Cheshire East Council Pre-Budget Consultation 2018/21

November 2017

www.cheshireeast.gov.uk

Cheshire East Council

This document provides an opportunity for interested parties to review and comment on the Council's Budget proposals. It is available to download on the Cheshire East Council website and has been distributed to Council buildings, such as libraries too.

The budget proposals described in this consultation document are Council wide proposals and the Council's intention at this stage is that consultation is invited on the broad budget proposals. The implications of individual proposals may be much wider for individuals affected by each proposal. Where this is the case, the Council intends to undertake full and proper consultation with people who would potentially be affected by individual budget proposals.

The document contains a number of questions, providing people with an opportunity to give feedback on the various proposals. An on-line survey can be completed here, or you can alternatively give feedback by speaking to your local Councillor – visit Find Your Local Councillor on the Cheshire East Council website for contact details.

Comments on this document are welcome until 12 January 2018.

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

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

After this date, interested parties may still submit comments on the budget up to the Council meeting on **Thursday, 22 February 2018** where the Budget is considered by all Members.

Foreword from the Finance and Communications Portfolio Holder

Cheshire East Council values the opinions of local residents, businesses and organisations and this document provides an opportunity for interested parties to engage in the budget setting processes of the Council.

A great place to live

Cheshire East is a great place to live, work and visit. Our residents enjoy good living standards and when they need help from the Council we are consistently recognised as providing good services, whether through performance measures or public sector awards and accreditations.

Dealing with financial Challenges

Funding local government services is a huge challenge across England, where large reductions in Central Government Grants are being experienced, and yet overall demand for services is increasing. The model for providing social care services, for any age group is not sustainable, whether it is paid for by Local Authorities or the NHS. In Cheshire East the number of residents receiving care and support from Adult Social Care is increasing by 4% year-on-year, and costs can range from very low needs up to individual packages costing over £4,000 per week, where a person has complex needs and nursing care is essential. In addition, over the last 12 months, the number of children and young people in care has increased by 17%. There have been similar levels of increase experienced both regionally and nationally.

The Council will always prioritise services for vulnerable people, despite the financial challenges. This means that other services must come under close scrutiny and deliver cost savings. The Council must explore different ways of working with residents and our partners and that we will require residents, where they are able, to make greater contributions to service costs.

Local Services, funded locally

The Council is one year closer to 2020 when it is expected to have no reliance at all on general funding from Central Government. To put this into context £40m of funding was received in 2015/16.

The Executive of the Council has been working throughout the summer to produce a set of proposals that can support residents and balance the finances of the Council for the period 1st April 2018 through to 31st March 2021. This document provides details of each proposed change to the Council's existing budget, along with options that were considered but are not currently being recommended.

The proposals include the option to increase Council Tax by up to 4.99% for a second consecutive year. This approach could add up to £1 per week to the average household Council Tax bill each year - Importantly 3% of the potential Council Tax increase will be dedicated to meeting the rising costs in Adult Social Care.

Community funding from New Homes Bonus

I am very aware that local areas will have different priorities and to support this, the Pre-Budget Report contains a proposal to set aside £2m of income from the New Homes Bonus over the next two years. The proposal allows local communities to determine how this money should be spent, and I will be very interested to hear the views of local people on whether this proposal should be set in to the final budget.

Thriving economy

On a further positive note the economy in Cheshire East is thriving with the area providing much higher than average contributions to UK GVA (Gross Value Added). Housebuilding is increasing, and key highways projects in Congleton, Poynton and Middlewich are pressing ahead to unlock more potential and ease traffic problems.

Achieving our plans

All the proposals in this document continue to work towards the Council's Corporate Plan which focuses on:

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

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

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

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

Health ~ safeguarding the vulnerable, with care that people need.

Your opinion is important

I believe this report provides a strong set of options, that balance the Council's medium term finances, and I welcome your feedback.

Please use the electronic survey questions on the Council's website, or visit one of our many local facilities to pick up a copy of the survey questions.

Paul Bates

Cllr Paul Bates, Finance and Communications Portfolio Holder

Comment from the Director of Finance and Procurement

The Council continues to look for innovative ways to make every pound achieve the best outcome for local people, and the proposals within this Pre-Budget Report present some important changes to the way we work, the way we fund expenditure and the way we can deliver services.

There is still considerable uncertainty about future funding for local government services despite the Council accepting a multi-year settlement from Government through to 2020. The Better Care Fund, New Homes Bonus and Business Rates are forecast to provide funding of up to £51.7m in 2018/19, which is 20% of the net budget. But all of these funding sources are subject to on-going consultations and constant discussion about change. Cheshire East Council is a large local authority, with over 3,600 staff working to deliver over 500 services every day to meet the needs of local people. The Council's plans for services to local people are targeted at the achievement of the Council's six outcomes contained within the Corporate Plan 2017-20. There is a fine balance between making efficiencies in services and still enabling services to meet residents' needs.

In balancing the medium term finances it is important to reflect the growing demand for services, and balance expenditure with meeting demand whilst maintaining financial control and meeting all statutory requirements. To this end the Pre-Budget Report highlights a shift of resources between service areas, and with Central Budgets:

- The People Directorate is where staff work with health and community based partners to support and keep safe our most vulnerable residents, and spending in this area, is set to increase by £8.4m based on the proposals in this Pre-Budget Report.
- The Place Directorate delivers services focused on our highways network, as well as planning services, regeneration projects and the visitor economy. Spending in this area is set to increase by £1.4m.
- The Corporate Directorate commissions our waste and leisure services as well as providing services that help the Council function, such as ICT and HR. spending in this area will reduce by £1.8m.

In my role as S.151 Officer I constantly review ways to balance the medium term expenditure with the latest income forecasts, as well as targeting the most efficient ways to fund the long term costs of spending on large assets such as new roads. Changes to central budgets linked to managing long term debt and current pension liabilities are detailed in this report to present a balanced overall position.

The purpose of this document is to engage local people in how deliverable the proposals are, or identify further options that could create an alternative and equally sustainable position. I encourage everyone to have their say on these proposals and the executive would welcome any new ideas that would help with the financial challenge and achieve the best outcomes for our local people.

Jan Willis

Jan Willis MBA IPFA

Director of Finance and Procurement (Section 151 Officer)

Pre-Budget Consultation 2018/19 - Priorities

Achieving the Council's outcomes through improved value in services

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

Outcome 1 – Our local communities are strong and supportive

Individuals and families are self-reliant and take personal responsibility for their quality of life.

Communities are cohesive, with a strong sense of neighbourliness. There is genuine civic pride and mutual respect.

Outcome 2 – Cheshire East has a strong and resilient economy

Cheshire East is a place which is open for business. We will invest in the building blocks that will allow business to grow, give our residents the right skills to secure employment and attract inward investment in to the Borough. By working together with business and our residents we will enhance the quality of place and create prosperity for all!

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

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

Outcome 4 – Cheshire East is a green and sustainable place

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

Outcome 5 – People live well and for longer

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

Outcome 6 – A responsible effective and efficient organisation

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

Financial Stability

Strong financial management, achieving outcomes within budget.

Council Tax policy that supports national policies.

Consistently reducing Council debt since 2009.

Managing reserve levels that are appropriate and based on risks.

Enhanced Budget Processes

Maintaining improved timescale for developing and sharing draft Budget Proposals.

Maintaining elected Member input and extended stakeholder engagement.

Development and stream-lining of internal challenge processes.

The Financial Challenge

The Council is facing significant financial pressures and 2017/18 is proving to be a very challenging year for local authorities across the UK. Revenue budgets have come under increasing pressure due to the combined effects of rising inflation, increasing demand and this is compounded by continuing reductions in government funding. Care services in particular are experiencing rising caseloads and increasing complexity of care needs as well as rising costs from minimum wage requirements for care providers.

The 2017/18 budget is balanced, but with the scale of potential changes in funding all services cannot continue unaltered. The strong domestic and non-domestic tax bases in Cheshire East should provide an opportunity to fund services locally, but this has been reviewed by government and this has been taken in to account when proposed reductions in Local Authority Grant settlements has been set.

Cheshire East continues to focus on five key priorities for our local people and the local place, all underpinned by a sixth outcome based on being a Council with a responsible and efficient way of working. This document sets out in detail the proposed changes in each of these areas.

This Pre-Budget Consultation identifies where the Council is making changes to address the potential financial cash deficit whilst still protecting front line services where possible and meeting local needs.

By reviewing current budgets and proposing variations to net expenditure a revised, balanced position has been developed for 2018/19. The proposals include changes to services which are laid out alongside each outcome in specific sections of this report. The Council's budget reflects a net financial position, meaning all income, expenditure and growth pressures from inflation and demand, associated with all services, is consolidated into one overall net budget. The Pre-Budget Report presents a set of proposals that must deal with financial pressures in excess of £70m. This includes reductions in government grant of nearly £20m, inflation of over £10m and increased demand for services estimated to increase costs by almost £40m.

Despite accepting a multi-year settlement in 2016, further changes in demand and risks associated with government funding mean that potential deficits are again a feature of the medium term financial position.

The Council's Response

Reductions in government grant and the change in national government policy now assumes that Council Tax will be increased each year to 2020 and this forms part of the solution alongside sustainable development of the areas, towns and surrounding villages. The proposals in this consultation document assume Council Tax will increase by up to 4.99% in 2018/19 (of which 3% directly relates to funding additional Adult Social Care costs), and a further 1.99% in each of 2019/20 and 2020/21. The potential additional income from this assumption would be £40.7m, leaving further savings to manage from changes and efficiencies within Services.

The management structure of the Council is split in to three directorates: People; Place; and Corporate. Growth and savings proposals for each Directorate can be seen in the table below:-

2018-2021	Growth £m	Savings £m	Net £m
PEOPLE	+81.9	-35.5	+46.4
PLACE	+14.4	-13.1	+1.3
CORPORATE	+19.0	-24.7	-5.7
3yr Change	**+115.3**	**-73.3**	**-42.1**

Throughout the process to balance the annual budget the Council focuses on achieving efficiency, improving productivity and maximising the income available from sustainable growth in the local tax bases.

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

Outcome	Budget 2017/18 £m	Proposals 2018/19 £m	Budget 2018/19 £m	Proposals 2019/20 £m	Budget 2019/20 £m	Proposals 2020/21 £m	Budget 2020/21 £m
Outcome 1 – Local Communities are Strong and Supportive	**23.8**	*0.3*	**24.1**	*0.4*	**24.5**	*0.4*	**24.9**
Outcome 2 – Cheshire East has a Strong and Resilient Economy	**32.2**	*2.4*	**34.6**	*0.1*	**34.7**	*0.2*	**34.9**
Outcome 3 – People have the Life Skills and Education they need in order to thrive	**37.0**	*2.9*	**39.9**	*1.3*	**41.2**	*1.4*	**42.6**
Outcome 4 – Cheshire East is a Green and Sustainable Place	**29.5**	*-0.1*	**29.4**	*-1.5*	**27.9**	*0.1*	**28.0**
Outcome 5 – People Live Well and for Longer	**93.0**	*5.4*	**98.4**	*5.3*	**103.7**	*5.9*	**109.6**
Outcome 6 – Responsible, Effective and Efficient	**33.2**	*-2.9*	**30.3**	*-0.8*	**29.5**	*0.7*	**30.2**
Capital Financing and Central Budgets	**15.1**	*-7.6*	**7.5**	*5.7*	**13.2**	*0.0*	**13.2**
Further Savings required to balance			**-**		**-10.5**		**-13.1**
Total	**263.8**	***0.4***	**264.2**	***10.5***	**264.2**	***8.7***	**270.3**

Contents

Foreword from the Finance and Communications Portfolio Holder		- 3 -
Comment from the Director of Finance and Procurement		- 5 -
Pre-Budget consultation 2018/19 ~ Priorities		- 6 -
The Financial Challenge		- 7 -
The Council's Response:		- 7 -
Achieving Outcomes	Outcome 1 ~ Our local communities are strong and supportive	- 15 -
	Outcome 2 ~ Cheshire East has a strong and resilient economy	- 23 -
	Outcome 3 ~ People have the life skills and education they need in order to thrive	- 36 -
	Outcome 4 ~ Cheshire East is a green and sustainable place	- 48 -
	Outcome 5 ~ People live well and for longer	- 62 -
	Outcome 6 ~ A Responsible, Effective and Efficient Organisation	- 80 -
	Outcome 6 ~ Workforce Development	- 96 -
	Outcome 6 ~ Maintaining Financial Stability	- 102 -

Annexes

1. Developing the Budget - 119 -
2. Key Budget Events 2018/19 - 121 -
3. Timetable to Approval - 122 -
4. Forecasts - 123 -
5. Feedback - 124 -

Achieving Outcomes

Cheshire East Council is responsible for providing more than 500 local public services across an area of over 1,100km^2 for over 370,000 residents. The total amount of spending to deliver these services in the period April 2017 to March 2018 will be in the region of £720m, which is funded from a combination of local taxes, national taxes (in the form of government grants) and payments direct from service users and other organisations.

As a place we have a fantastic mix of rural and urban environments. However the most important element of Cheshire East is its people and we will strive to make sure we have a Council that serves its diverse community well and delivers value for money. We want to see Cheshire East Council build a national reputation for customer services and partnership working and to build a clear programme that continually delivers.

The Corporate Plan 2017-2020 reaffirmed the outcomes contained within the previous three year plan. Members agreed that the outcomes remain hugely relevant to the way the Council can meet the needs of local residents and businesses. However, it is inevitable that local needs and priorities in Cheshire East change over time and the Council must therefore be flexible. This section provides details on how the Council aims to achieve its outcomes through focused and clear priorities.

Each of the Council's Priority outcomes is set out on the following pages along with proposed budget changes that will achieve a balanced position over the period 2018/19 to 2020/21.

The following pages set out:

- Some of Cheshire East Council's achievements over the last year, as detailed in the Council's Outturn Report.
- A clear indication of the Council's current priorities and the themes the Council uses to indicate achievement of these priorities.
- The engagement plan for the current budget setting process.

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

These pages are followed by further detail for each of the Council's service areas and corporate initiatives.

Talking about Cheshire East

8 Green Flag Awards for our parks & open spaces

Connecting Cheshire has made fibre broadband available to 97% of Cheshire East premises. Take-up of fibre has risen to over 43%, one of the highest in the country.

The Council's Community Grants Scheme granted over £170,000 of funding to 94 organisations in 2016/17

As of March 2017, 94% of Cheshire East schools were 'good' or 'outstanding' based on their most recent inspection

Over 3 million uses of Leisure Services facilities in 2016/17

Crewe Lifestyle Centre won 'Best Public Service Building' from the North West Local Authorities Building Control Awards, and the 'Community Benefit' category from the Royal Institute of Chartered Surveyors

Our 56% recycling rate continues to be in the top 10% of all local authorities

398 affordable homes were delivered in 2016/17 (against a target of 350)

Over 1.5 million library visitors per year

There are more than 50,000 dedicated volunteers in Cheshire East who provide over 74,000 hours of support each year to a vast range of organisations.

