the right support at the right time - helps to

improve outcomes for our children and avoid more costly measures in the longer term. Peer mentors, family practitioners and social workers have been involved in delivering the project and the Department for Education has now released its evaluation, which has shown that Project Crewe has 'promising indications of impact'. The scheme was expanded to cover the whole Borough from May this year.

135. Two Cheshire East care leavers were recently commended at an awards ceremony at South and West Cheshire College. Despite setbacks in their education, with the support of our Virtual School, both of these young people have exceeded in their field. One of these young people won Health and Social Care student of the year for her hard work and determination and is now moving onto university to study mental health nursing. The other young person won the English for Speakers of Other Languages (ESOL) student of the year, having arrived in Cheshire East in December 2016 as an unaccompanied asylum seeker through the dispersal programme.
136. The Adult Social Care, Public Health and Communities 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 have been building over a number of years, and all relate to meeting the needs of our most vulnerable residents. Demand for services creates pressure in all areas, in frontline teams, which in turn means staff time assessing needs in order to provide the appropriate care and support becomes a weekly prioritisation. 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 the eligible needs of our residents. 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 to requests for placements and to provide care packages. This remains a daily challenge.

137. We are seeing additional support requirements at both ends of the age spectrum. It is a source of great celebration that our population continues to live longer, but not everyone can do this without significant care and support. There are many more people coming through transitions as young people with disability move into adulthood with many more complex needs. Equally the need for services to support our ageing population continues to rise. This is of course all against the backdrop of our NHS financial and local authority challenges locally and the interdependencies between health and social care.
138. The Adult Social Care department has commenced work on a number of actions aimed at reducing the extent of any adverse pressure to the budget. The projected overspend is currently £9.22m against a gross base budget of £153.9m, meaning a variance of 6%. Measures that deliver savings based on service redesign with the resident always in mind whilst ensuring a safe service is at the heart of what we are doing continue to be developed. 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 are being implemented in order to produce a balanced position but pressures are likely to increase during the winter period when demand for Health services has repeatedly been evidenced to rise.
139. 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 and the inherent pressure which has been masked for a number of years by temporary mitigations. This will lead to increased transparency and setting of clear outcomes going forward.

Cared For Children

140. The number of cared for children stood at 438 at 30th June 2017 and it has further risen since that point. This is compared to 400 in the same period in 2016 and consequently continues to place a considerable strain on existing budgets. Most children enter care due to neglect and abuse with increasing numbers of children being made the subject of applications to the Family Courts to secure their welfare. However, in quarter one 45 children left care as a result of adoption, returning home or moving to independent living.
141. The Council increased funding for cared for children in 2017/18 and beyond by £2.1m to meet the demand levels at that time and to ensure our cared for children and care leavers achieve the best possible outcomes.
142. However, indications at this stage are that both demand and costs have continued to rise with providers increasing their costs, especially for residential care, and as the number of children entering care has increased more children are now placed in higher costs independent fostering placements and so a further pressure of £3m is forecast for 2017/18.
143. Several children have entered care with very complex needs and challenging behaviour which has necessitated them being placed in secure children homes at very high cost.

144. Despite the increase in cared for children, we continue to be towards the lower end of our statistical neighbour group and nationally for rate of cared for children (per 10,000), in particular lower than Cheshire West and Chester and Warrington Councils.
145. A number of initiatives are being taken forward to reduce the pressures such as opening residential children's homes, expanding project Crewe, joining a regional adoption agency, and starting work on a shared fostering service.
146. Other key pressures for the service include the interagency adoption placements budget which needs to be re-aligned to match a reduced level of activity and delivery of transport savings.
147. These pressures are being mitigated by further vacancy management and underspends across the service to give a net position of £2.1m.

6 ~ A Responsible, Effective and Efficient Organisation

148. The Property Services team, within the Assets service, has commenced its annual disposal programme with two sales of surplus assets bringing in £328,013 of capital receipts. During quarter one the team have completed 119 cases which include requests for occupation or use of Council assets and/or land requiring a legal agreement, and dealt with 279 ownership or boundary queries. Of its 125 lettable units across its Business Generation centres and Industrial Units, 110 units are let with the income profile meeting target and debt being at £83,794.
149. The Property Projects team, within the Assets service, is currently managing £77.2m worth of construction projects across the Council's assets. It continues to receive acclaim for its work on the Crewe Lifestyle Centre Project, including:-

- North West Construction Hub Awards for Value 2017
- North West Construction Hub Sub Regional Project of the Year 2017
- RICS Community Benefit Award 2017

This is added to the Finalist Awards received from APSE Construction Team of the Year 2016 and Civicance Award for Best Public Service Building previously reported.

150. There has been a rise in the number of cyber attacks on public bodies as evidenced by the recent ransomware attacks on the NHS. The Council is investing in ensuring that its systems, processes and staff are aware and prepared for these eventualities.

151. In February of this year Cheshire East Cabinet approved our refreshed Equality Objectives and supporting Equality and Diversity Strategy. In quarter one there was significant progress on the delivery of the Strategy, including:

- We have a newly appointed Member Champion, Cllr Stewart Gardiner who will work closely with a network of officer equality champions that are currently being recruited
- Over 50 officers and members have attended Equalities Essentials training
- We have become a member of the Stonewall Diversity Champions programme and are being supported by them to ensure our Council is lesbian, gay, bisexual and transgender inclusive

152. The corporate Health and Safety service recently collected a fifth consecutive Royal Society for the Prevention of Accidents (RoSPA) Award for health and safety achievements. This achievement was a result of successful and ongoing collaboration between managers, specialist officers, trade union safety representatives and members of the corporate Health and Safety service. The award recognises the high standard of health and safety

management and practice across all Cheshire East services which both improve employee wellbeing and provide a safe and supportive working environment enabling employees to contribute effectively, reach their full potential and maximise attendance.

153. £114m of 2017/18 Council Tax and Business Rates was collected during the first quarter. This is a £3m increase in the value collected during quarter one 2016/17.

154. Our Digital Customer Services Programme and Blue Badge team have been working together to make it easier and quicker for residents and organisations to apply for a blue badge using the Council's website. For some residents, applying for a blue badge can be a fairly lengthy and complicated task due to the qualifying criteria and the documents of evidence required. In May, we launched a new digital solution that simplifies the process for residents applying for a blue badge online. This will increase automation and reduce administrative tasks for our staff, and will help our Customer Service teams process applications and enquiries more efficiently. As part of the new digital solution, residents and organisations are able to apply, renew, replace and appeal a blue badge; pay online, upload evidence, receive notifications via email to keep them informed about their application, and book an independent mobility assessment if required. All of this can be done online without the need to phone or see someone face to face. This service is the first to go through our Digital Customer Services Programme, which aims to develop innovative digital solutions that will make many of our services more accessible for residents online. Many of the solutions that have been developed for managing blue badges will be rolled out across other Council services as part of the programme, including online payments, document uploads, notifications and appointment booking.