Around 4.6 million Council website hits per year, with a Socitm 4* (top award) ranking

Local Engagement

Cabinet and Council meetings

- Cabinet December 2017 (Taxbase)
- Cabinet February 2018 (Budget / MTFS)
- Council February 2018 (Budget)

Member briefings

- Finance briefings covering Budget development and the communication of the process at every milestone

Updates for staff on budget progress

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

Overview and Scrutiny

- Opportunity to examine service budget proposals on 15th November 2017
- Examination of in-year performance reports

Engagement events with other stakeholder groups

- Including businesses, Trades Unions, Town and Parish Councils, other key partners, voluntary, community and faith sector, and the Schools Forum
- These events will be highlighting how the Cheshire East Council budget will affect our stakeholders and help to answer questions they may have, to help us develop our relationship with our stakeholders and the wider community

Residents

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

Group meetings

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

Understanding the financial tables in this document

Potential budget changes in this document are expressed in cash terms compared to the Council's Approved Budget for 2017/18.

Items that are *shaded and in italics* have been considered but are not currently proposed for implementation, but feedback on these items is also welcome.

Each proposed change is included in a table as described below:

Theme of the Potential Change(s) *(such as "Changing the way we work" or "Income Generation")*	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
X. Number and title of Proposed changes (either Revenue or Capital) A narrative to describe what the proposal is *Impact on Services Budget =*	**-x.xxx**	**-x.xxx**	**-x,xxx**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

The specific Service Budget that may be affected is identified here. Current budgets are detailed in the Council's Budget Book.

Capital changes are split by the year in which expenditure is incurred.

Figures represent an increase or decrease in spending compared to the 2017/18 Approved Budget.

If the potential change is permanent it is therefore repeated in each year.

If spending will vary across the three years each figure still represents the change from the existing 2017/18 Budget

Outcome 1 – Our local communities are strong and supportive

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

Evidence of Achievement

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

1. Working to increase overall satisfaction with the local area (which is currently at 81%).
2. Increasing the percentage of people who feel safe when they are outside in their local area at night (which is currently at 67%).
3. Operating a 24/7 CCTV service, with a financial contribution from Town & Parish Councils, to monitor the Borough and alert Police, Fire and other public body colleagues of incidents and issues as they take place. (On average the service responds to around 1,300 incidents each month.)
4. Working in partnership to continue making early interventions on incidences of Anti-social Behaviour. Activities in Cheshire East between 2014 and 2016 resulted in high levels of successful interventions; 98.1% of young people receiving interventions never returned to the system to receive an Acceptable Behaviour Contract.
5. Increasing the annual number of Countryside Volunteer days (which stood at 1,294 days in 2016/17), and the annual number of Leisure Services volunteer hours (6,675 hours in 2016/17).
6. Continuing to award Community Grants to contribute towards community activities (in 2016/17 the Scheme granted over £170,000 of funding to 94 organisations, contributing towards over £2.8m worth of projects and community activities).
7. Increasing the number of residents who feel that the Council keeps them informed about the services and benefits it provides (currently at 50%).

Outcome 1 - Revenue	2018/19 (£m)	2019/20 (£m)	2020/21 (£m)	Total (£m)
Base Budget (2017/18)	23.8	23.8	23.8	
Growth	+0.4	+0.8	+1.2	**+2.4**
Savings	-0.1	-0.1	-0.1	**-0.3**
Proposed Revenue Budget	24.1	24.5	24.9	
Outcome 1 - Capital	**2018/19 (£m)**	**2019/20 (£m)**	**2020/21(£m)**	**Total (£m)**
Capital programme – no new schemes proposed	-	-	-	**-**

Key Priorities

We have listened to what is important to our residents and communities. Throughout 2017/18 we have undertaken coproduction events with service users, communities and the voluntary sector to understand what you want to see. We recognise that working with communities will help us achieve this really important outcome about safe, strong and supportive communities. We want to be much more pro-active in agreeing what our deal is with you, so that we use our fantastic assets which are people, money and buildings in the ways to get the best outcomes we can.

Cheshire East Council along with many other local authorities across the country, is facing unprecedented challenges to meet the needs of its residents alongside having to make large scale savings. Only by involving local residents and key stakeholders in how we face these challenges will we truly achieve the best outcomes for all parties. The Council is committed to developing strong and supportive communities, and this approach clearly demonstrates that commitment by putting our residents at the heart of the decision making process wherever possible.

Our community development work uses an asset based approach to develop strength based community initiatives. It builds social capital, recognising the importance of relationships, by developing local networks and connections, including targeted interventions to build social relationships amongst isolated groups. We also deliver interventions that encourage social connections between people with similar experiences to provide peer support, helping residents to confront and cope with life's challenges, so that they maintain their wellbeing in the face of adversity. We are keen to take this approach with our Adult Social Care services too.

All our communities, social networks, and individuals have assets that can help to create community capital and generate local benefits. We want to unleash the full value of our community capital, unlocking any reserves, to maximise our shared potential, bringing about greater social, economic and personal benefits for everyone in Cheshire East. Our journey looks to increase our support to communities by providing information, infrastructure, networks and skills to help local groups and social enterprise grow and overcome any hurdles they identify. This will enable our communities to become more enterprising, reducing dependency and enabling people in more deprived areas to address the inequalities which impact on their lives. We know that a one-size fits all approach will not work, instead we will develop evidence based, community-led interventions, which develop participatory engagement and co-production across our communities.

We want to focus on individuals, supported by families and friends within their local communities. All resources and assets in places must be used to support the wider determinants of health and improve health and wellbeing outcomes. There needs to be a shift towards more prevention and early intervention which will require services to organise and professionals to behave in very different ways.

Challenges

- There is significant demand on services, high costs to the system and local demographic pressures which, coupled with the impact of preventable premature morbidity and mortality and reduced funding, will continue to put pressure on the Cheshire East health and care system.

- Addressing some stark differences across Cheshire East. For life expectancy there is a noticeable difference of around 13 years between the lowest rates in Crewe Central and the highest in Gawsworth for females. For males, there is an 11 year gap between the lowest rate, again in Crewe Central, and the highest in Wilmslow East.

- In 2015 there were 18 small areas in the most deprived 20% nationally; this is an increase from 16 areas in 2010. Of these 18 areas, six areas were in the most deprived 10% of areas nationally. Five of these were also in the most deprived 10% in 2010, and all are areas of Crewe. The sixth and new area includes part of St Johns, again in Crewe.

Opportunities

- A new vision for place-based health and wellbeing is emerging and people must be empowered to take greater control over their own lives, to influence personalised services and to take greater responsibility for their health outcomes.

- Strengthening our approach to Community Engagement and Communications to help shape our commissioning intentions, our services and to create sustainable communities.

- Reshaping our approach to Adult Social Care and Communities work to empower local residents and Connect People, helping people in communities to become more connected to others, to reduce inequalities and improve life chances.

- Strengthen local networks and partnerships, developing Connected Neighbourhoods which work collaboratively and provide mechanisms for collaboration to improve health and wellbeing.

- Connecting local people to local decision making.

Proposals to vary the Budget under Outcome 1 (Communities) are focused on these areas:

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
1. Review Environmental Enforcement Service based on outcomes (Summer 17) of Flytipping pilot and procurement of patrol company pilot (Revenue Savings) Two pilot projects are underway to improve environmental enforcement. These will be reviewed by the end of Summer 2017, with a plan to redesign the delivery of the service and deliver savings from April 2018 onwards.			
Impact on Community Safety Delivery Team Service Budget =	**-0.118**	**-0.118**	**-0.118**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Working with the community ***Services and financial forecasts will be adjusted to react to trends in the way residents interact with key services.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
2. Increase Community Grants (Revenue Investment) The Community Grants scheme is highly valued by community and voluntary groups and demand for support increases annually, and is now four times oversubscribed. For every £1 invested in this scheme it is worth £9 to the community, contributing towards over £1.6m worth of activities and projects in the Borough in 2015/16. The proposal is to increase the Community Grant budget, to deliver even greater impact from investment. *Impact on Partnerships & Communities Service Budget =*	**+0.040**	**+0.040**	**+0.040**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Consultation Questions – Outcome 1

Our local communities are strong and supportive

The proposed budget changes under Outcome 1 are designed to help keep communities engaged with the Council and help local residents to continue feeling safe.

Should the potential changes to budgets supporting Outcome 1, listed above, be altered, and if so in what way (please include a proposal number if referring to a specific item)?

What other proposals should be considered to achieve Outcome 1 whilst maintaining an overall balanced budget for the Council?

Outcome 2 - Cheshire East has a strong and resilient economy

What this means:	We will invest in the building blocks that will allow business to grow, give our residents the right skills to secure employment and attract inward investment in to the Borough. By working together with business and our residents we will enhance the quality of place and create prosperity for all.			
What the Council will focus on:	**1. Culture, Heritage and Tourism**	**2. Jobs and Skills**	**3. Business Growth and Inward Investment**	**4. Infrastructure**
What this will look like:	Across the Borough our towns and villages will offer a rich mix of retail, leisure, cultural and heritage facilities that will serve our residents and attract more visitors and tourists to Cheshire East.	The workforce in Cheshire East will be well educated and skilled. Unemployment will be kept low, new and high quality jobs will be created and people will be ready for work as soon as they leave education or training.	Businesses will grow and thrive in Cheshire East. Sites and support will be available to attract new businesses to the Borough and to allow existing businesses to grow.	Cheshire East will be well connected. Travel will be safe and efficient.

Evidence of Achievement

Performance of Outcome 2 will be measured through the use of performance indicators such as the examples below:

1. Continuing to grow Cheshire East's economic output (Gross Added Value). Latest (2015) estimates suggest that the Borough's GVA stands at £11.45bn; a growth averaging 4.5% per annum since 2012.
2. Increasing Cheshire East's visitor economy, now worth £895m to the local economy. According to latest (2016) figures, 17.66 million visitor days are spent in the Borough per year, an increase of over 34% since Cheshire East Council was formed in 2009.
3. Increasing the average level of customer satisfaction (50% in 2016/17) with our Highways service via targeted performance improvements across a range of measures including reduced insurance claims against highways (590 in 2016/17) and resolving 98.5% of Category 1 Defects within timescales.
4. Maintaining low numbers of young people who are NEET (not in education, employment or training), which stood at 2.4% at the end of 2016/17.

Outcome 2 - Revenue	2018/19 (£m)	2019/20 (£m)	2020/21 (£m)	Total (£m)
Base Budget (2017/18)	32.2	32.2	32.2	
Growth	+3.6	+4.1	+4.5	**+12.2**
Savings	-1.2	-1.6	-1.8	**-4.6**
Proposed Revenue Budget	34.6	34.7	34.9	
Outcome 2 - Capital	**2018/19 (£m)**	**2019/20 (£m)**	**2020/21 (£m)**	**Total (£m)**
Capital programme – no new schemes proposed	-	-	-	**-**

Key Priorities

Cheshire East has one of the strongest economies in the country which is made up of a vibrant mix of businesses across a wide range of sectors. The challenge is how we maintain our position to create sustainable growth that will support the wellbeing of our residents and the economy to grow.

With this in mind the Council is prioritising investment from both its capital and revenue budget to support growth through major infrastructure projects such as HS2 and support for regeneration.

Furthermore the Council has completed a review of the subsidised bus network with the action of prioritising the Council's budget to support access to essential services e.g. health / education and employment. The proposals would ensure the Council maintains 97% of the subsidised network.

Therefore these proposals seek to prioritise spending on economic development and regeneration and seeking efficiency through major contracts such as the highways service contract. In doing this we will aim to maintain the quality of the highway network.

Proposals to vary the Budget under Outcome 2 (Economy) are focused on these areas:

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
3. Addressing Budget Shortfall in the Asset Management Service (Revenue Investment) There is shortfall in income being achieved from the asset portfolio and as such income targets for the service will need to be permanently adjusted. This will partially be addressed by driving efficiencies however a growth bid is still necessary. *Impact on Assets Service Budget =*	**+0.327**	**+0.249**	**+0.184**
4. Visitor Economy (Revenue Investment) Addressing operational issues of Cheshire East's Visitor Information Centres (VICs). Cheshire East Council (CEC) have signed an Service Level Agreement (SLA) with Macclesfield Town Council (TC) to provide financial contributions and discussions are ongoing with Congleton TC around financial contributions whilst maintaining provision of a sustainable visitor information service. This will allow tourism assets to be actively promoted. There is also a number of long standing underlying budget pressures totalling £35,000 associated with the management & operation of the VICs relating to an ongoing inherited shortfall. This supports Council outcomes 1, 2, 3, & 5. *Impact on Visitor Economy Service Budget =*	**+0.032**	**0.000**	**-0.012**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
5. Removal of Fairerpower payment (Revenue Saving) As the Fairerpower scheme nears its self-sustaining position the contract is being novated over to Skills and Growth Company (SAGC) so they can implement their growth strategy of approaching other Authorities to buy in to the scheme. The annual payment that CEC made to SAGC to manage the contract can now cease. *Impact on Skills & Growth Service Budget =*	**-0.140**	**-0.140**	**-0.140**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Investment in services ***Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.***	**2018/19 £m***	**2019/20 £m***	**2020/21 £m***
6. Cheshire East Reflects (Revenue Investment & Savings) Continued delivery of Cheshire East Reflects four year programme of commemorative activities to mark centenary of World War 1. In particular, continuation of education programme and delivery of major, public events in 2018. The programme of events end in 2018 so no further funding will be required in 2019/20. Supports Council's Outcomes 1, 2, 3, and 5 *Impact on Cultural Economy Service Budget =*	**+0.020**	**-0.030**	**-0.030**
7. Shortfall in salary budgets and establishment costs (Revenue Investment) A base budget review of the department has highlighted historic shortfalls in salary budgets, this regularises the situation but will be addressed as part of a wider review of the management structure. *Impact on Directorate Service Budget =*	**+0.105**	**+0.105**	**+0.105**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Investment in services ***Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.***	**2018/19 £m***	**2019/20 £m***	**2020/21 £m***
8. Facilities Management budget shortfalls (Revenue Investment) Recent additions to the Council's estate to improve facilities for residents have resulted in pressures on budgets. For example, legacy buildings and the re-evaluation of properties for business rates has resulted in higher business rates being payable, are contributing to the budget pressure. *Impact on Facilities Management Service Budget =*	**+0.836**	**+0.926**	**+1.016**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Income generation ***Charging strategies for each service area to increase income where appropriate based on market rates and considering the price elasticity of demand for services.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
9. Create a new Investment Portfolio (Revenue Savings) The objective of this proposal is to deliver a long term and sustainable income to the Council through investment in commercial property. The general approach will be to consider the level of investment, risk and potential rate of return prior to considering acquiring the specific investment. *Impact on Assets Service Budget =*	**0.000**	**-0.250**	**-0.500**
10. Increase Public Rights of Way Fees & Charges (Revenue Savings) Changes in fees and charges associated with the legal processes in dealing with making alterations to public rights of way. These changes are driven by increased demands for alterations to public rights of way associated with development throughout Cheshire East which requires a far greater input of officer time to adequately manage. The fees and charges need to accurately reflect this in order to ensure the Council is recovering its full costs and there are no additional financial burdens on the council tax payer. Supports Council's Outcomes 1, 2, 3, and 5. *Impact on Public Rights of Way Service Budget =*	**0.000**	**-0.015**	**-0.015**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Reducing subsidy ***Ensure limited resources are redirected to the areas with the most critical need.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
11. Changes to subsidised Bus Service (Revenue Savings) The Council gives revenue support to local bus services to enable services to be provided which would not otherwise be provided by commercial operators. The proposed review would also seek to rationalise the existing network by combining routes, changing the hours of operation and in some cases by stopping the provision of services altogether. This has been subject to a thorough and detailed consultation exercise so that the impact on these proposals can be assessed before a final decision is made. In particular the impact on rural communities and protected groups will be reviewed before a final decision is made.			
Impact on Public Transport Commissioning Service Budget =	**-1.000**	**-1.000**	**-1.000**
12. Tatton Vision Phase 1 (Revenue Savings) A five year capital programme, Tatton Vision Phase 1 is investment in facilities, services and experience for visitors and residents to the park. It aims to improve indoor event spaces, catering and retail sites, encouraging increasing visitor numbers, greater spend and longer dwell time. This improves the overall financial return, reducing the cost of Tatton to the Council. Supports all the Council's Outcomes.			
Impact on Tatton Park Service Budget =	**-0.045**	**-0.085**	**-0.085**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Reducing subsidy ***Ensure limited resources are redirected to the areas with the most critical need.***	**2018/19 £m***	**2019/20 £m***	**2020/21 £m***
13. Reduce funding to Macclesfield Silk Heritage Trust (Revenue Savings) Managed transition of support funding to Macclesfield Silk Heritage Trust resulting from the revised business plan. Supports Council's Outcomes 1, 2, 3, and 5. *Impact on Cultural Economy Service Budget =*	**-0.010**	**-0.010**	**-0.010**
14. Marketing Cheshire (Revenue Savings) Cheshire and Warrington Tourism Board operating as Marketing Cheshire provide a company vehicle for Cheshire East Council to deliver agreed sub-regional and local activities in relation to the growth agenda and delivery of its visitor economy strategy. By reducing the payments in 2018/19 and 2019/20, this will have negligible impact on current visitor economy projects and funding schemes already in place and currently being implemented in Cheshire East. It allows Marketing Cheshire time to source additional external revenue outside of the public purse, sustaining its contribution to delivery of the Visitor Economy Strategy. Supports Council's Outcomes 2 and 6. *Impact on Visitor Economy Service Budget =*	**-0.020**	**-0.020**	**-0.020**
Proposals being considered but not currently put forward for implementation:			
15. *Achieve Maximum reduction in Bus Subsidy* *The full bus service review saving was £1.576m, but this has been adjusted to a revised target of £1m following consultation and scrutiny review. Further savings could be achieved if the maximum reduction was implemented.*	***-0.576***	***-0.576***	***-0.576***
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Regeneration ***Investment in the infrastructure and towns in Cheshire East.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
16. HS2 Strategy (Revenue Investment) The arrival of HS2 to Crewe in 2027 provides a once in a generation opportunity for Crewe, Cheshire East and the wider Constellation Partnership to deliver economic and transformational changes to Crewe and the Constellation area. However, these benefits can only be realised with investment in the right hub station at Crewe. This proposal will cover the programme of work needed to influence decisions for the Crewe hub and development and implementation work needed to capture the local benefits of HS2 to Cheshire East. *Impact on Strategic Infrastructure Service Budget =*	**+0.500**	**+0.500**	**+0.500**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Consultation Questions – Outcome 2

Cheshire East has a strong and resilient economy

The proposed budget changes under Outcome 2 are designed to help promote economic growth and ensure we have the right skills and opportunities for investment.

Should the potential changes to budgets supporting Outcome 2, listed above, be altered, and if so in what way (please include a proposal number if referring to a specific item)?

What other proposals should be considered to achieve Outcome 2 whilst maintaining an overall balanced budget for the Council?

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

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

Evidence of Achievement

Performance of Outcome 3 will be measured through the use of performance indicators such as the examples below:

1. Maintaining a high percentage of Cheshire East schools rated 'good' or 'outstanding' based on their most recent inspection. As at March 2017, 94% of Cheshire East schools were rated as 'good' or 'outstanding', higher than for the North West region (90%) and England (89%).
2. Pupils will be supported to achieve their academic potential. Provisional Summer 2017 results of the new reformed GCSEs show 83% of Cheshire East pupils gaining the standard pass or better in English, compared to 65% nationally. In maths, 74% of Cheshire East pupils gained the standard pass or better, compared to 69% nationally.
3. Cheshire East's A-Level students will be supported to maintain excellent pass rates. The provisional pass rate of 99% in summer 2017 was above the national average of 98%.
4. Maintaining a high percentage of learners achieving high overall achievement rates. National Achievement Rates Tables (NARTs) published by the Skills Funding Agency, highlighting key indicators of performance in education and training at 19 years and over, show learners supported and monitored through the Cheshire East Lifelong Learning Team achieved the highest overall achievement rate (94%) across the Cheshire and Warrington areas, exceeding the regional average of 78% and the national average of 84%.
5. Improve the percentage of individuals achieving a good level of development from 72% (in 2016/17) and maintain performance above the national average of 71%.
6. Better educational outcomes for children and young people from disadvantaged groups, including those with special educational needs (SEN) and those cared for by the local authority.
7. Improved sufficiency of school places within Cheshire East, including for those with SEN.
8. Successful collaboration with schools leads to sustainable sector led approach to education and skills.

Outcome 3 - Revenue	2018/19 (£m)	2019/20 (£m)	2020/21 (£m)	Total (£m)
Base Budget (2017/18)	37.0	37.0	37.0	
Growth	+4.6	+6.0	+7.4	**+18.0**
Savings	-1.7	-1.8	-1.8	**-5.3**
Proposed Revenue Budget	39.9	41.2	42.6	
Outcome 3 - Capital	**2018/19 (£m)**	**2019/20 (£m)**	**2020/21 (£m)**	**Total (£m)**
Capital programme – proposed new schemes	0.2	-	-	**0.2**

Key Priorities

Ensuring that our children and young people get a good start in life, have the education and skills to meet the needs of local businesses and are prepared for the world of work and adulthood is a key priority for the Council. This means having high quality places to learn, with well trained staff, who can support all children and young people, in particular our most vulnerable learners. We will continue to work with early years, schools, colleges and other settings to improve educational performance.

The 'Parenting Journey', our universal offer of parenting support from pre-birth to starting school, has been established to ensure that all young people get a good start in life. It integrates and joins up our support for families in the early years across education, health and care. In 2018-19 we will evaluate the impact of the Parenting Journey and review our way of working so that we can ensure our services have maximum impact, particularly for our most vulnerable children and their families.

Having sufficient, good quality, school places in the right areas of Cheshire East to meet need is essential for learning; delivering on our schools capital programme continues to be a priority for 2018-19. Cheshire East Council was one of 19 local authorities whose expression of interest to develop a free school was recently approved by the Department for Education (DfE). We intend to provide 40 additional places for local children with social, emotional and mental health in Crewe from 2018. A plan has also been developed to add 270 additional SEND places over the next three years.

We continue to work on improving educational outcomes for disadvantaged pupils, including children in the care of the local authority. We will use the new vulnerable schools policy framework and categorisation process in challenging all schools in monitoring pupil outcomes. This also includes those children and young people with special educational needs and disabilities (SEND). The 0-25 SEND partnership has made good progress over the past year in championing the needs of this vulnerable group of young people to improve the performance and practice in this area. The priorities for the next year include embedding the SEND toolkit, aligning multi-agency referral and assessment pathways and increasing participation with children and young people.

During 2017-18, we integrated the Lifelong Learning Team into children's services to ensure a greater strategic community and employer approach. The next step is to consider whether a locality approach would be beneficial to move this agenda forward.

Challenges

- Implement the capital strategy to deliver the school places required as a consequence of housing developments and demographic growth in Cheshire East.
- Improve outcomes for disadvantaged pupils; continue to ensure high standards in all schools and effective support for those children not in school, ensuring that every child fulfils their educational potential.
- Ensure that activity, governance and accountability of the 0-25 Special Educational Needs and Disabilities (SEND) partnership is effective in delivering improved outcomes for SEND children and young people, including meeting the 20 week timescale for completion of education, health and care plans (EHCPs).
- Develop a stronger focus on support for the children and young people most vulnerable to the poorest outcomes.
- Ensure children and young people have the skills to meet the needs of local employers.

Opportunities

- Further develop the 'Parenting Journey' so it has maximum impact on giving young children the best start in life.
- Continue to collaborate with schools on joint focus areas, including developing a sustainable sector led approach to education and skills.
- Work with parents, carers and children and young people to co-produce services, particularly in relation to children with SEND.
- Maintain current positive dialogue with schools regarding future pupil place planning.

Proposals to vary the Budget under Outcome 3 (Education) are focused on these areas:

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2018/19 £m***	**2019/20 £m***	**2020/21 £m***
17. Transport - parental subsidy for Available Walking Routes phase 2 (Revenue Investment) Subsidies to parent / carer to support implementation of proposed phase 2 available walking routes. *Impact on Education and Skills Service Budget =*	**+0.070**	**0.000**	**0.000**
18. Children & Families Transport Policy review (Revenue Savings) Review of transport policies and delivery arrangements to achieve efficiencies. Work with the current school transport provider, Transport Service Solutions, to explore all options to provide a more cost effective solution. *Impact on Education and Skills Service Budget =*	**-0.410**	**-0.570**	**-0.570**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Looking after children and young people ***Review of current service offers to ensure high standards are maintained and demand is managed.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
19. Reduction in Children's commissioned services (Revenue Saving) The cyclical review of the wide variety of commissioned services that support the Council to deliver effective children's services will look to identify efficiencies as contracts come to an end and will also ensure a continuing fit with the internal capacity within Children's Services. *Impact on Children's Social Care Service Budget =*	**-0.050**	**-0.050**	**-0.050**
20. Review of service provision for children with disabilities (Revenue Saving) Carry out a review to ensure efficient management and co-ordination of the short break local offer for children with a disability and their families. Put in place a whole system that is transparent, equitable and provides value for money, using advanced technology, to sustain a good offer to children, young people and their families. *Impact on Children's Social Care Service Budget =*	**-0.200**	**-0.200**	**-0.200**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Looking after children and young people ***Review of current service offers to ensure high standards are maintained and demand is managed.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
21. Care Placements (Revenue Investment) There has been a 17% increase in the numbers of cared for children in Cheshire East over the last year, which is a situation being experienced elsewhere, both regionally and nationally. Although we are still below national and local comparators, admissions to care have continued to exceed the number of discharges and the complexity of needs of individuals are increasing due to improved assessments and effective prevention arrangements. This increase in numbers and complexity has resulted in the need for additional placement purchases, including high cost placements, and additional staffing to support children, young people and care leavers. *Impact on Children's Social Care Service Budget =*	**+3.000**	**+4.000**	**+5.000**
22. Revise Interagency Income Budget (Revenue Investment) Interagency income has been significantly reduced due to the collaboration with Adoption Counts across the sub region. Therefore, a growth bid is required to offset this loss of income. *Impact on Children's Social Care Service Budget =*	**+0.500**	**+0.500**	**+0.500**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Looking after children and young people ***Review of current service offers to ensure high standards are maintained and demand is managed.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
23. Housing related accommodation and support facilities (Revenue Investment) Permanent funding will ensure the important accommodation and support for cared for children and care leavers at Watermill House can continue. *Impact on Children's Social Care Service Budget =*	**+0.040**	**+0.040**	**+0.040**
24. Children and Families Staffing Gap (Revenue Investment) The completion of the needs led staffing budget review across children and families has highlighted some additional costs due to increased pay levels. There is a planned increased cost of ICT licenses and maintenance across children and families. *Impact on People Directorate Service Budget =*	**+0.260**	**+0.260**	**+0.260**
25. Childcare Sufficiency Programme (Capital Investment) To increase the capacity of early years places to enable all children to access their free entitlement. *New Capital Investment 2018/19 =*	**+0.234**	**0.000**	**0.000**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Reducing subsidy ***Ensure limited resources are redirected to the areas with the most critical need.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
26. End of Early Intervention short-term funding allocation (non Public Health element) (Revenue Savings) End of investment in early help and prevention services that were used to reduce the demand for higher cost services in the longer term. *Impact on Children and Families Directorate Budget =*	**-1.000**	**-1.000**	**-1.000**
27. Children and Families Transport (Revenue Investment) Establish key posts with responsibility for school transport and ensure efficiency of future and on going arrangements. *Impact on Children and Families Directorate Budget =*	**+0.134**	**+0.075**	**+0.075**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Income generation ***Charging strategies for each service area to increase income where appropriate based on market rates and considering the price elasticity of demand for services.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
28. Provide Schools Meal Subsidy (Revenue Investment)			
Expectation of income targets from school meals to be removed due to increased food prices and competition from other providers.			
Impact on Education and Skills Service Budget =	**+0.200**	**+0.410**	**+0.410**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Consultation Questions – Outcome 3

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

The proposed budget changes under Outcome 3 are designed to ensure children and young people get a good start in life and are able to realise their full potential.

Should the potential changes to budgets supporting Outcome 3, listed above, be altered, and if so in what way (please include a proposal number if referring to a specific item)?

What other proposals should be considered to achieve Outcome 3 whilst maintaining an overall balanced budget for the Council?

Outcome 4 – Cheshire East is a green and sustainable place

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

Evidence of Achievement

Performance of Outcome 4 will be measured through the use of performance indicators such as the examples below:

1. Maintaining Green Flag awards for our parks and open spaces; eight were awarded in 2017 and Tatton Park in Knutsford and Queens Park in Crewe also received 'Green Heritage' status.
2. Targeting a further 15% reduction in total tonnage of CO2 Emissions from authority buildings by 2020.
3. Maintaining Cheshire East Council's recycling rate, currently in the top 10% of all local authorities, and increasing the tonnage of materials re-used by 2% per year (over 1,400 tonnes in 2016/17).
4. Increasing the number of customers signing up to Fairerpower (currently at over 7,500 customers).
5. Processing 85% of major planning applications and 90% of all other types of planning applications within timescales in one of the highest volume authorities in the country.

Outcome 4 - Revenue	2018/19 (£m)	2019/20 (£m)	2020/21 (£m)	Total (£m)
Base Budget (2017/18)	29.5	29.5	29.5	
Growth	+2.3	+3.5	+4.0	**+9.8**
Savings	-2.4	-5.1	-5.5	**-13.0**
Proposed Revenue Budget	29.4	27.9	28.0	
Outcome 4 - Capital	**2018/19 (£m)**	**2019/20 (£m)**	**2020/21 (£m)**	**Total (£m)**
Capital programme – proposed new schemes	0.1	2.0	2.0	**4.1**

Key Priorities

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

Protecting and enhancing the 'Quality of Place' in the Borough is essential in respect of both rural and urban areas. We must provide an effective framework for well designed development projects. The adoption of the Local Plan is the basis for this and we will work on providing an effective planning framework and continue to invest in the planning service but will ensure that we set appropriate fee levels to enable the Council to continue its investment.

We understand that the maintenance of highways in an important element to 'quality of place' and we have looked at how we deliver an effective and efficient service for example the introduction of LED street lights will deliver savings and the way we procure our highway services will also deliver savings and efficiencies. We are committed to our residents and one area that we know affects everyone in our Borough is parking – we are therefore developing a Parking Strategy linked to the Local Transport Plan to inform the future parking provision and charging mechanisms across the Borough.