155. Socitm (the professional body for people involved in leadership and management of IT and digitally enabled services delivered for public benefit) gave the Council's website a 4* (top award) ranking in their Better Connected report for 2017 - an annual benchmarking of local authority websites. This is the second year we have achieved this, and only 36 councils of the 412 surveyed achieved the top award of 4*.
156. Efficiencies and savings are now being achieved following the introduction of new recording equipment and procedures for meetings. Video conferencing is being used between Council sites to enable officers to reduce commute times and associated costs whilst still collaborating with colleagues across different sites.
157. A new Member Technology and Development Panel has been established to lead and deliver the Council's vision for future IT support and Training and Development for Members in a joined up way. The first meeting of the new Panel is now being convened.
158. At first quarter, the overall budget for Corporate Services (excluding Client Commissioning) has pressures of £1.2m mainly relating to unallocated 2017/18 cross cutting savings in the directorate. It is forecast to be overspent by £0.2m following approved mitigating actions. The directorate now includes the Chief Executive Office and PA Pool.
159. In Professional Services there are £100,000 savings allocated to Procurement which are unachievable and there is also a £50,000 net overspend on salaries in this area due to maternity and project cover. An overspend of £68,00 in Facilities Management due to the additional costs of the Lifestyle Centre has been offset by an over-recovery of income in Programme and Project Management.
160. Customer Operations expenditure is broadly on target with the budget. There are two significant areas of variation at the present time: staffing in the Customer Service Centres is expected to be overspent by around £70,000 due to turnover and difficulties in recruiting staff, particularly the need to cover posts with agency staff whilst newly recruited staff are being trained; and within Benefits Administration, there is expected to be additional income received.
161. Although ICT has a net nil position, there are specific pressures arising from the renewal and replacement of the estate, and the centralisation of application costs without corresponding budget. Telephone and mobile charges are also currently under recovered from the wider organisation but mitigations are expected through work undertaken to improve cost recovery. Ongoing development in the Infrastructure Investment Programme will hopefully mitigate the current overspend projection through greater efficiency and reduced reliance on contractors. Additionally ongoing monitoring of recoverable hours for commissioned projects is taking place to ensure maximum income is achieved within ICT.
162. Staffing and Counsel cost pressures in Legal Services, and staffing pressures in Compliance are being offset by staffing underspends in Internal Audit, Risk Management, and the Business Support Unit. In addition, Registrations is forecasting an overachievement in ceremonies income.
163. Finance and Performance are under budget by £0.2m. In-year vacancies, a secondment, and additional income from services provided to the LEP have resulted in an underspend in Finance. Business Intelligence is also reporting a slight underspend on supplies & services.

164. Human Resources have a number of small under and overspends within individual areas, but the overall overspend of £50,000 is caused by a projected under-recovery of income in the Schools Team. This has been caused partially by a reduction in the number of schools buying back into the service, and partly by an increase in

the income budget which is now unrealistic in light of actual buyback figures.

2. Financial Stability

Introduction

165. The Council has a strong track record of sound financial management. Nevertheless, in common with all UK local authorities the Council finds itself in a position where pressures on the revenue budget are intensifying as a result of increased costs, growing demand and reducing Government grant. The pressures are most intense in Children's and Adults Social Care. However there are also pressures on commissioning budgets elsewhere and productivity and contract savings targets in the Place and Corporate directorates have not yet been fully delivered to date.
166. A mitigation plan is being developed to address the forecast overspend and ensure that the General Reserves are protected. Given the scale of the financial pressures achieving a balanced budget position this year will be extremely challenging.
167. **Table 1** provides a service summary of financial performance at quarter one. The current forecast is that services will overspend by £9.2m in the current year. For further details please see Section 1 and changes to service net budgets since Original Budget are analysed in **Appendix 2**.
168. 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

2017/18 First Quarter Review (GROSS Revenue Budget £608.6m)	Revised Budget (NET)	Forecast Actual Outturn	Forecast Over / (Underspend)
	£m	£m	£m
SERVICE DIRECTORATES			
Directorate	10.5	10.8	0.3
Children's Social Care	33.4	35.5	2.1
Education & 14-19 Skills	2.4	2.8	0.4
Prevention & Support	9.5	9.3	(0.2)
Adult Social Care - Operations	28.0	30.5	2.5
Adult Social Care - Commissioning	67.5	70.3	2.8
Public Health and Communities	2.8	2.7	(0.1)
People	154.1	161.9	7.8
Directorate	(1.0)	(1.2)	(0.2)
Planning & Sustainable Development	2.5	2.7	0.2
Infrastructure & Highways (incl Car Parking)	13.5	13.5	-
Growth & Regeneration	4.9	4.9	-
Rural & Cultural Economy	2.8	2.8	-
Place	22.7	22.7	-
Directorate	0.1	0.3	0.2
Customer Operations	9.5	9.5	-
Legal Services	7.6	7.6	-
Human Resources	2.5	2.6	0.1
Finance & Performance	3.2	3.0	(0.2)
Professional Services	14.5	14.6	0.1
ICT	5.8	5.8	-
Communications	0.6	0.6	-
Client Commissioning			
Leisure	2.4	2.4	-
Environmental & Bereavement	27.7	28.6	0.9
Corporate	73.9	75.0	1.1
Corporate Unallocated	(1.1)	(0.8)	0.3
Corporate Unallocated	(1.1)	(0.8)	0.3
Total Services Net Budget	249.6	258.8	9.2

Government Grant Funding of Local Expenditure

169. 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 2017/18 was £281.3m.
170. In 2017/18, specific use grants held within the services were budgeted to be £251.0m based on Government announcements to February 2017. At first quarter, this figure was revised up to £260.4m. This is mainly due to all the Council's ring-fenced grants held in service being reported as opposed to just those recorded at budget setting which are mainly schools related.
171. Since the original budget was set, specific use grants relating to schools have decreased by £3.9m. This is due to four schools converting to Academies in April and updated DSG allocations, which were released in March 2017 and included an extra deduction for Further Education high-needs places.
172. Spending in relation to specific use grants must be in line with the purpose for which the funding is provided.
173. General purpose grants were budgeted to be £30.3m, but further in-year grant announcements have increased this figure to £31.2m at first quarter review.
174. Additional general purpose grants of £0.9m have been received during the first quarter of 2017/18. These include an additional £0.5m for Tackling Troubled Families, £0.1m for Staying Put Funding and £0.1m for Extended Rights to Free Transport. Requests for the allocation of the additional grants received are detailed in **Appendix 10**.

175. **Table 2** provides a summary of the updated budget position for all grants in 2017/18. A full list is provided at **Appendix 3**.

Table 2 – Summary of Grants to date

	2017/18 Original Budget	2017/18 Revised Forecast FQR	2017/18 Change
	£m	£m	£m
SPECIFIC USE			
Held within Services	251.0	260.4	9.4
GENERAL PURPOSE			
Revenue Support Grant	13.4	13.4	-
<u>Service Funding:</u>			
People - Directorate	0.0	0.1	0.1
People - Children and Families	0.2	0.8	0.6
People - Adult Social Care and Independent Living	2.4	2.4	-
Place	0.7	0.7	-
Corporate – Customer Operations	1.7	1.8	0.1
Corporate – Chief Operating Officer	11.9	12.0	0.1
Total Service Funding	16.9	17.8	0.9
Total General Purpose	30.3	31.2	0.9
Total Grant Funding	281.3	291.6	10.3

Collecting Local Taxes for Local Expenditure

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

Council Tax

177. Council Tax is set locally and retained for spending locally. Council Tax was set for 2017/18 at £1,324.92 for a Band D property. This is applied to the taxbase.

178. 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 2017/18 was agreed at 144,201.51 which, when multiplied by the Band D charge, means that the expected income for the year is £191.1m.

179. 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 £232.2m.

180. This figure is based on the assumption that the Council will collect at least 99% 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.

181. 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 £235.3m.

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

	£m
Cheshire East Council	191.1
Cheshire Police and Crime Commissioner	23.7
Cheshire Fire Authority	10.5
Town and Parish Councils	6.9
Total	232.2

182. **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	2016/17
	%	%	%	%
After 1 year	98.1	97.9	98.1	98.3
After 2 years	99.0	98.9	99.0	**
After 3 years	99.3	99.3	**	**

* year to date

**data not yet available

183. The Council Tax collection rate for first quarter 2017/18 is 30%, a small decrease on the previous year.

184. Council Tax support payments (including Police and Fire) were budgeted at £16.2m for 2017/18 and at the end of the first quarter the total council tax support awarded was £14.8m. 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.
185. No changes were made to the Council Tax Support scheme for 2017/18. The scheme was agreed by full Council in December 2016.
186. Council Tax discounts awarded are £20.9m which is broadly in line with the same period in 2016/17.
187. Council Tax exemptions awarded total £4.3m which is broadly in line with the same period in 2016/17.