Proposals to vary the Budget under Outcome 4 (Environment) are focused on these areas:

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
29. Markets Income (Revenue Foregone) Temporary suspension of the Crewe indoor market target for 2018/19 to reflect planned imminent changes, as part of the Crewe Town Centre Regeneration Programme, agreed by Cabinet in September 2017. Income targets for Crewe outdoor market and Macclesfield markets are adjusted to 2017/18 estimated outturns. *Impact on Client Commissioning - Environmental Service Budget =*	**+0.250**	**+0.091**	**+0.091**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
30. Street Lighting Improvements (Revenue Savings) Following approval to fund a three year programme (2016/17, 2017/18 and 2018/19) of LED street light conversions, this project will allow for a reduction in the reactive revenue maintenance budget due to reduced maintenance requirements and extended life guarantees on the lanterns. *Impact on Highways Service Budget =*	**-0.050**	**-0.100**	**-0.100**
31. Highways Contract (Revenue Savings) The Council operates its Highways operations through an integrated contract. This enables our contractor to determine the most efficient way to deliver a range of activities to manage and maintain our road network within an overall budget set by the Council. The Council are in the process of procuring a new contract from October 2018 and so this provides a point in time to review the amount of revenue funding to be put through this contract to carry out winter gritting, gully emptying, verge maintenance, weed spraying, tree maintenance, frontline staff, community teams and fees and charges. *Impact on Highways Service Budget =*	**-0.500**	**-0.500**	**-0.500**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
32. Contract Savings and Place Directorate restructuring (Revenue Savings) The Place Directorate manages contracts of an estimated annual value of £90m and will aim to achieve reductions in contract expenditure through targeted actions such as: - More consistent standards of contract management - Improved alignment of commissioning activity - Challenging the benefits of existing provider markets - Smarter negotiation to achieve outcomes at best value The staffing structure of the Directorate must also change to reflect new ways of working that deliver place based services, that achieve outcomes, in the most efficient way. This will require re-alignment of services and reviews of management responsibilities that reduce overall costs. The combination of changes to contract management and management structures can realise reductions of up to £470k per annum. *Impact on Cross Service Budget =*	**-0.470**	**-0.470**	**-0.470**
33. Highways Procurement (Revenue Savings) This is a target saving that is dependent on the outcome of a successful procurement of the next highways services contract**.** *Impact on Highways Service Budget =*	**-0.100**	**-0.200**	**-0.200**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
Proposals being considered but not currently put forward for implementation:			
34. ***Review of Alternative Service Delivery Vehicles (ASDVs)*** *A review of each of the Council's ASDVs together with a review how the council manages them has been conducted. Whilst there isn't a specific budget proposal at this stage, the final recommendations arising from the review could deliver further savings proposals to support the council's MTFS.*	***Value not confirmed***		
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Investment in services ***Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.***	**2018/19 £m***	**2019/20 £m***	**2020/21 £m***
35. Planning Reserve (Revenue Investment) This will support the additional work necessary to ensure that we have an effective planning framework in the Borough including – Community Infrastructure Levy, Allocations Development Plan Document, Minerals and Waste Plan. Each one will require an evidence base to be developed, public engagement and a series of hearings. *Impact on Planning Service Budget =*	**+0.425**	**-0.375**	**-0.575**
36. Lead Local Authority Flood Grant Funding (Revenue Funding) The Council as the Lead Local Flood Authority contributes an annual sum to the Regional Flood and Costal Committee. This money is then available as a source of funding in addition to allowing access to wider Flood Defence Grant in Aid funds. *Impact on Highways Service Budget =*	**+0.001**	**+0.002**	**+0.002**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Managing waste ***Reviewing our current Waste offer to ensure value for money is achieved.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
37. Household Waste Recycling Centre income generation & efficiencies (Revenue Savings) Continuing improvements and efficiencies to the Household Waste Recycling Centre service, including investment to improve our sites and allow the acceptance of trade waste, the closure of Arclid Household Waste Recycling Centre, the introduction of a charge for rubble waste and the reduction in opening hours. Proposals were publically consulted on in 2016/17. *Impact on Client Commissioning - Environmental Service Budget =*	**-0.576**	**-0.576**	**-0.576**
38. Ansa income generation & efficiencies (Revenue Savings) Income generation through Ansa commercial approach to service delivery, benefit to the commissioner from Ansa's subsidiary joint venture (with two neighbouring authorities) and further efficiency savings including route optimisation, negotiation of contracts from third party suppliers. *Impact on Client Commissioning - Environmental Service Budget =*	**-0.090**	**-1.230**	**-1.665**
39. Housing Growth , Waste Contract Inflation and Tonnage Growth (Revenue Investment) Housing growth to date and projected will see a corresponding increase in collection costs and recycling and waste per household. In addition annual contract inflation and a rise in the quantity of waste per household is increasing waste handling and disposal costs. *Impact on Client Commissioning - Environmental Service Budget =*	**+0.588**	**+0.938**	**+1.288**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Managing waste ***Reviewing our current Waste offer to ensure value for money is achieved.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
40. Food Waste Recycling (Composting Plant) (Revenue Investment) This project enables the development of a composting plant to allow food waste recycling in 2019. Household food waste recycling is a key aim of the Council's Municipal Waste Strategy. The Council is seeking to expand its recycling service by enabling household food waste to be recycled within the garden waste bin. To achieve this a new green waste processing solution is required through the construction of a composting plant. This is a major opportunity for the Council to deal more sustainably with household food waste currently going for disposal. While the plant will operate within the existing contract budget there is a collection cost increase associated with the ending of the annual garden bin winter waste shut down. *Impact on Client Commissioning - Environmental Service Budget =*	**0.000**	**+0.440**	**+0.150**
41. Supply of Household Recycling & Waste Bins - Cost Avoidance (Revenue Savings) The demand for new and replacement bins has been greater than the budgeted capital provision for the last three years. This proposal will introduce a bin supply charge for new and replacement bins in line with other local authority charging schemes and as such reduce costs to the Council in the supply of bins to new and existing properties. *Revenue Income - Impact on Client Commissioning - Environmental Service Budget =* *Capital Contribution =*	**-0.148** **+0.148**	**-0.148** **+0.148**	**-0.148** **+0.148**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Managing waste ***Reviewing our current Waste offer to ensure value for money is achieved.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
42. Congleton Household Waste Recycling Centre (Capital Investment) Consideration of options to secure the long-term provision of a household waste recycling centre in the Congleton area, including possible site relocation. *New Capital Investment 2018/19 =*	**+0.050**	**+2.000**	**+2.000**
43. Environmental Services base budget (Revenue Investment) Additions to the base budget to cover tree survey costs and base budget adjustment. *Impact on Client Commissioning - Environmental Service Budget =*	**+0.152**	**+0.152**	**+0.152**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Income generation ***Charging strategies for each service area to increase income where appropriate based on market rates and considering the price elasticity of demand for services.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
44. Parking Strategy (Revenue Savings) The target income the Council receives from parking charges is used to manage the delivery of its parking and related transport and traffic services. The development of a Parking Strategy linked to the Council's Local Transport Plan refresh will inform the level of future provision and charging. Early implementation of practical initiatives will be prioritised. *Impact on Parking Service Budget =*	**-0.355**	**-1.142**	**-1.142**
45. Increase planning fees – White Paper proposals (Revenue Saving) Application fees are due to increase by 20% however the timing of this remains uncertain with an announcement now expected at the end of November. *Impact on Planning Service Budget =*	**-0.100**	**-0.100**	**-0.100**
Proposals being considered but not currently put forward for implementation:			
46. *Flat rate Car Parking fee increases* *Additional car parking fee increases which would deliver an increase in income of £220k per annum, are not being taken forward following representations made by scrutiny. The Cabinet are now proposing a full review of car parking across the Borough so that fee increases are linked to a more detailed review of car parking in each area.*	***-0.220***	***-0.220***	***-0.220***
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Consultation Questions – Outcome 4

Cheshire East is a green and sustainable place

The proposed budget changes under Outcome 4 are designed to ensure Cheshire East's rural and urban character is protected and enhanced through appropriate sensitive development, environmental management, transport and waste disposal policies.

Should the potential changes to budgets supporting Outcome 4, listed above, be altered, and if so in what way (please include a proposal number if referring to a specific item)?

What other proposals should be considered to achieve Outcome 4 whilst maintaining an overall balanced budget for the Council?

Outcome 5 – People live well and for longer

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

Evidence of Achievement

Performance of Outcome 5 will be measured through the use of performance indicators such as the examples below:

1. Increasing take-up of NHS Health Checks, 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.
2. Providing home adaptations to enable older and/or disabled residents to stay in their home – over 1,400 minor adaptations and over 400 major adaptations were made to homes in 2016/17.
3. Increasing attendance figures at Council-owned leisure facilities by 1% per year (There were over 3 million visits during 2016/17).
4. Maintaining the number of long-term empty homes in Cheshire East at less than 1%.
5. Sustaining performance of adults receiving self-directed support at above 90% against the latest national average of 86.9% (2016/17 year-end performance stood at 93.2%).
6. Increase the number of social care users who have as much social contact as they want from 33.4% in 2016/17 (National Average 35.5%).
7. Reduce the delayed transfers of care from hospital days attributable to adult social care from 207 per 100,000 population (2016/17) to 160 per 100,000 population.
8. A developed market place for both care homes and domiciliary care.
9. More personalised services available for longer term and short term care and support.
10. Preventative services have reduced the need for long term care.

Outcome 5 - Revenue	2018/19 (£m)	2019/20 (£m)	2020/21 (£m)	Total (£m)
Base Budget (2017/18)	93.0	93.0	93.0	
Growth	+14.3	+21.2	+27.1	**+62.6**
Savings	-8.9	-10.5	-10.5	**-29.9**
Proposed Revenue Budget	98.4	103.7	109.6	
Outcome 5 - Capital	**2018/19 (£m)**	**2019/20 (£m)**	**2020/21 (£m)**	**Total (£m)**
Capital programme – no new schemes proposed	-	-	-	**-**

Key Priorities

Introduction

The Council has experienced a significant increase in the number of children entering care in Cheshire East. Whilst this rise is reflected locally and nationally, it continues to put pressure on budgets within Children's Social Care, both in terms of placement and staffing costs. A number of measures have been put in place in 2017-18 and these have started to impact; children in care numbers have started to stabilise. A growth bid for social care in 2018-19 forms part of these proposals.

Increasing pressures on the budget have led to a number of service reviews and changes in commissioned services. The focus of these has been to maintain frontline capacity and target our resources more effectively on those services that make an impact. Project Crewe has been extended to Macclesfield, to provide this key service across the borough and our Participation Service has been brought in-house to be delivered from within our Youth Service. We are having to reshape the market to meet the change in demand and refocus our early help offer.

We are increasingly working on a sub-regional footprint. On 3 July this year 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' has been awarded £500,000 over two years to develop a centre of excellence for adoption support. Work also continues on developing sub-regional collaborative arrangements around fostering services. We are also in the process of developing a shared fostering service for Cheshire East alongside Warrington, Halton and Cheshire West and Chester. Increasingly work is taking place pan-Cheshire around safeguarding children and work is underway to establish future arrangements for the four Local Safeguarding Children's Boards (LSCB).

Significant work has taken place over the past year to prepare for the implementation of Signs of Safety (SoS) as a new way of working across Cheshire East. Working closely with North Yorkshire County Council as part of the DfE Partners in Practice (PiP) Programme, Cheshire East has benefitted from the advice and guidance from an authority who is successfully using the model to achieve positive results for children, young people and staff. Staff have participated from the outset to help to shape and prepare for Signs of Safety within their services, embracing change. We believe that this is already starting to change the culture across the service and partnership; recruitment and retention of social care staff has significantly improved over the past year. Embedding this model across all areas of our work with children, young people and families is a priority for 2018-19.

During 2017 feasibility work has been underway around developing a locality model of working for frontline children's services. This has looked at a range of factors to determine whether it would be more effective and improve services for children, young people and their families based on a number of geographical areas across the borough. This year we implemented the findings from a review of our 'front door' that resulted in a change of location for the service to better accommodate and integrate partners. Next steps will be to improve integrated working across the agency partnership within the 'front door'.

Improving the outcomes for our cared for children and young people continues to be a priority. Improving their experiences around education, health and care services is a priority for the coming year.

Absolutely paramount is the ability to ensure we protect both our vulnerable adults and children. Through the work of the council and its partners there is now a greater focus and awareness of issues such as domestic abuse, child sexual exploitation and adult abuse. To ensure we continue to tackle these important issues we are increasingly working across agencies and partnerships such as Cheshire Fire and Rescue, Police and Crime Commissioner for Cheshire, NHS and housing associations to ensure we take a holistic approach.

Over recent years there has been a shift in emphasis in Adult Social Care and Health from services defined and driven by professionals, to services that reflect the outcomes and aspirations of people using those services. We welcome this change. Our ambition is to be in the forefront of developing flexible, personalised services that tap into the rich diversity of our communities, and deliver services that enable people to maintain their independence, and where possible remain living in their own home.

At a time when there is an imperative to achieve better outcomes with finite resources we intend to focus our efforts on prevention and early intervention to reduce and delay the need for high cost services. Wherever possible, we will support choice by giving people the opportunity to have a direct payment and develop their own bespoke package of support. In doing so we will stimulate the development of an active and vibrant care market both in the independent sector but also across the voluntary, community and faith sectors. This is very much in keeping with the Care Act 2014 and focuses on the wellbeing of the individual.

In addition to the changes the council is facing there are significant changes taking place across the NHS nationally and locally. Sustainability and Transformation Plans are being submitted by NHS colleagues to NHS England and these reflect the Local Delivery Systems which for us in Cheshire East are “Connecting Care” in the South and “Caring Together” in the North of the Borough. These changes will inevitably have a significant impact on social care both in children’s and adults but the full impact of these are not yet know. We remain committed to working with our NHS colleagues locally and sub regionally but the savings the NHS are looking to make and their current budget constraints suggests that this will put social care under further financial pressures.

Challenges

- Continuing to manage the increase in numbers of children and young people in care and affordability of residential and external placements.
- Managing the market to ensure that there is a range of services, care and support available to support cared for children and young people in their local area, many of whom have complex needs, including working sub-regionally to broaden the range and effectiveness of our services.
- Reshaping early help services across the borough to ensure that they are targeted to those most in need.
- Strengthening partnerships to deliver integrated, value for money services that ensure the voice of children and young people and better meet their needs.
- Ageing demography – by 2027 the number of people in the Borough aged 65+ is estimated to rise to over 127,000 and those aged 85+ estimated to have increased to 18,800 by 2027.
- Young people in transition to adulthood – there are estimated to be 90 young people aged between 14 – 18 with a complex disability who will be transitioning to adult social care during the next three years, with an average care package ranging between £25,000 to £150,000 per year.
- Dementia – prevalence in Cheshire East is higher than the England average with 4.47% of the population aged 65+ recorded as having dementia.
- One in four people will experience some form of mental health in their lifetime and this is true across all ages and all socioeconomic groups. Improving health and wellbeing, especially mental wellbeing is key to ensuring people live full and independent lives.
- We know from the 2011 census that we have 40,000 residents who are 'unpaid carers', with over 8,000 providing at least 50 hours per week. Supporting carers to have breaks but also to maintain their caring role is very much at the heart of our local carers strategy and reflects the joined up approach of the council and the NHS.

Opportunities

- Embed Signs of Safety as a way of working in Cheshire East to make our services more inclusive to support families to develop their own solutions leading to sustainable outcomes and more child-focused, putting the needs of children and young people first.
- Maximise sub-regional arrangements to improve collaborations, streamline and enhance good practice across all partnerships.
- Implement a locality working model that improves the way we work collaboratively and innovatively to make best use of the assets we have in our local area.
- The challenge to the directorate is to manage the demand and complexity whilst successfully managing the associated costs, therefore, the proposals below are focused on doing exactly that.

Proposals to vary the Budget under Outcome 5 (Health) are focused on these areas:

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
47. Commissioning all services currently provided by our in-house provider, Care4CE (Revenue Savings) Cheshire East Cabinet decided on the 8th December 2015 that the policy would be to move from in-house delivery to commission all care services from the broader care sector in order to facilitate the move to a more personalised system of care and support which facilitates the principle of choice and control for residents in the access and purchasing of care. This will require a review of in-house provision including potential outsourcing / recommissioning / closure / decommissioning of current provision. In order to ensure compliance with the Care Act 2014 this approach has been applied to services external to the council and will now be applied to services currently provided by Care4CE. This is to ensure that the support and care provided to local people can be flexible and responsive to changing needs, promoting choice and maximising independence. This includes building on the current Shared Lives offering. As more detailed plans are developed discussion, engagement, co-production and consultation will take place with all service users, carers and staff. *Impact on Social Care & Health Integration Service Budget =*	**-1.111**	**-2.611**	**-2.611**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2018/19 £m***	**2019/20 £m***	**2020/21 £m***
48. Operational Pathway Redesign (Revenue Savings) Adult Social Care is about maximising independence, connecting local people to their communities and helping people live well and for longer. This will be achieved by enabling people to live in their own homes for longer using existing community networks, new technologies and reviewing our approach to bed based care. To achieve this, and to be Care Act compliant, we intend to establish a first point of contact for residents offering advice and information when you contact the council with suitably trained staff able to answer questions and sign post without the need to always refer on. We will integrate our assessments with the NHS as our workforce become closer aligned working around GP's surgeries. These budgets will be joined up and will focus on reducing the risk of admission to hospital. We will focus on outcomes for people and encourage more people to take up a direct payment to fund their own tailored care and support. We will also promote prevention including extra care, telecare and support at home. *Impact on Social Care & Health Integration Service Budget =*	**-0.440**	**-0.440**	**-0.440**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2018/19 £m***	**2019/20 £m***	**2020/21 £m***
49. Independent Living Fund – Attrition Factor Reductions (Revenue Savings) Cheshire East Council receives annual funding from central Government to support individuals previously in receipt of funding from the Independent Living Fund which closed in June 2015. Funding available to the Council reduces annually and although the council has ring-fenced the money to Adult Social Care the demand for ongoing care and support continues. *Impact on Social Care & Health Integration Service Budget =*	**-0.029**	**-0.056**	**-0.056**
50. Operational and Commissioning Restructure (Revenue Savings) To meet the demands of an increasing demographic growth, expectation and integration the adult social care offer must change to remain sustainable. Therefore, restructure of management to meet these needs is essential. *Impact on Adults Operations and Commissioning Service Budget =*	**-0.900**	**-0.900**	**-0.900**
51. Reducing Agency Spend (Revenue Investment) The reversal of 17/18 one off savings. The successful recruitment of permanent Social Workers and Social Care Assessors throughout 2016 and 2017 will lead to a reduction in agency workers in 2017 and, in turn, reduced expenditure in the staffing budget. *Impact on Social Care Staffing Service Budget =*	**+0.100**	**+0.100**	**+0.100**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2018/19 £m***	**2019/20 £m***	**2020/21 £m***
52. Restructure Prevention and Support (Revenue Savings) Integrate the Prevention Service into the wider Cheshire East Family Support (CEFS) service, and redesign the new service across a continuum of support needs. *Impact on Prevention and Support Service Budget =*	**-0.937**	**-0.937**	**-0.937**
53. Review Safeguarding Children in Education Settings Team (Revenue Savings) Charge schools for non-statutory activity carried out by the Safeguarding Children in Education Settings Team (SCIES). *Impact on Education and Skills Service Budget =*	**-0.050**	**-0.050**	**-0.050**
54. Review Early Help Commissioned Services (Revenue Savings) This proposal is to not re-commission Early Help services (Family Support and Youth Support) when the current group of contracts come to an end on the 31st March 2018. *Impact on Children's Social Care Service Budget =*	**-0.252**	**-0.252**	**-0.252**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
55. Review Social Care Commissioning (Revenue Savings) Reduce existing contracts across Children's Social Care, reduce the use of a call-off contract and a move away from spot purchasing to a framework contract. *Impact on Children's Social Care Service Budget =*	**-0.085**	**-0.085**	**-0.085**
56. Youth Support Service Restructure (Revenue Savings) As the number of NEET young people in Cheshire East has reduced this has resulted in smaller group of young people supported into EET. These young people have more complex needs which means the skills set will need to be addressed to respond to the changing demands for work with young people who are not in education, employment and training (NEET). *Impact on Prevention and Support Service Budget =*	**-0.263**	**-0.263**	**-0.263**
57. Alignment of teams to create a People's Commissioning Service (Revenue Savings) Align the functions of the children and adult commissioning services to generate savings. Initial savings would be met by not recruiting to duplicated vacancies within the People Directorate. *Impact on People Directorate Service Budget =*	**-0.030**	**-0.030**	**-0.030**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2018/19 £m***	**2019/20 £m***	**2020/21 £m***
58. Realignment of Children's Social Care Management and Staffing (Revenue Savings) Children's Social Care (CSC) teams have been on a significant improvement journey since April 2013, following an 'inadequate' inspection judgment by Ofsted. At that time there was a need to provide a high level of management and support to drive improvements in social work practice. The service is no longer judged inadequate by Ofsted following an inspection in July 2015. CSC has more recently moved away from improvement planning to a 'business as usual' model of working. This targets the service to delivering the statutory requirement to protect and support vulnerable children, young people and families, including cared for children and care leavers. Increasingly CSC is working sub-regionally to collaborate on delivering key services, including adoption and fostering. This has led to the opportunity to reshape and realign remaining services to ensure a better and more targeted use of resources. This includes maximising and targeting which services are commissioned externally. *Impact on Children's Social Care Service Budget =*	**-0.335**	**-0.335**	**-0.335**
59. Restructure to create "front gate", across communities (Revenue Savings) Despite recent funding for Adult Social Care (Precept, BCF and Improved iBCF) the current system is unsustainable and a transformational response requires a wholesale shift of investment and energy into a joined up approach with Adult Social Care to ensure well-being, prevention, and early intervention; as well as an integrated approach to health and care service provision are at the centre of all our transformation plans. *Impact on Adults Operations and Communities Service Budget =*	**-0.227**	**-0.227**	**-0.227**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2018/19 £m***	**2019/20 £m***	**2020/21 £m***
60. Review all funding and shift to "asset-based" model (Revenue Savings) It is intended to explore a number of options relating to the current cost of Early Intervention and Prevention (EIP) contracts and the need to shift emphasis toward an asset-based model of community support. Within this, the term 'assets' does not solely refer to financial assets; it refers to skills, strengths, buildings, talents and relationships. *Impact on Adults Commissioning Service Budget =*	**-0.723**	**-0.723**	**-0.723**
61. Reshape commissioning framework (Revenue Savings) It is intended to explore a number of options relating to the commissioning of high quality, personalised care at home that is flexible, delivers the agreed outcomes and is enabling in its approach. Each option explores the potential to deliver improved value for money through more effective commissioning and enhanced engagement with providers. *Impact on Adults Commissioning Service Budget =*	**-0.714**	**-0.714**	**-0.714**
62. New assessment and review framework (Revenue Savings) It is intended to explore a number of options relating to a fundamental shift in the way that care and support is commissioned for adults and older people in receipt of adult social care services. This will be underpinned by the enhancement of the assessment and review, focusing on empowerment, independence and choice, enabling people to live the best life that they can. *Impact on Adults Commissioning Service Budget =*	**-0.787**	**-0.787**	**-0.787**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2018/19 £m***	**2019/20 £m***	**2020/21 £m***
63. Implement more flexible and responsive commissioning (Revenue Savings) To explore a number of options relating to the commissioning of respite to be more person-centred for those who require short-term care. This will include looking at other locations for respite in addition to the current traditional model of bed based respite.			
Impact on Adults Commissioning Service Budget =	**-0.170**	**-0.170**	**-0.170**
64. Review of Public Health contracts (Revenue Savings) It is intended to cease paying performance payments which do not affect the core delivery of services. On a review of the contracts we have found a number of areas of under performance and, as a consequence, we have an opportunity to redesign the commission.			
Impact on Adults Commissioning Service Budget =	**-0.762**	**-0.762**	**-0.762**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2018/19 £m***	**2019/20 £m***	**2020/21 £m***
65. Further saving to go against reversed Cross-Cuttings (Productivity and Contracts) (Revenue Savings) To consider ceasing non statutory contracts, look to promoting channel shift and the use of the Live Well website also increase the use of assistive technology. *Impact on Adults Commissioning Service Budget =*	**-0.425**	**-0.425**	**-0.425**
66. Efficiency Savings in Children's Social Care (Revenue Savings) Continue to explore the possibility of improved efficiency of existing safeguarding services by collaborating with a number of other local authority areas to pool resources, share good practice and reduce duplication. *Impact on Children's Social Care Service Budget =*	**-0.125**	**-0.125**	**-0.125**
67. Cease provision of services at Lincoln House and Mountview (Revenue Savings) It is intended to explore a number of options relating to the delivery of respite in years (2018/19) which align to the opportunity to enhance short-term bed-based care and the move towards a more efficient and effective, person-centred service offer. *Impact on Children and Families Directorate Budget =*	**-0.389**	**-0.389**	**-0.389**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Investment in services ***Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.***	**2018/19 £m***	**2019/20 £m***	**2020/21 £m***
68. Growth in Demand for Adult Social Care (Revenue Investment) The Adults Social Care budget both here in Cheshire East, and across the country, remains under pressure as a result of a number of factors. These include young people transitioning into adulthood, care fee levels paid to external care providers, the rising demand generally and our older population requiring much more complex care . To ensure the council is well placed to meet this demand it is looking to invest in services that will deliver high quality support to our most vulnerable residents. *Impact on Adults Commissioning Service Budget =*	**+10.900**	**+16.900**	**+21.900**
Proposals being considered but not currently put forward for implementation:			
69. *Growth in Demand for Adult Social Care* *Reduced growth due to efficiencies found elsewhere*	***+2.000***	***+2.000***	***+2.000***
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Income generation ***Charging strategies for each service area to increase income where appropriate based on market rates and considering the price elasticity of demand for services.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
70. Increase Income (Revenue Savings) The proposal is to conduct a review of individuals who have historically been assessed with a low or no financial contribution towards their care and support services, to support these individuals to access their full welfare benefit entitlement, address any changes in individual circumstances and to ensure consistent application of the Council's charging policies. *Impact on Social Care & Health Integration Service Budget =*	**-0.100**	**-0.200**	**-0.200**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Consultation Questions – Outcome 5

People live well and for longer

The proposed budget changes under Outcome 5 are designed to ensure local people can live well and for longer.

Should the potential changes to budgets supporting Outcome 5, listed above, be altered, and if so in what way (please include a proposal number if referring to a specific item)?

What other proposals should be considered to achieve Outcome 5 whilst maintaining an overall balanced budget for the Council?

Outcome 6 – A Responsible, Effective and Efficient Organisation

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

Evidence of Achievement

Performance of Outcome 6 will be measured through the use of performance indicators such as the examples below:

1. Targeting an average speed to answer customer phone calls within 60 seconds (latest 2016/17 performance of 88 seconds).
2. Completing 90% of Freedom of Information requests within 20 days (2017/18 to provide performance baseline).
3. Decreasing the average number of working days lost to staff sickness from 11.14 days in 2016/17 to 10 days.
4. Decreasing our total spend on agency staff and the proportion of agency assignments as a % of our total workforce.
5. Receiving awards and accreditations for delivery of excellent Council services.

Outcome 6 - Revenue	2018/19 (£m)	2019/20 (£m)	2020/21 (£m)	Total (£m)
Base Budget (2017/18)	33.2	33.2	33.2	
Growth	+2.9	+3.6	+4.3	**+10.8**
Savings	-5.8	-7.3	-7.3	**-20.4**
Proposed Revenue Budget	30.3	29.5	30.2	
Outcome 6 - Capital				
Capital programme – proposed new schemes	4.0	-	-	**4.0**

Strategic Overview

Outcome 6 focuses on how the Council will be a well run local authority. Appropriate data will be maintained, systems will be run efficiently, the Council will use best practice models wherever appropriate and staff will be trained to provide high quality professional services.

This outcome requires all departments to increase productivity through the better use of systems, automated processes and challenging the value for money of all initiatives. It is crucial that all services are lean and 'fit for purpose' with the right structures to meet residents' needs at the most competitive price and quality. The requirement to create leaner systems and processes, that enhance value for money, extends to all commissioning arrangements, including arrangements with the Council's Alternative Service Delivery Vehicles (ASDVs).

Services most associated with supporting the achievement of Outcome 6, such as Legal, Accountancy, HR and ICT work alongside all Council functions. They are responsible for providing professional expertise and technology that enable front-line services to operate effectively. These services have a vital role in ensuring compliance with the law and local constitutional requirements and supporting elected Members and senior officers when making decisions that are transparent and accountable.

Achievements within Outcome 6 will be measured by such things as promoting local democracy; unqualified 'true and fair' opinions from the external auditors; the acknowledgement of added value from professional staff; the level of income collection; how the costs of support compare with national comparisons; and achieving the best rate of returns on investments.

The proposals contained within this section are achievable, but in some cases will also depend on changing behaviours of residents and staff and moving arrangements to more modern self-service options.