Non-Domestic Rates (NDR)

188. 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.
189. The small business multiplier applied to businesses which qualify for the small business relief was set at 46.6p in 2017/18. The non-domestic multiplier was set at 47.9p in the pound for 2017/18.
190. 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.

191. The Cheshire and GM Pool are also taking part in a pilot scheme where the pool is 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.
192. **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	2016/17
	%	%	%	%
After 1 year	98.2	98.1	98.1	97.7
After 2 years	99.2	99.3	99.1	**
After 3 years	99.6	99.7	**	**

**data not yet available

193. The business rates collection rate for the first quarter of 2017/18 shows a slight increase against 2016/17 to 29.7%.

Capital Programme 2017/21

194. Since reporting the Capital Programme for the Budget Book in February 2017 the overall forecast expenditure for the next three years has increased by £32.1m as shown in **Table 6**.

Table 6 – Summary Capital Programme

	Original Forecast Budget 2017/21 £m	Amendments to Original Forecast Budget 2017/21 £m	Amended FQR Forecast Budget 2017/21 £m	Budget Reductions £m	SCE's £m	Revised Total Forecast Budget 2017/21 £m
People Directorate	40.5	1.9	42.4	(0.2)	(0.5)	41.7
Place Directorate	225.9	14.6	240.5	(1.5)	0.3	239.3
Corporate Directorate	66.1	17.0	83.1	-	0.5	83.6
	332.5	33.5	366.0	(1.7)	0.3	364.6

195. £15.3m of the change relates to slippage where expenditure had been forecast to be spent by the 31st March 2017, but has now been carried forward in to the 2017/21 programme so that the on-going projects can be completed.

196. There were a number of Officer Decision records approved within the quarter where amounts have been requested from the Capital Addendum that have now been given the go ahead and have been moved in to the main capital programme to commence expenditure in 2017/18. These include the Organic Waste Treatment site £12.5m, the Crewe HS2 Hub project development £3.0m and Crewe Town Centre £0.3m.

197. There have also been a number of smaller 2017/18 Supplementary Capital Estimates already approved within the quarter of £1.2m which includes the A500 dualling project £0.9m as well as a number of S106 and S278 schemes totalling £0.3m which makes up

the £33.5m movement from the reported budget position in February 2017 and the amended forecast position.

198. At first quarter review we have a further £0.3m of Supplementary Capital Estimates which primarily relates to Disabled Facilities Grant (£0.250m). This is the additional amount received above the grant estimated when the budget was approved in February 2017.

199. There is also £1.7m of budget reductions that relate to the realignment of the three Connecting Cheshire projects within the approved capital programme.

200. 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

	Original Budget £m	FQR Total Forecast Budget £m	Change £m
Grants	167.8	172.4	4.6
External Contributions	41.0	51.4	10.4
Cheshire East Resources	123.7	140.8	17.1
	332.5	364.6	32.1

Capital Budget 2017/18

201. At the first quarter review stage the Council is forecasting actual expenditure of £117.7m. The in-year budget for 2017/18 has been revised from the budget book position of £116.2m to reflect the forecast expenditure for the financial year and any slippage reported at outturn and slipped to future years.

202. Since the start of 2017/18, slippage on the capital programme has been measured on schemes that are at the Gateway 2 stage. These are classed as committed schemes as these schemes should have commenced prior to or during 2017/18 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 2017/18 of supplementary capital estimates, virements and budget reductions listed in **Appendices 5 to 8**.
203. **Table 8** below shows the actual expenditure incurred on those schemes against the revised Outturn Budget.

Table 8 – 2017/18 Revised Budget compared to Original Budget

Committed Schemes	Original Budget	Revised FQR Budget	Forecast Expenditure	Current Forecast Over / Underspend
	£m	£m	£m	£m
People Directorate	12.8	9.6	9.6	-
Place Directorate	36.7	52.4	52.4	-
Corporate Directorate	35.3	37.9	37.9	-
Total Committed Schemes	84.8	99.9	99.9	-

204. At the first quarter stage we have revised the in-year budget to align with the latest in-year forecast expenditure for 2017/18. There has been a marked increase in the Place in-year budget and forecast and this is mainly due to the slippage from 2016/17 being brought in to 2017/18, the addition of the Crewe HS2 Hub development project £3.0m and the A500 Dualling increase in budget of £0.860m.
205. A number of other Highways projects such as Crewe Green Roundabout (£1.2m) and Sydney Road Bridge (£1.2m) have

brought forward expenditure that had been assumed would have been spent in later years but are due to be spent in 2017/18.

206. There has been a slight increase within the Corporate Directorate £2.6m due to slippage from 2016/17 and a decrease within the People Directorate £3.2m as forecast expenditure has been slipped to future years.
207. **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.
208. **Appendix 6** details requests for two virements within the People Directorate totalling £977,000, the first for Weaver Primary School of £477,000 for a mobile replacement/upgrade project and the second to the Schools Capital Maintenance Project managed by Facilities Management for the ongoing condition works on the Local Authority maintained schools.
209. **Appendix 8** lists details of reductions in Approved Budgets where schemes are completed and surpluses can now be removed. These are for noting purposes only.

Central Adjustments

Capital Financing Costs and Treasury Management

210. 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.

211. Investment income to June 2017 is £78,000 which is equal to the budgeted income for the period. However, offsetting this are costs of £33,000 arising from temporary borrowing. The level of cash balances and the need for temporary borrowing has arisen from the decision to pay past service pension deficit contributions for the next three years in one advance payment of £45m in April 2017. The discount available from early payment more than offsets the costs of temporary borrowing. The forecast benefit over the three year period is around £2m which will be support mitigation of future service costs as appropriate. The level of temporary borrowing has been in excess of immediate cash needs but this allows a liquidity safety net and maintenance of investments in the Churches Charities and Local Authorities (CCLA) Investment Management Ltd property fund and other funds which pay a higher return than the cost of borrowing.

- The average lend position (the 'investment cash balance' including managed funds up to the end of June 2017 is £37.6m
- The average annualised interest rate received on in-house investments up to the end of June 2017 is 0.35%
- The average annualised interest rate received on the externally managed property fund up to the end of June 2017 is 4.75%
- The average temporary borrowing position up to the end of June 2017 is £31.4m
- The average annualised interest rate paid on temporary borrowing up to the end of June 2017 is 0.41%

212. The Council's total average interest rate on all investments for the period April to June is 1.22%. The returns continue to exceed our

benchmark, the London Inter-bank Bid Rate for 7 days at 0.21%, and our own performance target of 0.75% (Base Rate + 0.50%).

Table 9 – Interest Rate Comparison

Comparator	Average Rate to 30/06/2017
Cheshire East	1.22%
LIBID 7 Day Rate	0.21%
LIBID 3 Month Rate	0.33%
Base Rate	0.25%
Target Rate	0.75%

213. It is likely that further borrowing will be required throughout the current year and in future years. At the moment this need is being met by temporary borrowing from other Local Authorities which is considerably cheaper than other sources of borrowing. If the predicted interest environment changes or the availability of temporary borrowing reduces then this strategy will be re-assessed.

214. At the first quarter position we are expecting to fully utilise the £14.0m budget allocated for Capital Financing activities. The Section 151 Officer is exploring options to revise the approach to calculating the Minimum Revenue Provision (MRP) to release revenue funding and mitigate overspending on services. Liaison with the Council's treasury management advisors, Arlingclose, has taken place and proposals will be confirmed, and approved where appropriate, during 2017/18.

215. Our ability to remain within the £14m cap on Capital Financing is dependent on achieving capital receipts of £7.9m in 2017/18 to

finance capital expenditure. To date, two assets have been sold generating total receipts of £0.3m. The Section 151 Officer is exploring options to capitalise costs of transformation in line with recent guidelines issued by the Treasury. This approach can mitigate overspending of the revenue budget. Proposals will be confirmed, and approved where appropriate, during 2017/18.