Proposals to vary the Budget under Outcome 6 Services are focused on these areas:

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
71. Reduce costs of core processes (Oracle system review) (Revenue Savings) The implementation of a new Enterprise Resource Platform (ERP) solution across Transactional Finance and Human Resources, and the associated business process transformation programme will result in streamlined processes and efficiency savings in future years. *Impact on Cross Service Budget =*	**-0.250**	**-0.500**	**-0.500**
72. Withdrawal of temporary reduction in funding for Universal Information and Advice service (Revenue Investment) There was a temporary increase of £30,000 in the grant funding for this service in 2015/16 on the basis that the "loan" would be paid back over the following three years. This growth will restore the budget to its original value from 2019/20. *Impact on Benefits Budget =*	**0.000**	**+0.010**	**+0.010**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
73. Admin Review (Revenue Savings) Current structures and arrangements suggest that there are many roles that provide business or administration support across the Council. The Business Support Review aims to take a fresh look at existing ways of working and build on other parallel projects such as Best4Business. This proposal considers realigning structures; reviewing roles and responsibilities and establishing the required business support model that meet the needs of business whilst delivering financial and operational efficiencies. *Impact on Cross Service Budget =*	**-0.500**	**-0.500**	**-0.500**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
74. Restructuring of Services (Revenue Savings) **Corporate Management** - In support of the wider business transformation programme the Corporate Directorate Management structure is under review, consideration is being given to the alignment of functions and spans of control. An options appraisal will be carried out to determine a new delivery model that will deliver strategic and operational savings and efficiencies. **Legal & Democratic** - A review of the staffing establishment across the legal and democratic services is needed to ensure that the structure is fit for purpose and sustainable to meet the needs of the organisation. As a key enabler to the wider organisation the review will consider roles and responsibilities to create an agile workforce and reduce the use of agency staff. **HR** - A review of administration function and service delivery across the wider team will result in more efficient use of resources, reduce agency costs and allow more shared working across the Service to deliver more streamlined support to customers. **Finance & Performance** - The staffing establishment for the teams within Finance & Performance will be reduced to take account of improved ways of working and a restating of the service offering. This process will eliminate dual-processes, improve self-serve options for services, and aim to join up services where possible to increase productivity. *Impact on Corporate Service Budgets (as above) =*	**-0.550**	**-0.550**	**-0.550**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2018/19 £m***	**2019/20 £m***	**2020/21 £m***
75. Digital Customer Services - new recurring technology (Revenue Savings) The Council established the Digital Customer Services programme in 2015. Digital technology is changing all aspects of daily lives. As a customer focused council we want to provide a better experience when residents and businesses use council services online – one that meets the raised expectations set by the many other digital services and tools they use every day. This business case updates the savings that will be delivered by the programme. *Impact on Cross Service Budget =*	**-0.510**	**-1.710**	**-1.710**
76. Contract Savings (Revenue Savings) The Corporate Directorate will target reductions, in 2018/19, of £750,000 in contract expenditure through targeted action such as: - Proactive vendor and supplier management - Target reductions in both volumes and unit prices - Challenging the benefits of existing provider markets - Smarter negotiation practices to achieve outcomes at best value The Directorate manages contracts of an estimated annual value of £90m per year. At October 2017, Corporate Services have live contracts on the Council's Corporate Contract Register with an estimated annual value totalling £7.1m listed due for renewal in 2018/19. *Impact on Corporate Service Budget =*	**-0.750**	**-0.750**	**-0.750**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Changing the way we work ***Managing services in a way that gets more for less. Investing in modern technology to get better quality outputs, eliminating duplication and streamlining processes.***	**2018/19 £m***	**2019/20 £m***	**2020/21 £m***
77. Reduce Agency and Consultancy Costs (Revenue Savings) As the Council's workforce is a major component in delivering our Corporate Plan, we have to ensure our resources are sufficient to deliver our outcomes through increased productivity and workforce planning. While we will make every effort to save through improving productivity, we must seek to reduce agency staff costs and consultancy spend as these can occasionally have a premium cost associated with their engagement. *Impact on Corporate Service Budget =*	**-0.200**	**-0.200**	**-0.200**
Proposals being considered but not currently put forward for implementation:			
78. *Inflationary Increase for Members* *To cover year on year increase to Members' Allowances as per Council decision on 28 July 2016 to link the scheme of allowances to the NJC officer pay award.*	***+0.015***	***+0.030***	***+0.045***

**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.*

Values are not cumulative

Working with the community ***Services and financial forecasts will be adjusted to react to trends in the way residents interact with key services.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
79. Community Library Provision - Close 3 Libraries (Revenue Savings) This proposal considers delivering further savings from the library service by closing the three smallest libraries within the borough: Alderley Edge, Disley and Prestbury. The Council has a statutory duty to provide a comprehensive and efficient library service for all in the area that want to make use of it, but the Council is able to determine where libraries are provided giving consideration to equalities and best value duties. The Council would welcome proposals from local community organisations to deliver these libraries as community managed libraries as an alternative to closure. *Impact on Libraries Service Budget =*	**-0.150**	**-0.150**	**-0.150**

**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.*

Values are not cumulative

Working with the community ***Services and financial forecasts will be adjusted to react to trends in the way residents interact with key services.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
80. The Local Welfare Safety Net (Revenue Savings) Under the Government's Welfare Reform discretionary welfare support has been devolved to local government and Department for Work and Pensions funding for local welfare provision has ended. This growth will be used to fund crisis support for residents facing financial hardship through the Emergency AssistanCE scheme and a range of intervention and prevention activities to help reduce future demand. *Impact on Benefits Budget =*	**-0.050**	**-0.050**	**-0.050**
81. Macclesfield Leisure Centre Improvement Programme (Capital Investment) Facility in need of major investment to refurbish reception, extend gym, upgrade all changing facilities, improve accessibility and café offer. *New Capital Investment 2018/19 =*	**+4.000**	**0.000**	**0.000**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Working with the community ***Services and financial forecasts will be adjusted to react to trends in the way residents interact with key services.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
Proposals being considered but not currently put forward for implementation:			
82. ***Strategic Events Framework*** *The Cabinet approved the strategic events framework on 7 November. This framework will be used to inform future decisions regarding which events the council will be able to support in the future and provide these decisions on a consistent basis.*	***Value not confirmed***		
83. ***Community Library Provision*** *Close an additional two libraries (Holmes Chapel and Bollington).*	***-0.243***	***-0.243***	***-0.243***
84. ***Community Library Provision: Transfer service to ESAR*** *Cheshire East has adopted a "best fit" approach for the most appropriate delivery mechanism for our services to enable us to achieve our corporate outcomes. Everybody Sport and Recreation (ESAR) is the Charitable Trust established in 2014 responsible for delivering leisure services in partnership with the council. It has quickly established a track record of success in delivering financial savings, improving service quality and increasing participation. This proposal to transfer the Library service to ESAR would deliver some financial benefits in the medium term while also providing the foundations for longer term savings and a more entrepreneurial outlook to the provision of library services.*	***-0.000***	***-0.230***	***-0.230***
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Investment in services ***Investment will be put in to systems that support key services and in to other assets to ensure they remain fit for purpose. The impact of capital spending will be managed at affordable levels.***	**2018/19 £m***	**2019/20 £m***	**2020/21 £m***
85. Childcare Team Costs (Transitional funding ends 2018/19) (Revenue Investment) The volume of instructions to issue care proceedings (a statutory duty where legal threshold is met), has increased year on year for Cheshire East over the last five years. This increase, 100% over the last five years, and approximately 30% in 2016/17 alone, reflects a national trend. The trajectory appears to be continuing for 2017/18. This has created an on-going pressure on staffing costs and the cost of representation in court by counsel (barrister) if appropriate. *Impact on Legal Services Budget =*	**+0.490**	**+0.490**	**+0.490**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Income generation ***Charging strategies for each service area to increase income where appropriate based on market rates and considering the price elasticity of demand for services.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
86. External income – Fees & Charges (Revenue Savings) Across a number of areas the Council receives external income for its delivery of services. A review of all fees and charges will be undertaken to ensure that our tariffs are commensurate with the commercial market place. We will benchmark performance against other local authorities and commercial providers and seek opportunity for further income. *Impact on Corporate Service Budget =*	**-0.100**	**-0.100**	**-0.100**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Reducing subsidy ***Ensure limited resources are redirected to the areas with the most critical need.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
87. 3% reduction in Operational Management Fee (ESAR) (Revenue Savings) The Operating Agreement between the Council and Everybody Sport & Recreation requires a minimum of a 3% cash reduction of the annual management fee based on the previous year's agreed figure. *Impact on Client Commissioning - Leisure Services Budget =*	**-0.051**	**-0.100**	**-0.148**
88. Changes to "Everybody Options" Scheme Investment (ESAR) (Revenue Savings) The current management fee investment to Everybody Sport & Recreation allows the Trust to operate a concessionary "leisure card" scheme. The current options scheme gives 40% off the full adult peak rate for a range of leisure centre activities. The proposal is to retain the scheme but reduce this 40% to 30% across all categories. *Impact on Client Commissioning - Leisure Services Budget =*	**-0.045**	**-0.108**	**-0.108**
89. Car Park Refunds (Revenue Savings) All leisure centre users currently receive free parking to attend activities. Where this requires the use of a public pay and display car park a refund of £1 is provided. The proposal is to remove the refund of car parking fee for the use of Snow Hill Nantwich and the former Library car park in Crewe. *Impact on Client Commissioning - Leisure Services Budget =*	**-0.045**	**-0.045**	**-0.045**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Cross Service Efficiency Targets	2017/18 Allocation	2017/18 Achieved in year	2018/19 £m*	2019/20 £m*	2020/21 £m*
90. Replace Former Cross-Cutting Savings with specific savings proposals The 2017/18 Budget contained £9.050m of savings associated with Productivity and Contract Management as well as reductions in expenditure on mileage and post/print. To date, £5.2m of these challenging targets have been embedded within the base budgets of services within the People, Place & Corporate Directorates. Those changes have been reported in the Quarterly Reviews published during 2017/18. To improve overall clarity of the changes to budgets, that are being proposed to balance the 2018/19 position, the 'Cross-Cutting' savings should be deleted, and replaced with specific proposals that are highlighted in this report instead. The figures to the right indicate the financial impact of these changes.					
PEOPLE	**+2.876**	**-1.157**	**+1.719**	**+1.719**	**+1.719**
PLACE	**+2.881**	**-1.537**	**+1.344**	**+1.344**	**+1.344**
CORPORATE	**+3.293**	**-2.548**	**+0.745**	**+0.745**	**+0.745**
Impact on Cross Service Budgets =	**+9.050**	**-5.242**	**+3.808**	**+3.808**	**+3.808**

**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18*

Values are not cumulative

Outcome 6 - Workforce Development

People Plan 2017/18

Placing the right people in the right places at the right times is at the heart of the Council's success. To support and enable the delivery of the Council's ambitious plans, eight workforce priorities come together to form the Council's Connected People Plan. These priorities will be built on in 2018/19:

1. **Organisation Design** – to provide change management support to services, enabling our workforce to be flexible and adaptable in a rapidly changing local, regional and national environment.

2. **Recruitment, Resourcing and Retention** – to review the Council's recruitment process and undertake a strategic workforce assessment. Create career pathway plans including talent management planning across the Council.

3. **Connected Council** – to develop and implement a leadership and management model and development strategy which increases leadership impact and facilitates cultural change.

4. **Employee Development** – to continue to develop highly skilled and competent professionals who operate safe practice and risk awareness and can work effectively across internal and external boundaries as the structure and form of public service changes.

5. **Engagement and Wellbeing** – to continue to build from the findings of the Staff Survey 2016 with particular focus on improving staff wellbeing, resilience and attendance management, to ensure our workforce are engaged and performing at the highest level.

6. **Pay and Rewards** – to monitor and review approaches to pay to meet business needs and further develop financial and non-financial rewards and employee benefits, whilst meeting equal pay and gender pay gap requirements.

7. **Service Delivery** – to further develop and clarify the HR offer to ensure a safe, healthy and supportive environment, which equips the workforce to contribute effectively, reach their potential.

8. **HR Business Development** – to ensure the Council's HR service is in the best position to fully support the delivery of business priorities and exploit further business opportunities.

It is anticipated that further savings will need to be realised through a combination of a reduction in consultancy and agency requirements and core staffing costs alongside increased productivity and further workforce initiatives. Working closely with Members, Trade Unions and staff, consultation will take place to ensure that resources are maximised and service changes are based on resident and community need.

In order to achieve required financial savings a series of on-going interventions will be introduced to achieve cost reductions in the following areas:-

1. Reduction of agency and consultancy costs.
2. Review of all current staff vacant positions and a future "vacancy management' protocol".
3. Reductions in overtime costs.
4. Restructuring to effect more efficient service provision in People, Place and Corporate Services Directorates including a reduction in overall management costs.

5. Review of sickness absence processes and procedures to reduce absence and costs.

Any business change or efficiency proposal with a FTE impact will be shared and consulted on with the relevant staff and Trade Unions at the appropriate time.

Living Wage

The Council implemented a Local Living Wage on 1st November 2015 of £7.85 which is currently under review. The impact of the new National Living Wage (currently £7.50, increase due 1st April 2018), which will rise to £9 per hour by 2020, is being monitored as it will overtake the current Local Living Wage and lead to an increased cost on the Council's pay budget and also on commissioned services.

As a result, the local review will consider the impact on the Council's pay structure, effect on supervisory differentials and options available to the Council in moving forward on this matter.

NJC Pay Spine Review

Local Government national negotiations for 2018/19 are underway. It is understood that Unison have submitted a one year pay claim for 2018/19 5% increase on all pay points with signs of public sector pay rises starting to increase beyond the 1% cap. A formal response to the trade unions from the national employers is expected in the autumn.

The NJC pay spine was last reviewed in 1997. A technical review of the pay spine is now well underway. The details of new pay spine are not yet available but key factors in the review are that revised pay spine would be legally compliant with the national living wage and 'future proofed' to absorb yearly increases in the rate. It is understood that local flexibility is retained regarding job design, incremental progression, performance related pay. The pay spine will potentially come into effect from 1st April 2019.

Apprenticeship levy

Through the Finance Act (2017), the payment of an apprenticeship levy became a statutory requirement in April 2017. The levy is paid by employers (including the public sector) on 0.5% of pay bill. All employers receive an annual allowance of £15,000 to offset against their levy, meaning that the levy only applies to employers whose annual wage bill is £3 million or above. The Council's total liability is forecast to be approximately £689,000 per year.

From April 2017, a duty for public sector companies to have 2.3% of their workforce to be made up of apprentices was also introduced by the government. Based on current headcount, this is estimated to be 180 apprenticeship new starts for the Council each year, including ASDVs and maintained schools. This can be made up of new apprentices or existing members of staff undertaking an apprenticeship qualification. Increasing the number of new apprentices to the organisation will increase salary costs as will releasing existing staff to undertake the off the job training required for an apprenticeship.

Pension – employer contribution review

A valuation of the Cheshire Pension Fund was undertaken to determine the employer contribution rates for the Local Government Pension Scheme which came into effect from 1st April 2017. Latest forecasts on the increasing contribution rates, of +1.5% continued to be factored in to the figures within this report.

Headcount analysis and trend

Date	Headcount	% change from previous year	FTE	% change from previous year
30-Apr-09	6,522	n/a	4,891.5	n/a
30-Apr-10	6,155	-5.63	4,582.8	-6.31
30-Apr-11	5,860	-4.79	4,385.4	-4.31
30-Apr-12	5,449	-7.01	4,080.2	-6.96
30-Apr-13	5,103	-6.35	3,880.7	-4.89
30-Apr-14	4,403	-13.72	3,232.7	-16.70
30-Apr-15	3,812	-13.42	2,883.5	-10.80
30-Apr-16	3,763	-1.29	2,891.7	0.28
30-Apr-17	3,623	-3.72	2,835.3	-1.95
30-Sep-17	3,615	NA	2,840.0	NA

Between April 2009 and September 2017 the Cheshire East Council employee headcount has reduced by 45%, and the overall number of FTE Cheshire East Council employees has decreased by 42%. Reductions of more than 10% between April 2013–2014 and April 2014–2015 are attributable to the restructuring of services and the TUPE transfer of staff to Alternative Service Delivery Vehicles.

Workforce ***Increasing productivity through workforce planning whilst meeting our statutory obligations regarding pay inflation and ensuring non essential staff travel and supplies are minimised.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
91. Pay and Pensions Allocation (Revenue Investment) Increases in employee related costs over the medium term. Items covered by this proposal include spinal point incremental increases for eligible staff, annual nationally negotiated pay awards, sleep in payments, living wage increases and annual employer pension contribution increases of 1.5%. An element of the increases will be offset by vacancy provisions therefore an overall increase of 1% on pay budgets has been provided for in 2018/19.			
PEOPLE	**+2.157**	**+3.617**	**+5.071**
PLACE	**+0.597**	**+1.194**	**+1.791**
CORPORATE	**+1.300**	**+2.769**	**+4.238**
Impact on Cross Service Budgets =	**+4.054**	**+7.580**	**+11.100**

**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.*

Values are not cumulative

Workforce ***Increasing productivity through workforce planning whilst meeting our statutory obligations regarding pay inflation and ensuring non essential staff travel and supplies are minimised.***	**2018/19** **£m***	**2019/20** **£m***	**2020/21** **£m***
92. Mutually Agreed Resignation Scheme (Revenue Savings) The Council will aim to develop a local MARS scheme, originally developed within the National Health Service and extended into other areas of the public sector. Savings would be achieved by mutual reductions in post numbers, and associated costs would be funded by the most appropriate means (such as either Capital Receipts or Revenue Reserves). The NHS MARS scheme is defined as follows: *A Mutually Agreed Resignation Scheme (MARS) is a form of voluntary severance, designed to enable individual employees, in agreement with their employer, to choose to leave their employment voluntarily in return for a severance payment.* *The scheme supports employers by creating job vacancies that can be filled by redeployment of staff from other jobs or as a suitable alternative for those facing redundancy. It also gives greater flexibility to organisations in managing cost reductions as they address periods of change in light of the tough financial circumstances in which they operate.* *(Source: NHS Employers)* *Impact on Cross Service Budgets =*	**-1.500**	**-1.500**	**-1.500**
**Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Evidence of Achievement

Measuring the effectiveness of the workforce priorities will tracked through a small number of macro performance indicators such as:
1. Employee engagement index 2. Employee turnover 3. Sickness absence 4. Ratio of agency workers to employed staff 5. Number of staff with performance development plans and performance ratings

Consultation Questions – Outcome 6 **A responsible, effective and efficient organisation** ***The proposed budget changes under Outcome 6 are designed to ensure quality and best value for local people by getting it right first time and using resources as efficiently and effectively as possible.***
Should the potential changes to budgets supporting Outcome 6, listed above, be altered, and if so in what way (please include a proposal number if referring to a specific item)? What other proposals should be considered to achieve Outcome 6 whilst maintaining an overall balanced budget for the Council?

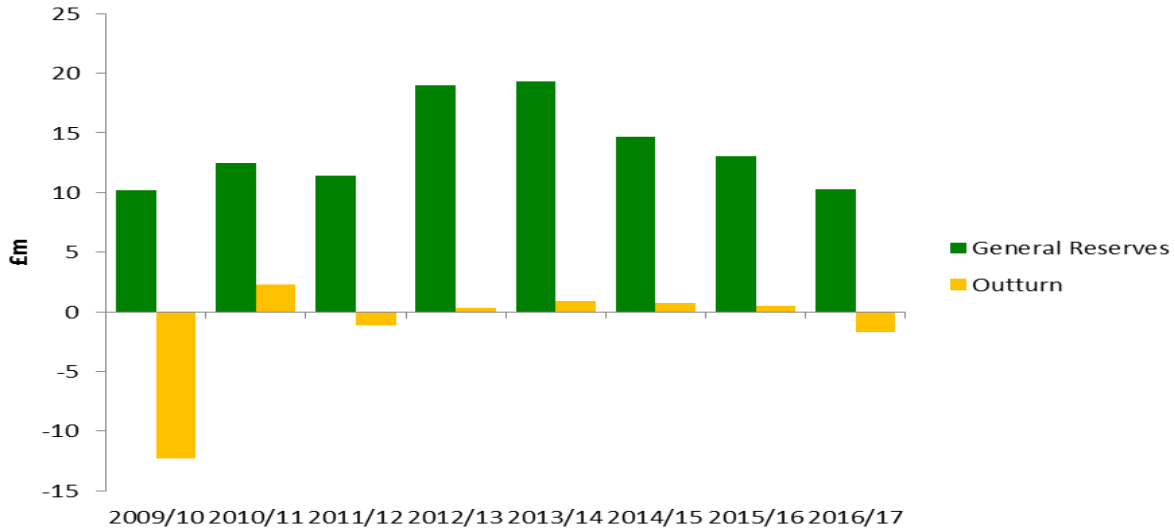
Outcome 6 - Maintaining Financial Stability

Overview

Key financial indicators, such as levels of borrowing, reliance on government grants and the growth in the local tax base, are evidence that the financial stability of Cheshire East Council is strong. But there is also evidence of significant financial stress from the growing demand for services and the rapid reductions in government support.

Chart 1 shows how positive financial outturns have been a feature of the Council's performance since 2010, but also highlights how reserves have been required to drive innovation and change. Maintaining general reserves at £10.3m is proving a real challenge in 2017/18 according to the latest forecasts

Chart 1: Reserves remain appropriate despite planned reduction in recent years



Source: Cheshire East Council Statements of Accounts

Fairer Funding

Government are planning to review the fairness of local government funding, although timescales for this review are still not clear enough. This issue can be highlighted when looking at the difference between funding for the largest authorities in the Northwest, Manchester, Liverpool and Cheshire East.

Cheshire East Council provides services with low levels of government grant. In addition the accelerated reductions in grants, have been severe through to 2019/20, to reflect the relative opportunity for the Council to replace funding with additional income from Council Tax and other local sources.

Funding for the three largest Authorities in the North West is very different

Funding per Head Comparisons 2017/18	Cheshire East	Manchester	Liverpool
	£	£	£
Government Grants (*budgeted grants including schools*)	763	1,256	1,489
Council Tax (*excluding Parish Precepts*)	507	260	322
Retained Business Rates	109	629	513
Total	**1,379**	**2,145**	**2,324**

Source: CIPFA

Despite the difference in Council Tax received per head, the actual Band D Council Tax charges are quite different. The charge in Cheshire East is £1,324.92 , while in Liverpool it is much higher at £1,511.61 but in Manchester it is lower at £1,279.87.

Also, the amount of business rates retained by Cheshire East Council is only equal to 31% of the amount that is collected in the area (£131m). This is very different to the positions in Manchester and Liverpool, where business rates retained, as shown in the table, actually exceed the amount collected. The amount retained in Manchester is 103% of the amount collected and in Liverpool it is 130%.

Capital Financing

The Council approved a Capital Programme of £332.5m on 23rd February 2017.

Capital expenditure relates to money spent on major items such as new highways; schools and ICT systems. These costs are met through the Council's capital financing budget which takes into account funding from borrowing, capital grants and receipts from sales as well as annual income from Council Tax Business Rates and grants.

The Council applies an agreed Treasury Management Strategy to ensure capital financing is affordable in the medium term. During 2017/18 the S151 Officer has explored 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 the proposal to use the annuity method to calculate the Minimum Revenue Provision will result in the ability to take an MRP holiday and realise savings of £6m in 2017/18. £1.9m of which has been retained in an earmarked reserve. The Capital Financing budget will also be reduced from £14m to £10m in 2018/19.

This revised approach delivers budgetary savings in the short term but does not alter the overall liability for the financing of the capital programme. The Council will seek to mitigate these future pressures through its longer term financial strategies, the capital financing budget will be increased accordingly and will take account of available capital resources, including the use of anticipated capital receipts.

The programme is expected to be partially funded from capital receipts, and depending on the timing of these receipts the start times of some projects may be brought forward or delayed. The current status of the land and property market will be kept under review by the Asset Management Service. The programme will be reviewed if the resource position changes.

The capital programme is intentionally aspirational, reflecting the Council's priority to promote local sustainable growth. To support this ambition the Council actively pursues funding from private sector organisations and government as well as attempting to maximise receipts from asset sales. Resources are utilised accordingly to allow flexibility within the overall programme. Major highway infrastructure projects, for example, may require Council resources before capital receipts and developer contributions can be realised and therefore the funding requirement for future years will be updated as plans and funding streams are secured.

Longer term proposals are included in an addendum to the programme for planning purposes. Where costings are not yet available indicative estimates are included and these will be updated as projects progress, variations will be reported to Members via quarterly reports.

Capital Forecasts	2018/19 £m	2019/20 £m	2020/21 £m	Total Scheme Costs £m
Committed Schemes - In Progress	130.4	141.3	87.6	**359.3**
Funding Analysis:				
Government Grants	68.1	102.6	11.9	**182.6**
External Contributions	5.9	19.1	44.9	**69.9**
Cheshire East Resources	56.4	19.6	30.8	**106.8**
Total Funding	**130.4**	**141.3**	**87.6**	**359.3**
Balanced Position	**0.0**	**0.0**	**0.0**	**0.0**
Addendum *	65.5	61.5	40.5	167.5

* The addendum includes projects that have been added to the programme owing to their strategic importance to the Council. However detailed business cases are not yet in place as the precise details are not yet known. Work is currently being progressed and they are expected to commence in the 2018-2021 period once the detailed business cases are approved and funding is in place. At the stage where the business cases are sufficiently developed and they are deemed to be affordable the Portfolio Holder for Finance & Communications and the Director of Finance & Procurement (Section 151 Officer) will provide the additional approval for these schemes to proceed and form part of the main capital programme.

	2018/19 £m*	2019/20 £m*	2020/21 £m*
93. MRP Revision from Straight Line to Annuity Method The repayment and management of debt is frequently reviewed, to assess value for money and appropriateness, based on the current financial circumstances of the Council. The Council has the option under its MRP policy to apply the annuity method instead of the currently used straight line method. This revised approach delivers budgetary savings in the short term but does not alter the overall liability for the financing of the capital programme as the liability will be deferred to future generations of taxpayers to fund. The Council will seek to mitigate these future pressures through its longer term financial strategies, the capital financing budget will be increased accordingly and will take account of available capital resources, including the use of anticipated capital receipts. *Impact on Central Budget =*	**-4.000**	**-2.000**	**-2.000**
** Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Other Central Adjustments

Past Pensions Adjustment

	2018/19 £m*	2019/20 £m*	2020/21 £m*
94. Past Service Pension Income The decision was made 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 where required. The forecast benefit over the three year period is around £2m which will support mitigation of future service costs as appropriate.			
Impact on Central Budget =	**-0.900**	**-1.000**	**-0.000**
** Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Capital Receipts

	2018/19 £m*	2019/20 £m*	2020/21 £m*
95. Capital Receipts Income The guidance on the Flexible Use of Capital Receipts issued under section 15(1) of the Local Government Act 2003, states that authorities may treat expenditure which is incurred in the design of projects that will generate on-going revenue savings in public services or that will transform service delivery to reduce costs or manage demand in future years for public service partners as capital expenditure. The Council has reviewed the guidance and expects to identify potential expenditure that meets the eligibility criteria within each financial year, as laid out in the guidance document. *Impact on Central Budget =*	**-2.000**	**-1.000**	**-1.000**
** Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Contingency Budget

	2018/19 £m*	2019/20 £m*	2020/21 £m*
96. Contingency Revenue Budget As the Council is facing significant uncertainty in the medium term it is appropriate to build in flexibility to the annual revenue budget. Inclusion of a £1m contingency, that can be reviewed annually, will alleviate pressure on general reserves, and can help with managing financial issues from one year to the next. Appropriate use of the contingency would be reported during the year as part of the Council's quarterly reporting process. *Impact on Central Budget =*	**+1.000**	**+1.000**	**+1.000**
** Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.* *Values are not cumulative*			

Community Budget

	2018/19 £m*	2019/20 £m*	2020/21 £m*
97. Community Budgets funded from New Homes Bonus The Council is proposing to set aside a fund of £2m (£1m in each of 2018/19 & 2019/20) to allow local people to engage with how services are delivered at a local level. As new homes can impact on the services required in an area, the allocation of funding will reflect where new houses have been built, and where funding has subsequently been received through the New Homes Bonus. The Council can provide support to local communities, to develop and implement spending plans, but decisions will be made locally. Criteria will be developed to ensure the following key principles are achieved: • Anyone from the local area will be able to make proposals under the Community Budgeting scheme • Spending should normally support the achievement of Outcomes within the Corporate Plan • Governance arrangements must be in place before any spending takes place • Proposals will only be limited by law, and may include new services or facilities, or the amendment or retention of existing ones • Proposals must be self-sufficient and not generate commitments that cannot be funded in the future Cross party working will help to develop the scheme, which in itself will be subject to appropriate scrutiny. The proposal here is seeking views on whether the approach to allocating an element of the New Homes Bonus to a locally controlled fund is desirable or not. Views are not yet being sought on how this funding would actually be applied at this stage. *Impact on Central Budget =*	**+1.000**	**+1.000**	**0.000**

** Values represent a +/- variation to the Cheshire East Council approved budget for 2017/18.*

Values are not cumulative

Reserves

The Chief Operating Officer must use professional judgement about the level of Council reserves to ensure they are adequate. The Council's Reserves Strategy forms part of the Medium Term Strategy that is reported to Council each February. Based on the forecasts included in this consultation document there is no proposal to vary the current reserves strategy.

Reserves to remain adequate	2018/19 £m*	2019/20 £m*	2020/21 £m*
98. General Reserves Judgement is used to determine an appropriate level of General Reserves based on the financial risks facing the authority. Based on the changes to the budget detailed within this report, the proposal is to maintain the level of General Reserves at £10.3m, which is in line with the Strategy approved by Council in February 2017.	**No change to existing strategy** (February 2017)		
99. Earmarked Reserves Earmarked Reserves are set aside for specific purposes and then drawn down when needed. The Council's Reserves Strategy identifies the appropriate processes for setting up and using Earmarked Reserves, and updates and changes are reported as part of the quarterly monitoring process. Current Earmarked Reserves stand at £48.9m and will continue to be reviewed on a quarterly basis. This proposal requires the drawdown of £2.840m of Earmarked reserves that have been accumulated from income to the Collection Fund and changes to the Capital Financing Requirement. *Impact on Earmarked Reserves =*	**-2.840**	**0.000**	**0.000**

Funding Envelope

Local Taxation

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

The Council froze Council Tax levels for five consecutive years from 2011/12 to 2015/16 inclusive, with some government support, saving local taxpayers a total of nearly £50m in that period, and yet continued to provide services that met the needs of local residents. Growth in the local taxbase (for houses and businesses) supports the ambition in the Corporate Plan of creating economic independence from government grant. In 2019/20, there will be no general government grant support to the revenue budget of Cheshire East Council. The speed of this change is a major challenge and when increases in demand related to protecting vulnerable people and inflation in costs are taken into account, then this creates a requirement to increase Council Tax levels in line with government expectations.