216. All investments are made in accordance with the parameters set out in the Treasury Management Strategy Statement approved by Council on 23rd February 2017. Further details of counterparty limits and current investments are given in **Appendix 9**.
217. The Council has maintained the £7.5m investment in the CCLA managed property fund. The underlying value of this fund had been devalued following the 'Brexit' referendum but has since been increasing in value. The current value of the units in the fund if sold is £7.6m which is slightly higher than the original invested amount. However, the fund continues to generate income of 4.75%.
218. Most other investments currently held are short term for liquidity purposes. Fixed or longer term investments would require additional temporary borrowing which is currently being assessed as the investment returns would exceed the borrowing costs. This is permissible under the treasury strategy providing the Council remains within authorised limits set in relation to the capital financing requirement (CFR).
219. Full details of current investments and temporary borrowings are shown in **Appendix 9**.

Central Contingencies and Contributions

220. A budget of £1.2m is held centrally to meet past service Employer Pension contributions relating to staff transferred to the new supplier companies. Net unallocated corporate savings budgets of £1.1m are also currently held centrally. It is forecast that spend on these areas will be £1.0m over budget due to expectations around the achievability of the savings and additional pension costs charged to this budget. In addition a transfer of £0.2m from earmarked reserves relating Fairer Power is no longer going to take place.

Debt Management

221. The balance of outstanding debt has reduced by £0.3m since quarter four of 2016/17 mainly due to settlement of invoices raised by ICT. Balances remain within forecast levels and adequate provisions have been made. Details of the Council's invoiced debt position are contained in **Appendix 11**.

Outturn Impact

222. The impact of the projected service outturn position is to decrease balances by £9.2m as reported above (**para 167**).
223. Taken into account with the central budget items detailed above (**para 220**), the financial impact described in this report could result in a reduction in balances of £10m as summarised in **Table 10**.

Table 10 – Impact on Balances

	£m
Service Net Budget Outturn	(9.2)
Central Budgets Outturn	(0.9)
Specific Grants Outturn	0.1
Total	(10.0)

Management of Council Reserves

224. The Council's Reserves Strategy 2017-20 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 £10.1m.
225. The opening balance at 1st April 2017 in the Council's General Reserves was £10.3m as published in the Council's Draft Statement of Accounts for 2016/17.
226. Without the planned proactive and robust development of mitigating actions to address the potential overspend on service budgets the current forecast overspend would result in the General Reserves being fully depleted by the end of this year.

227. A mitigation plan is being developed to deliver a balanced revenue outturn position and maintain General Reserves at or close to the level planned in the 2017-20 Reserves Strategy. Overall the Council remains in a strong financial position relative to most other Councils.
228. The Council also maintains Earmarked Revenue reserves for specific purposes. At 31st March 2017 balances on these reserves stood at £48.9m, excluding balances held by Schools.
229. During 2017/18, an estimated £11.9m will be drawn down and applied to fund service expenditure specifically provided for. Service outturn forecasts take account of this expenditure and funding. Where appropriate, further earmarked reserves will be re-allocated to General Reserves to maintain an adequate level of General Reserves overall.
230. A full list of earmarked reserves at 1st April 2017 and estimated movement in 2017/18 is contained in **Appendix 12**.

3. Workforce Development

231. 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 first quarter 2017/18.

Culture and Values

232. Work continues to build from the feedback given in the June 2016 staff survey. Action plans have been developed by all senior management teams, working with colleagues across the services. A Corporate Governance Group is established to review progress of the action plans at regular intervals and update communications to staff which have been undertaken through a special edition of Team Voice. Staff Survey focus groups are scheduled to take place during July within each Directorate. The focus groups will focus on five broad themes - Leadership and Management, Development and Opportunities, Communication and Engagement, Health and Wellbeing, Culture. A summary report will be provided to Cabinet and Staffing Committee once the focus groups are concluded.

233. The Making a Difference employee recognition scheme continues to be popular with staff. During the period April to June the following nominations have been made:

- Made my Day nominations - 154
- Making a Difference monthly nominations - 34

234. Following a successful Innovation Event for senior managers in March which enabled nine problem owners to develop creative ideas to breakthrough an issue or take forward an opportunity, a

second Innovation Event has been scheduled for September and will be taking place in Crewe.

Building Capability and Capacity

235. 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.

236. Over 634 CEC employees attended a range of regulatory and mandatory learning and development opportunities during the first quarter of 2017/18 across both the Corporate Training Programme and the training programmes for Corporate Services, Place and People. A further 13 employees successfully secured funding approval via the Continuous Professional Development Panel for role specific development in quarter one, seeing £16,200 investment.

237. Developing management capability at all levels has continued with a cohort of managers being supported to complete the Institute of Learning and Management (ILM) level 3 Diploma and three managers having now completed their ILM Level 5 Diploma qualifications. Leadership and Management training continues with all Team Managers in Children’s Social Care completing a bespoke management training course and managers in Corporate Resources undergoing skill development days. Leadership and Management development and pathways are being further

supported through the development of a manager resource portal and clear induction programme along with a suite of courses for managers at different levels available on the Corporate Training Programme.

238. 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 and Staffordshire Universities and local Further Education colleges too. Relationships are further developing with Social Work staff undertaking roles supporting student learning at universities and one social worker seconded to Keele University as a development lead. 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.

Resourcing and Talent

239. The Council has provided more than five work experience sessions for young adults and school children during quarter one. Programmes continue to enable undergraduate and postgraduate students the opportunity to undertake placements within service areas of the Council. Planning is underway to offer a large number of social work placements for students at partner universities within both Children's and Adult Social Care teams. The Workforce Development Team has worked closely with other Local Authorities as part of the 'Learning Together Partnership' to recruit two social work students on the DfE funded Step Up to Social Work scheme, to start in January 2018. Work is starting in Adult Social Care to join the National Graduate Scheme to provide placements for talented graduates across the Service. Two further students who

completed placements with Cheshire East Council in Children's Social Care have secured permanent social work roles on completion of their studies in 2017. The Workforce Development Team is also working with other Services including Environmental Health and Accountancy to consider undergraduate and graduate placements.

240. The Workforce Development Team has concentrated its efforts this quarter on launching the new process for the funding of apprenticeships across the Council, ASDVS and maintained schools. Since the funding reforms came into effect from 1st May, we have appointed 14 new apprentices and have 18 live vacancies. We have also developed a management and leadership programme for the Council to be funded via the apprenticeship levy, with a launch date of October 2017. A performance framework is now in place and Heads of Service will receive monthly updates on progress towards the Council's target. All maintained schools have been briefed on the new procedure.
241. The Council continues to offer opportunities for Graduate and Staff Development. Progression pathways are in place across several services and in development in others such as the Libraries and HR Teams to offer development from entry to management roles, offering a clear career route and tailored opportunities for existing staff, recent graduates and apprentices.

Reward and Recognition

242. To enhance the range of employee benefits an online "Rewards Centre" continues to be well received with more than 1,328 staff (31%) now 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 outlets. 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

243. The Education HR consultancy continue 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 2017 remains positive, but market conditions are becoming more difficult with the increase in multi-academy trusts resulting in a loss of some business. Some establishments however, who moved away from buying back HR Consultancy services are now coming back.

Health and Safety

244. The Corporate Health & Safety Service was awarded a fifth consecutive RoSPA Award for Health & Safety achievements. The Commended award recognised that the Council's portfolio submission reached third place across England and Wales, (excluding London) in the competitive section of the Public Services and Local Government Sector.

245. Buy-back from Schools for delivery of Health & Safety services during the academic year of 2017/2018 has opened and the response so far is encouraging. The option to buy-back remains open until September 2017.

Staffing Changes

246. As shown in **Table 11** below, Cheshire East's overall headcount and FTE number of employees remained largely unchanged over the first quarter of 2017/18.

Table 11: Cheshire East Council Employee Headcount and FTE Figures

Directorate / Service	Employee FTE Apr-17	Employee FTE Jun-17	Employee Headcount Apr-17	Employee Headcount Jun-17
Corporate	823.4	826.2	980	982
Customer Services	273.4	274.0	346	347
Finance and Performance	81.4	81.5	84	84
Human Resources	42.3	40.3	48	46
ICT	178.0	178.9	184	185
Legal and Democratic Services	97.2	99.3	128	129
Communications and Media	11.9	11.9	12	12
Professional Services	118.3	118.3	156	156
Business Management	19.0	19.0	20	20
People	1706.4	1700.1	2273	2264
Adult Social Care and Health	933.3	932.1	1150	1148
Children's Services	772.1	767.0	1122	1115
Place	303.4	309.4	378	381
Growth and Regeneration	81.6	80.6	89	88
Infrastructure and Transport	44.1	47.8	46	49
Lifelong Learning	10.2	9.2	12	11
Planning and Sustainable Development	72.8	71.0	75	73
Rural and Green Infrastructure	93.7	98.8	155	158
Cheshire East Council Total	2835.3	2837.6	3623*	3621*

***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/or "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 for that service.

Agency workers

247. Agency workers provide a valuable component of the Council’s workforce – providing short term cover, project work and flexible specialist skills to maintain service delivery in areas such as social services, ICT and other professional services. The table below provides a summary of active agency worker assignments in April and June 2017, and shows agency workers as a percentage of all workforce assignments, excluding casuals, active at the end of the specified month (*i.e. excluding assignments ending before the final day of the month*).

Table 12: Number and percentage of agency workers

	Number of assignments active during Apr 17	Number of assignments active during Jun 17	% of all workforce assignments on 30 Apr 17	% of all workforce assignments 30 Jun 17
People	118	101	3.1%	3.0%
Place	7	5	1.2%	1.0%
Corporate Services	105	100	7.8%	7.9%
Cheshire East Council	230	206	4.2%	4.1%

Absence

248. During the first quarter (Apr-May-Jun) of 2017/18 absence levels overall were slightly lower than the same period in the previous three financial years. The Council’s target absence rate for 2017/18 is 10 days lost per FTE employee; the Council’s absence rate was 11.14 days lost per FTE employee in the two previous financial years.

Table 13: Cumulative average days lost to sickness per FTE employee by financial year, since 2014/15 during quarter one and, where available, for the full financial year

Cheshire East (excluding Schools)	2014/15	2015/16	2016/17	2017/18
Q1 (Apr-May-Jun) Absence	2.91	2.61	2.61	2.50
Full Financial Year Absence	11.97	11.14	11.14	

Voluntary Redundancies

249. 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.

250. Three people have left the Council under voluntary redundancy terms in quarter one, two of whom held posts within the management grades (Grade 10 or above). The total severance cost for all employees was £288,985 inclusive of redundancy and actuarial costs. Over the next five years, these reductions are estimated to save the Council over £805,133 (which is the combined accumulated costs of the deleted posts).

Appendices to First Quarter Review of Performance 2017/18

September 2017

Appendix 1 Cheshire East Council Strategic Outcomes



Appendix 2 Changes to Revenue Budget 2017/18 since Original Budget

	Original Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Quarter 1 Net Budget £000
PEOPLE				
Directorate	8,033	123	2,422	10,578
Children's Social Care	33,415	113	(154)	33,374
Education & 14-19 Skills	2,438	-	(2)	2,436
Prevention & Support	9,505	459	(487)	9,477
Adult Social Care Commissioning	97,494	-	(30,017)	67,477
Adult Social Care Operations	-	-	27,972	27,972
Public Health & Communities	4,147	-	(1,334)	2,813
	155,032	695	(1,600)	154,127
PLACE				
Directorate	(1,136)	-	56	(1,080)
Planning & Sustainable Development	1,085	-	1,433	2,518
Infrastructure & Highways	13,375	-	141	13,516
Growth & Regeneration	5,092	-	(251)	4,841
Rural & Cultural Economy	2,755	-	76	2,831
	21,171	-	1,455	22,626

	Original Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Quarter 1 Net Budget £000
CORPORATE				
Directorate	(1,157)	-	1,232	75
Client Commissioning :				
Leisure	2,260	-	133	2,393
Environmental	27,656	-	72	27,728
Customer Operations	9,317	74	109	9,500
Legal Services	8,259	64	(742)	7,581
Human Resources	2,719	-	(179)	2,540
Finance & Performance	3,204	-	(2)	3,202
Professional Services	14,596	-	(144)	14,452
ICT	6,066	-	(228)	5,838
Communications	625	-	(9)	616
	73,545	138	242	73,925
CORPORATE UNALLOCATED				
Corporate Unallocated	(1,060)	-	(56)	(1,116)
	(1,060)	-	(56)	(1,116)
TOTAL SERVICE BUDGET	248,688	833	41	249,562
CENTRAL BUDGETS				
Capital Financing	14,000	-	-	14,000
Corporate Contributions	1,163	-	-	1,163
Contribution to / from Reserves	(148)	-	1	(147)
	15,015	-	1	15,016
TOTAL BUDGET	263,703	833	42	264,578

	Original Net Budget £000	Additional Grant Funding £000	Restructuring & Realignments £000	Quarter 1 Net Budget £000
CENTRAL BUDGETS FUNDING				
Business Rates Retention Scheme	(40,973)	-	-	(40,973)
Revenue Support Grant	(13,415)	-	-	(13,415)
Specific Grants	(16,909)	(833)	(42)	(17,784)
Council Tax	(191,056)	-	-	(191,056)
Sourced from Collection Fund	(1,350)	-	-	(1,350)
TOTAL CENTRAL BUDGETS FUNDING	(263,703)	(833)	(42)	(264,578)
FUNDING POSITION	-	-	-	-

Note: Budget variation to MTF5, of £0.1m, relates to rounding of the detailed budgets

Appendix 3 Corporate Grants Register

Corporate Grants Register 2017/18		Original Budget	Revised Forecast	Change	SRE / Balances
			FQR		(Note 2)
		2017/18	2017/18	2017/18	
<i>Note</i>		£000	£000	£000	
SPECIFIC USE (Held within Services)					
PEOPLE					
Schools	1	156,113	152,173	(3,940)	
Children & Families		-	720	720	
Adult Social Care		-	9,022	9,022	
Communities		78,068	79,219	1,151	
Public Health		16,833	16,833	-	
Total		251,014	257,967	6,953	
PLACE					
Growth and Regeneration		-	1,157	1,157	
Planning and Sustainable Development		-	521	521	
Directorate		-	787	787	
Total		-	2,465	2,465	
TOTAL SPECIFIC USE		251,014	260,432	9,418	
GENERAL PURPOSE (Held Corporately)					
Central Funding					
Revenue Support Grant		13,415	13,415	-	
Total Central Funding		13,415	13,415	-	

Corporate Grants Register 2017/18	Original Budget	Revised Forecast	Change	SRE / Balances (Note 2)		
					FQR	
					2017/18	2017/18
Note	£000	£000	£000			
People - Directorate						
Extended Rights to Free Transport	-	123	123	SRE		
People - Children & Families						
Tackling Troubled Families	195	654	459	SRE		
Staying Put Implementation Grant	-	113	113	SRE		
People - Adult Social Care & Independent Living						
Independent Living Fund	917	917	-			
Adult Social Care Support Grant	1,457	1,457	-			
Place						
Adult Skills (Lifelong Learning)	706	706	-			
Lead Local Flood Authorities	14	14	-			
Corporate - Customer Operations						
Housing Benefit and Council Tax Administration	1,209	1,209	-			
NNDR Administration Grant	506	506	-			
Universal Support Grant	-	62	62	SRE		
Business Rates Relief Schemes: Payment of New Burdens 2017/18	-	12	12	SRE		

Corporate Grants Register 2017/18	Original Budget	Revised Forecast	Change	SRE / Balances
		FQR		(Note 2)
	Note	2017/18 £000	2017/18 £000	2017/18 £000
Corporate - Chief Operating Officer				
New Homes Bonus	8,254	8,254	-	
New Homes Bonus: Returned Funding Grant 2017/18	-	96	96	Balances
Education Services Grant	678	678	-	
Transitional Funding	2,974	2,974	-	
Transition to Individual Electoral Registration 2017/18	-	64	64	SRE
Total Service Funding	16,910	17,839	929	
TOTAL GENERAL PURPOSE	30,325	31,254	929	
TOTAL GRANT FUNDING	281,339	291,686	10,347	

Notes

- 1 The Dedicated Schools Grant, Pupil Premium Grant, Sixth Form Grant and Other School Specific 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
- 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			
	FQR	Reductions	Reductions	Budget			
	2017/18	During Quarter	2017/18	FQR	2017/18	2018/19	2019/20 and
£000	2017/18	2017/18	£000	£000	£000	Future Years	£000
People Directorate							
Adults, Public Health and Communities							
Committed Schemes - In Progress	944	(833)	-	111	111	833	-
New Schemes and Option Developments	-	-	-	-	-	-	-
Children's Social Care (Incl. Directorate)							
Committed Schemes - In Progress	386	(277)	-	109	109	277	-
New Schemes and Option Developments	-	-	-	-	-	-	-
Education and 14-19 Skills							
Committed Schemes - In Progress	12,131	(2,726)	(277)	9,128	9,128	4,610	1,763
New Schemes and Option Developments	4,492	(2,799)	-	1,693	1,693	22,665	-
Prevention and Support							
Committed Schemes - In Progress	757	(266)	(241)	250	250	266	-
New Schemes and Option Developments	-	-	-	-	-	-	-
Total People Directorate	18,710	(6,901)	(518)	11,291	11,291	28,651	1,763

Service	In-Year	SCE's	SCE's	Revised	Forecast Expenditure		
	Budget	Virements	Virements	In-Year			2019/20 and
	FQR	Reductions	Reductions	Budget			Future Years
	2017/18	During Quarter	FQR	FQR	2017/18	2017/18	2018/19
£000	2017/18	2017/18	£000	£000	£000	£000	Future Years
£000	£000	£000	£000	£000	£000	£000	£000
Place Directorate							
Infrastructure and Highways (inc Car Parking)							
Committed Schemes - In Progress	40,455	(1,596)	6	38,865	38,865	43,554	87,745
New Schemes and Option Developments	10,262	3,256	-	13,518	13,518	12,122	11,372
Growth and Regeneration							
Committed Schemes - In Progress	16,591	(4,767)	(714)	11,110	11,110	11,787	3,480
New Schemes and Option Developments	2,659	(2,475)	-	184	184	2,475	-
Rural and Cultural Economy							
Committed Schemes - In Progress	2,503	(17)	-	2,486	2,486	486	129
New Schemes and Option Developments	-	-	-	-	-	-	-
Total Place Directorate	72,470	(5,599)	(708)	66,163	66,163	70,424	102,726

Service	In-Year	SCE's	SCE's	Revised	Forecast Expenditure		
	Budget	Virements	Virements	In-Year			2019/20 and
	FQR	Reductions	Reductions	Budget	2017/18	2018/19	Future Years
	2017/18	2017/18	2017/18	2017/18	£000	£000	£000
Corporate Directorate							
Customer Operations							
Committed Schemes - In Progress	276	-	-	276	276	30	-
New Schemes and Option Developments	-	-	-	-	-	-	-
Finance and Performance							
Committed Schemes - In Progress	2,926	-	-	2,926	2,926	-	-
New Schemes and Option Developments	-	-	-	-	-	-	-
Professional Services							
Committed Schemes - In Progress	5,184	(296)	250	5,138	5,138	3,692	3,000
New Schemes and Option Developments	-	-	-	-	-	-	-
ICT							
Committed Schemes - In Progress	16,253	510	-	16,763	16,763	11,495	4,570
New Schemes and Option Developments	-	-	-	-	-	-	-

Service	In-Year	SCE's	SCE's	Revised	Forecast Expenditure		
	Budget	Virements	Virements	In-Year	2019/20 and		
	FQR	Reductions	Reductions	Budget	2017/18	2018/19	Future Years
	2017/18	2017/18	2017/18	2017/18	£000	£000	£000
	£000	£000	£000	£000	£000	£000	£000
Client Commissioning - Environmental							
Committed Schemes - In Progress	11,673	36	(34)	11,675	11,675	302	370
New Schemes and Option Developments	1,430	220	-	1,650	1,650	2,550	9,400
Client Commissioning - Leisure							
Committed Schemes - In Progress	3,551	(2,445)	-	1,106	1,106	6,000	1,926
New Schemes and Option Developments	720	-	-	720	720	-	-
Total Corporate Directorate	42,013	(1,975)	216	40,254	40,254	24,069	19,266
Committed Schemes - In Progress	113,630	(12,677)	(1,010)	99,943	99,943	83,332	102,983
New Schemes and Option Developments	19,563	(1,798)	-	17,765	17,765	39,812	20,772
Total Net Position	133,193	(14,475)	(1,010)	117,708	117,708	123,144	123,755

Funding Sources	2017/18	2018/19	2019/20 and
	£000	£000	Future Years
Grants	33,855	81,991	56,627
External Contributions	8,257	3,480	39,653
Cheshire East Council Resources	75,596	37,673	27,475
Total	117,708	123,144	123,755

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

Capital Scheme	Amount Requested £	Reason and Funding Source
Summary of Supplementary Capital Estimates and Capital Virements that have been made up to £250,000		
Supplementary Capital Estimates		
Education and 14-19 Skills		
Kitchens block (Gas interlock)	5,000	Contribution from Hurdsfield Primary School towards works to undertake a refurbishment of kitchen facilities.
S278s		
Moss Lane Bridge.	277	Additional funding required to match Developers forecast expenditure.
S278 Signal Jct, London Rd	5,000	Increase the budget to match the additional funding from the Developer
Growth and Regeneration		
Disabled Facilities Grant	246,159	To increase the budget to match the amount of grant available.
Central Heating Fund	340	To increase the budget to match the amount of grant received.
Total Supplementary Capital Estimates Requested	256,776	

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		
Schools Condition Capital Grant	5,254	} Surplus fund vired back to Schools Condition Capital Grant for re-allocation as schemes completed at Disley Primary School and Puss Bank Mobile.
Schools Condition Capital Grant	2,084	
ICT		
Enterprise Resource Planning	150,000	Following the creation of the Best4Business Project which is currently seeking to establish a business case, funding from the Council's Core Financials Programme was identified, which had not been spent during 2016/17 and is requested to be transferred to the programme for spending on the project during the procurement phase in the early part of 2017/18.
Total Capital Budget Virements Approved	157,338	
Total Supplementary Capital Estimates and Virements	414,114	

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		
Total Supplementary Capital Estimates Requested	-	
Capital Budget Virements		
Education and 14-19 Skills		
Weaver Primary School - Mobile	477,000	Virement from Capital Condition Grant for works to address condition issues for mobile classrooms at Weaver Primary School.
Professional Services		
Schools Capital Maintenance	500,000	Virement of the funding for the Condition block to be managed by Facilities Management for ring fenced use on Schools and Children's Centres.
Total Capital Budget Virements Requested	977,000	
Total Supplementary Capital Estimates and Virements	977,000	

Appendix 7 Request for Supplementary Capital Estimates and Virements above £1,000,000

Capital Scheme	Amount Requested £	Reason and Funding Source
Cabinet are asked to request Council to approve the Capital Virements and SCEs over £1,000,000 Supplementary Capital Estimates		
Total Supplementary Capital Estimates Requested	-	
Capital Budget Virements		
Total Capital Budget Virements Requested	-	
Total Supplementary Capital Estimates and Virements	-	

Appendix 8 Capital Budget Reductions

Capital Scheme	Approved Budget £	Revised Approval £	Reduction £	Reason and Funding Source
Cabinet are asked to note the reductions in Approved Budgets				
Prevention and Support				
Purchase of Multi Purpose Vehicles - Working on Wheels	341,721	100,274	241,447	Scheme is not progressing as a second vehicle is no longer required.
Growth and Regeneration				
Connecting Cheshire	30,483,758	29,523,759	959,999	Budget no longer required as now incorporated in the Connecting Cheshire 2020 budget which has already been approved.
Connecting Cheshire Phase 2	6,534,800	6,234,802	299,998	Due to revised Expenditure forecasts the full budget is no longer required
Connecting Cheshire 2020	7,400,000	7,250,000	150,000	Due to revised Expenditure forecasts the full budget is no longer required
Client Commissioning - Environmental				
Middlewich Parks Project. Formerly named (Pub Open Spaces-King St)	155,399	146,513	8,886	Project is now complete.
Coronation Valley, Queens Park	139,000	138,064	936	Budget reduction required as grant income received is less than reported.
Dutton Way Playground	40,000	37,620	2,380	Project is now complete.
Barnaby Poynton Playing Fields	22,489	18,977	3,512	Project is now complete.
Ollerton Playing Fields	42,243	40,543	1,700	Project is now complete.
Congleton Park Improvements	117,270	101,596	15,674	Project is now complete.
Ilford Imaging Site, Mobberley, Knutsford	46,900	46,300	600	Project is now complete.
South Park Action Zone S106	407,261	406,897	364	Project is now complete.
Total Capital Budget Reductions	45,730,841	44,045,345	1,685,496	

Appendix 9 Treasury Management

Counterparty Limits and Investment Strategy

1. The maximum amount that can be invested with any one organisation is set in the Treasury Management Strategy Report. 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. There were no foreign investments held at 30th June 2017.
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 three months these have returned 0.44% with some underlying capital growth.

5. Investment activity has been limited due to liquidity and the need to take temporary borrowing. All borrowings have been sourced from other Local Authorities. New borrowings are being taken on a month to month basis where the cost (including fees) is around 0.20%. This compares favourably with other forms of borrowing such as PWLB where the cost is around 1.20% for a one year loan.
6. **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. A full list of current temporary borrowings is shown in **Table 2**.

Chart 1 – Current Investments by Counterparty Type

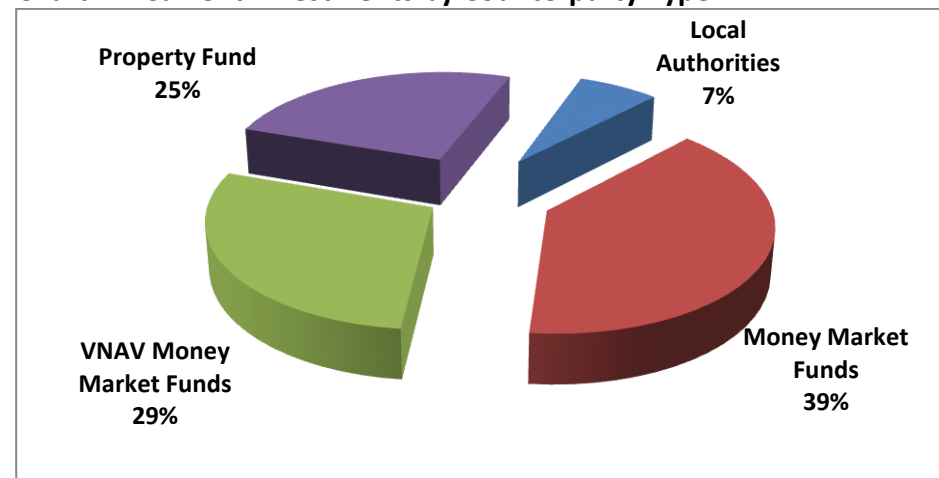


Table 1 – Types of Investments and Current Interest Rates

Instant Access Accounts	Average Rate %	£m
Instant Access Accounts	-	-
Money Market Funds	0.22	11.7

Notice Accounts	Notice Period	Average Rate %	£m
Money Market Funds (VNAV)	2 days	0.27	8.5

Fixed Term Deposits (Unsecured)	Start	Maturity	Rate %	£m
Lancashire County Council	02/12/2015	04/12/2017	1.00	2.0

Externally Managed Funds	£m
Property Fund	7.5

Summary of Current Investments	£m
TOTAL	29.7

Chart 2 – Maturity Profile of Investments

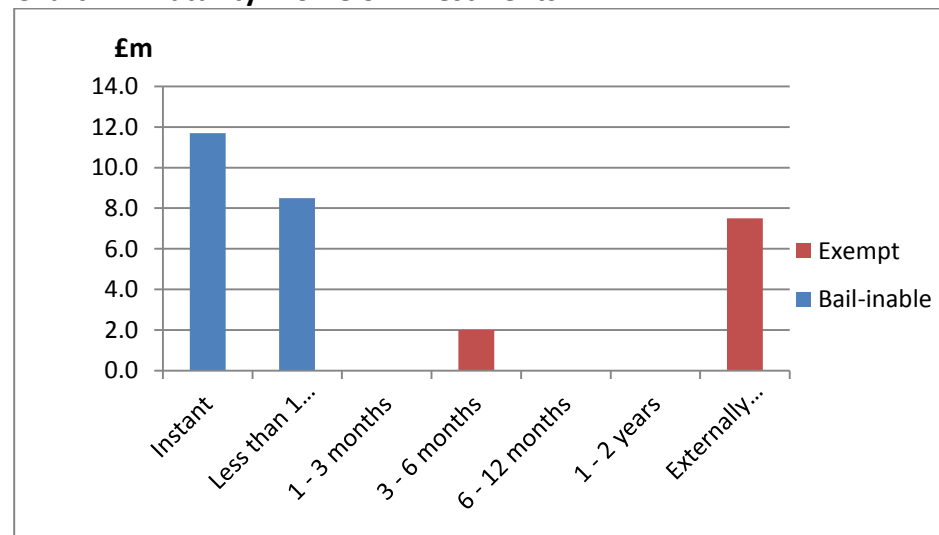


Table 2 – Current Temporary Borrowing

Lender	Start	Maturity	Rate %	£m
Basildon District Council	25/04/17	25/10/17	0.40	4.0
Chichester District Council	27/04/17	27/07/17	0.35	2.0
Royal Borough of Kensington & Chelsea	28/04/17	27/04/18	0.50	5.0
West Yorkshire Police	28/04/17	29/01/18	0.42	3.0
London Borough of Hammersmith & Fulham	28/04/17	27/04/18	0.50	5.0
East Riding of Yorkshire	28/04/17	31/10/17	0.40	5.0
West of England Combined Authority	28/04/17	28/09/17	0.34	3.0
London Borough of Havering	02/05/17	01/05/18	0.52	5.0
Somerset County Council	02/05/17	01/12/17	0.42	5.0
Middlesbrough Council	29/06/17	25/07/17	0.18	3.0
TOTAL				40.0

Appendix 10 Requests for Allocation of Additional Grant Funding

Service	Type of Grant	£000	Details
Corporate – Customer Operations	Universal Support Grant (General Purpose)	62	The purpose of the Grant is to provide funding to the Recipient for the delivery of Personal Budgeting Support and Assisted Digital Support and in accordance with the terms and conditions set out in this Agreement. The Grant shall not be used for any other purpose without the prior written agreement of the Funder.
People Directorate	Extended Rights to Free Transport (Home to School Transport) (General Purpose)	123	The Department for Education provides additional transport funding to local authorities to support children from low-income families to be able to attend schools further from home than the statutory walking distances. The funding is paid as a non-ring-fenced grant paid via the Department for Communities and Local Government under the Local Services Support Grant (section 31 of the Local Government Act 2003).
Children & Families	Staying Put (General Purpose)	113	The purpose of the grant is to provide support for local authorities in England for expenditure lawfully incurred or to be incurred by them, in respect of a young person aged 18 and their former foster carer, who wish to continue living together in a 'Staying Put' arrangement. For the purposes of this grant 'young person' means a former relevant child who was looked after immediately prior to their 18 th birthday. This supported arrangement can continue until the young person's 21 st birthday.

Service	Type of Grant	£000	Details
Children & Families	Tackling Troubled Families Grant (General Purpose)	459	<p>In April 2012, the Government launched the Troubled Families Programme, a £448m scheme to incentivise local authorities and their partners to turn around the lives of 120,000 troubled families by May 2015. This programme worked with families where children are not attending school, young people are committing crime, families are involved in anti-social behaviour and adults are out of work.</p> <p>In June 2013, the Government announced plans to expand the Troubled Families Programme for a further five years from 2015/16 and to reach up to an additional 400,000 families across England. £200 million has been committed to fund the first year of this five year programme. This increased investment is testament to the Government's ongoing commitment to improve the lives of troubled families and as this work is taken to a significantly greater scale, to transform local public services and reduce costs for the long-term.</p>
Corporate - Customer Operations	Business Rates Relief Schemes: Payment of New Burdens 2017/18	12	This grant is intended to fund additional third party costs incurred in the amendment of the revenues system
Corporate - Chief Officer	Transition to Individual Electoral Registration 2017/18	64	The funding is to be used on activities associated with the Individual Electoral Registration (IER) service within the Elections area.
Total		833	

Appendix 11 Debt Management

- 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.
- Annually, the Council raises invoices with a total value of approximately £70m. 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 and Building Control.
- 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.
- 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 2016/17 the team collected £3.8m on behalf of services.
- After allowing for debt still within the payment terms, the amount of outstanding service debt at the end of quarter one was £6.9m. This is a reduction of £0.3m since March 2017 mainly due to settlement of invoices raised by ICT.
- The total amount of service debt over six months old is £3.8m; provision of £3.8m 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	4,418	2,911	2,870
Children's Social Care (Incl. Directorate)	236	23	23
Education and 14-19 Skills	91	-	-
Prevention and Support	184	1	1
Schools	103	10	23
Place			
Planning and Sustainable Development	54	38	38
Infrastructure and Highways (inc Car Parking)	620	297	297
Growth and Regeneration	629	240	240
Rural and Cultural Economy	44	13	13
Regulatory Services	31	2	2
Corporate			
Customer Operations	4	3	3
Legal Services	2	-	-
Democratic Services	5	-	-
Human Resources	16	8	8
Finance and Performance	-	-	-
Professional Services	51	20	20
ICT	90	1	1
Communications	-	-	-
Client Commissioning - Environmental	361	218	218
Client Commissioning - Leisure	11	11	11
	6,950	3,796	3,768

Appendix 12 Earmarked Reserves

Name of Reserve			Forecast Closing	Notes
	Opening Balance	Forcast Movement	Balance 31 st March	
	1 st April 2017	in 2017/18	2018	
	£000	£000	£000	
People				
Adults, Public Health and Communities				
PFI Equalisation - Extra Care Housing	2,060	165	2,225	Surplus grant set aside to meet future payments on existing PFI contract which commenced in January 2009.
Individual Commissioning - Provider Investment & Fees	450	(450)	-	Linked to the S256 contribution towards backdated fees, to be used for provider training.
Public Health	536	-	536	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	583	(345)	238	Amalgamation of promoting local delivery; grant support; new initiatives and additional funding from outturn to support community investment.
Fixed Penalty Notice Enforcement (Kingdom)	59	(59)	-	Surplus Fixed Penalty Notice receipts to be ring-fenced to provide a community fund to address environmental issues .
Transitional Funding - community cohesion	141	(71)	70	Community Cohesion Strategy and Action Plan
Children's Services				
Domestic Abuse Partnership	165	(42)	123	To sustain preventative services to vulnerable people as a result of partnership funding.
Early Intervention and Prevention Investment	984	(346)	638	To continue the planned use of the Early Intervention short term funding allocation agreed for two years from 2016/17.
Parenting Journey	60	(30)	30	The Parenting Journey is in conjunction with Wirral Community Trust Health Visiting Service to integrate Health Visiting, Early Years and Early Help assessments.
Transitional Funding-Developing the 'Cheshire East Way'	130	(56)	74	Delivering better outcomes for children and young people.
Transitional Funding-Increase in Establishment	386	(365)	21	Child Protection Social Workers
Transitional Funding-Independent Travel Training	150	(75)	75	Independent Travel Training

Name of Reserve	Forecast Closing			Notes
	Opening Balance	Forecast Movement	Balance 31 st March	
	1 st April 2017	in 2017/18	2018	
	£000	£000	£000	
Place				
Investment (Sustainability)	2,044	(2,019)	25	To support investment that can increase longer term financial independence and stability of the Council.
Planning and Sustainable Development				
Trading Standards and Regulations	75	(75)	-	Ongoing Trading Standards prosecution case on product safety
Air Quality	80	(40)	40	Provide funding for a temporary Air Quality Officer post for two years.
Strategic Planning	36	(36)	-	To meet potential costs within the Planning Service and Investment Service Structure.
Transitional Funding- air quality	79	(40)	39	Air Quality Management
Infrastructure and Highways				
Parking - Pay and Display Machines	100	(100)	-	Purchase of Pay and Display Machines.
Highways Procurement	276	(226)	50	To finance the development of the next Highway Service Contract.
Winter Weather	230	-	230	To provide for future adverse winter weather expenditure.
Growth and Regeneration				
Royal Arcade Crewe	500	(200)	300	To provide for future costs relating to the Royal Arcade including repairs and maintenance.
Legal Proceedings on land and property matters	150	(150)	-	To enable legal proceedings on land and property matters.
Skills & Growth	446	(446)	-	To achieve skills and employment priorities and outcomes.
Transitional Funding-Low Carbon Heat Growth Programme	51	(28)	23	Low Carbon Heat Growth Programme
Homelessness & Housing Options	200	(200)	-	To prevent homelessness and mitigate against the risk of increased temporary accommodation costs.
Rural & Cultural Economy				
Tatton Park	80	-	80	Ring-fenced surplus on Tatton Park trading account.

Name of Reserve	Forecast Closing			Notes
	Opening Balance	Forecast Movement	Balance 31 st March	
	1 st April 2017	in 2017/18	2018	
	£000	£000	£000	
Corporate				
Legal Services				
Insurance (Cheshire East & Cheshire County Funds)	4,039	(77)	3,962	To settle insurance claims and manage excess costs.
Transitional Funding-Child Protection Social Workers and Childcare Legal Support	225	(225)	-	Childcare Legal Support
Democratic Services				
Elections	123	100	223	To provide funds for Election costs every 4 years.
Finance and Performance				
Collection Fund Management	11,337	951	12,288	To manage cash flow implications as part of the Business Rates Retention Scheme. Includes liabilities that will not be paid until future years.
Financing Reserve	10,750	-	10,750	To provide for financing of capital schemes, other projects and initiatives.
Enabling Transformation	2,142	(1,616)	526	Funding for costs associated with service transformation; particularly in relation to staffing related expenditure.
Transitional Funding-External Funding Officer	181	(120)	61	External Funding Officer
Cross Service				
Trading Reserve	1,299	(200)	1,099	The Authority's share of ASDVs net surplus to be spent in furtherance of the ASDV's objectives.
Service Manager carry forward	3,017	(2,081)	936	Allocations for Cost of Investment or grant funded expenditure.
Revenue Grants - Dedicated Schools Grant	3,364	(2,753)	611	Unspent specific use grant carried forward into 2017/18.
Revenue Grants - Other	2,384	(629)	1,755	Unspent specific use grant carried forward into 2017/18.
TOTAL	48,912	(11,884)	37,028	

Notes:

1. Figures exclude Schools balances.