The ability to raise additional Council Tax for use solely on Adult Social Care (ASC) was accepted in 2017/18, Local authorities could raise up to 3% in any year from 2017/18 to 2019/20, but subject to a maximum of 6% over the three year period. Cheshire East proposed to apply this increase equally over the first two years. As such, it is proposed that Council Tax is increased by a further 4.99% for 2018/19 (including the 3% rise for ASC) to give a Band D charge of £1,391.03 for 2018/19.

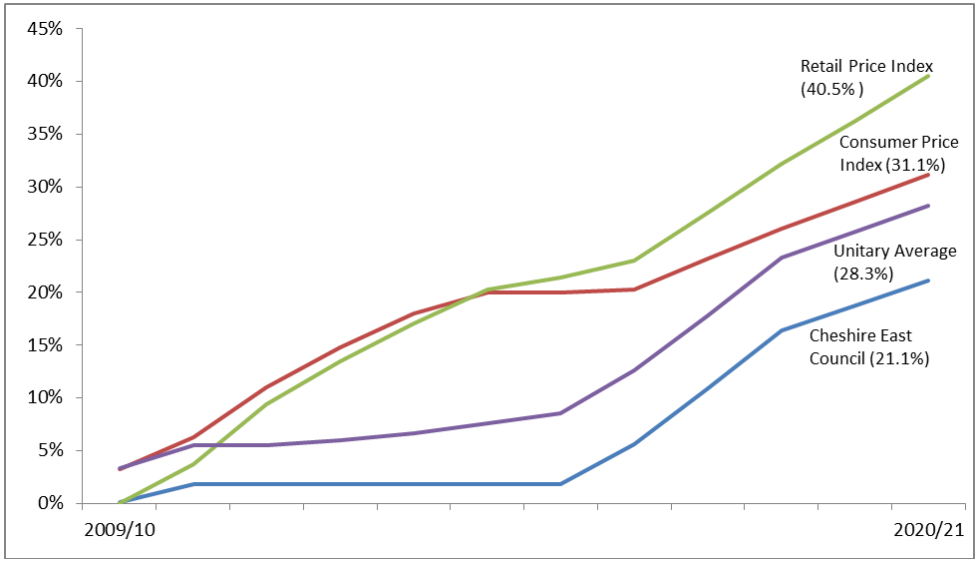


Chart 2: Gap between inflation levels and Council Tax increases

Source: Cheshire East Finance

	2018/19 £m*	2019/20 £m*	2020/21 £m*
Council Tax			
100. Growing the domestic tax base			
Each new home brings additional Council Tax revenue, New Homes Bonus and, in the medium term, a possible Community Infrastructure Levy. But homes also bring additional costs, such as education, waste collection and highways. The Council ensures that any subsidy from its general funding sources is carefully examined to achieve maximum value to ensure Council Tax increases for residents are kept to a minimum overall.	**+3.900**	**+6.200**	**+8.700**
101. Council Tax % charge increase			
The Council had not increased Council Tax for the five consecutive years up to and including 2015/16. In 2016/17 and 2017/18 the Council Tax charge was increased by 3.75% and 4.99% respectively (2% (2016/17) and 3% (2017/18) was ring-fenced specifically for use within the Adult Social Care area).			
Increases proposed for the medium term are as follows:–			
General inflationary increase	**+3.800**	**+7.700**	**+11.600**
Adult Social Care Precept	**+5.700**	**+5.700**	**+5.700**
Impact on Funding Envelope =	**+13.400**	**+19.600**	**+26.000**

**Values represent a +/- variation to the Cheshire East Council approved funding envelope for 2017/18.*

Values are not cumulative

	2018/19 £m*	2019/20 £m*	2020/21 £m*
Business Rates			
102. Promoting Economic Growth Business growth can result in additional income being retained for local investment, subject to certain thresholds. This supports the Council's approach to invest in economic growth through unlocking development land and supporting inward investment.	**+0.800**	**+1.300**	**+1.800**
103. National Multiplier Increases / Baseline changes Figures as per Department for Communities and Local Government (DCLG) forecasts (February 2017).	**+1.300**	**-0.200**	**-0.200**
104. Business Rates Pooling The Council is maximising the benefit of the business rates retention scheme by continuing to pool with Greater Manchester councils and taking part in a growth pilot, one of only two in the country. Both of these initiatives aim to retain as much local Business Rates as possible (2017/18 income levels expected to continue)	**No change**	**No change**	**No change**
Impact on Funding Envelope =	**+2.100**	**+1.000**	**+1.600**

**Values represent a +/- variation to the Cheshire East Council approved funding envelope for 2017/18.*

Values are not cumulative

	2018/19 £m*	2019/20 £m*	2020/21 £m*
105. Release of funds from Collection Fund Income from Council Tax and Business Rates has been accumulated to mitigate costs of non-collection and appeals as well as from growth that has exceeded forecasts. Accounting for the liabilities in this area has proved accurate so it is reasonable to consider release of some of these reserves now. *Impact on Funding Envelope =*	**-1.000**	**-1.000**	**0.000**
** Values represent a +/- variation to the Cheshire East Council approved funding envelope for 2017/18.* *Values are not cumulative*			

General Government Grants

The table below sets out the estimated scale of reductions in Government unring-fenced grant over the medium term. Expenditure directly related to grants is reviewed when the full list of grants is known. This is expected to follow the Autumn Statement (due 22nd November 2017).

	2018/19 £m*	2019/20 £m*	2020/21 £m*
106. Revenue Support Grant (RSG)			
The final settlement announced by the Department of Communities and Local Government in February 2017, confirmed the total Government unring-fenced grant income levels for the medium term. RSG is set to reduce from almost £40m in 2015/16 to nil by 2019/20.	**-8.000**	**-13.400**	**-13.400**
107. New Homes Bonus (NHB)			
Increasing development in Cheshire East means NHB is expected to exceed recent expectations. However, changes to the number of years the grant is paid for, plus the introduction of a threshold have actually reduced income compared to the 2017/18 level.	**-1.500**	**-1.300**	**-1.000**
108. One Off Funding			
Transitional and Adult Social Care Grant is not being anticipated from 2018/19, however additional support could be announced at the provisional settlement or Autumn statement	**-4.500**	**-4.500**	**-4.500**
109. Other Grants			
Other specific grants, such as health and care, have been maintained at previous medium term forecasts. These are based on best estimates or just a general reduction of 15%.	**-0.800**	**-0.800**	**-0.900**
Impact on Funding Envelope =	**-14.800**	**-20.000**	**-19.800**

** Values represent a +/- variation to the Cheshire East Council approved funding envelope for 2017/18.*

Values are not cumulative

Protecting Against Risk and Supporting Investment

Cheshire East's strong taxbase and greater independence provides financial stability and offers some 'local protection' from the impact of national economic fluctuations. Compared to most other English councils, Cheshire East is less reliant on government revenue grant as local businesses and residents provide a higher proportion of the Council's overall funding. In this context, it is also important to note that compared to neighbouring local authorities, total spending per head of population is below average. Given this national and local context its overall financial risk profile is lower than previous years. The Council's consideration and response to threats, and its ability and capacity to recognise and seize new opportunities, underpin its successful performance.

The Council continues to strengthen its risk management framework including the approval of a strategy and policy statement by Cabinet. Risk management is a key principle of effective corporate governance, and operating within the framework ensures that there is a mechanism in place to support effective decision making and appropriate risk responses. This will increase the likelihood of the Council achieving its business objectives and outcomes for the residents.

Supporting the Council's budget with adequate reserves is a key element to creating financial resilience, and the publication: Guidance and Data on the Financial Resilience of the Council provides clear evidence of an improving trend of robust forecasting of performance and improvements in the level of general reserves.

Since Local Government Reorganisation in Cheshire in 2009 the Council has invested one-off income sources such as Council Tax freeze grants and Transitional Funding to pay for items such as redundancy costs or to support transformation in service delivery. The Council also establishes a level of reserves that are adequate to protect the Council against financial risks, such as emergencies, which are not specifically budgeted for in individual years.

The Council will continue to be flexible about investing revenue funding in maintaining sustainable services and reflecting changes to the risks facing the Council. The full Budget Report will include a revised Reserves Strategy for 2018/19 to provide further detail on estimated balances and the application of reserves in the medium term.

Annexes to Pre-Budget Consultation 2018/21

November 2017

1. Developing the Budget

May to June 2017	July to Sept 2017	October 2017 to January 2018	February 2018
Start with: Medium Term Financial Strategy Targets Corporate Plan 2017-2020 Priority Outcomes Team Plans Charging and Trading Strategy Value for Money Analysis Current Group Performance	Formal launch of process via joint Cabinet / Corporate Leadership Group Sessions Prepare options Business Cases completed Officer Challenge of proposals Proposals agreed by Members	Release Pre-Budget Consultation Engagement Events – Schools Forum / Trades Unions / Businesses / Member Groups and other interested parties on request. Refinement through Cabinet / Senior Council Officers Set fees and charges	Council approve taxbases (December 2017) Cabinet to recommend estimated budget to Council Council provides approval (22nd February 2018)

	2017/18 (revised) £m	2018/19 £m	Change £m	2019/20 £m	Change £m	2020/21 £m	Change £m	3 Year Change £m
PEOPLE	153.4	161.8	*+8.4*	168.7	*+6.9*	176.2	*+7.5*	*+22.8*
PLACE	34.4	35.8	*+1.4*	34.3	*-1.5*	34.5	*+0.2*	*+0.1*
CORPORATE	60.9	59.1	*-1.8*	58.5	*-0.6*	59.5	*+1.0*	*-1.4*
TOTAL: SERVICE BUDGETS	**248.7**	**256.7**		**261.5**		**270.2**		***+21.5***
Capital Financing	14.0	10.0	*-4.0*	12.0	*+2.0*	12.0	*0.0*	
Past Pension Adjustments	1.2	0.3	*-0.9*	0.2	*-0.1*	1.2	*+1.0*	
Income from Capital Receipts		-2.0	*-2.0*	-1.0	*+1.0*	-1.0	*0.0*	
Contingency		1.0	*+1.0*	1.0	*0.0*	1.0	*0.0*	
Community Budget		1.0	*+1.0*	1.0	*0.0*	0.0	*-1.0*	
Use of/Transfer to EMR	-0.1	-2.8	-2.7	0.0	+2.8	0.0	0.0	
TOTAL: CENTRAL BUDGETS	**15.1**	**7.5**		**13.2**		**13.2**		***-1.9***
Further Savings Required to Balance						*-10.5*		
TOTAL BUDGET	**263.8**	**264.2**		**274.7**		**272.9**		
Council Tax	-191.1	-204.5	*+13.4*	-210.7	*+6.2*	-217.1	*+6.4*	*+26.0*
Taxbase Increases			*+3.9*		*+2.3*		*+2.4*	
1.99% increase			*+3.8*		*+3.9*		*+4.0*	
3.00% ASC increase			*+5.7*		*0.0*		*0.0*	
Non Domestic Rates	-41.0	-43.1	*+2.1*	-42.1	*-1.0*	-42.7	*+0.6*	*+1.7*
Taxbase increases			*+0.8*		*+0.5*		*+0.6*	
National Multiplier/Baseline changes			*+1.3*		*-1.5*		*0.0*	
Government Grants	-30.3	-15.6	-14.7	-10.4	*-5.2*	-10.5	*+0.1*	*-19.8*
Sourced from Collection Fund	-1.4	-1.0	-0.4	-1.0	0.0	0.0	-1.0	-1.4
TOTAL FUNDED BY	**-263.8**	**-264.2**		**-264.2**		**-270.3**		
POTENTIAL FUNDING DEFICIT	**0.0**	**0.0**		**10.5**		**2.6**		

2. Key Budget Events for the 2018/19 budget

Event	Comments
1. Council 23rd February 2017	Reported a balance budget over the medium term
2. Joint Corporate Leadership Group and Cabinet Members Away Day – - 6th June 2017	Focus on 2017/18 budget pressures and confirm potential funding deficit for 2018/19 and the process to manage it. Discuss high level proposals
3. Cabinet 13th June 2017	Receive 2016/17 Final Outturn
4. Corporate Overview and Scrutiny Committee 15th June 2017	Receive 2016/17 Final Outturn
5. Joint Corporate Leadership Group and Cabinet Members Away Days – - 19th September 2017 - 9th October 2017 - 1st November 2017	Refine proposals
6. Budget Challenge Group – October/November	Challenge / Review proposals

3. Timetable to Approval

2017	Event	Comments
15th November	Corporate Overview and Scrutiny Committee	Receive Mid -Year Performance Report and introduction to Budget Consultation
Nov to Feb	Consultation on Pre-Budget Proposals	With Residents, Trades Unions, Schools Forum, Businesses, Town & Parish Councils, Community, Voluntary and Faith organisations and other interested parties
7th November	Cabinet	Receive Mid -Year Performance Report
5th December	Cabinet	Council Taxbase (Domestic / Non Domestic)
14th December	Full Council	Agree Council Taxbases
Mid December	Funding announcements	Expected from Government
2018		
January	Final proposals issued	Bringing together consultation outcomes, taxbases and funding settlement
Mid January	Final Budget Report released	
Jan/Feb	Final Settlement from Government	
1st February	Corporate Overview and Scrutiny Committee	Receive Quarter 3 Performance Report
6th February	CABINET MEETING	Receive Quarter 3 Performance Report and **recommend 2018/19 MTFS / Budget Report** to 22nd February Council
22nd February	COUNCIL MEETING	Agree 2018/19 MTFS / Budget Report and Capital Strategy

4. Forecasts

Forecasts presented to the Council in February 2017 presented a balanced budget in the medium term.
Proposals in this Pre-Budget Consultation set out an updated position, whilst maintaining financial resilience for the future.

	Budget Book 2016/17 (revised at TQR) £m	Estimated Net Budget 2017/18 £m	Estimated Net Budget 2018/19 £m	Estimated Net Budget 2019/20 £m
Outcome 1 - Our Local Communities are strong and supportive	25.6	**25.0**	**25.3**	**25.7**
Outcome 2 - Cheshire East has a strong and resilient economy	32.2	**30.0**	**28.1**	**28.1**
Outcome 3 - People have the life skills and education they need in order to thrive	35.3	**33.8**	**32.5**	**32.7**
Outcome 4 - Cheshire East is a green and sustainable place	29.1	**29.8**	**30.0**	**29.1**
Outcome 5 - People live well and for longer	91.7	**96.5**	**96.4**	**95.8**
Outcome 6 - Efficiency	34.9	**33.6**	**32.8**	**32.8**
Total Outcomes	248.8	**248.7**	**245.1**	**244.2**
Corporate Contributions and Adjustments	1.1	**1.2**	**1.2**	**1.2**
Capital Financing	14.0	**14.0**	**14.0**	**14.0**
Use of / Contribution to Earmarked Reserve	2.8	**-0.1**	**-0.1**	**-0.1**
TOTAL:	**266.7**	**263.8**	**260.2**	**259.3**
CENTRAL BUDGETS				
Business Rate Retention Scheme	-39.7	**-41.0**	**-42.7**	**-41.8**
Revenue Support Grant	-26.3	**-13.4**	**-5.4**	**0.0**
Specific Grants	-18.8	**-16.9**	**-9.8**	**-9.4**
Council Tax	-179.4	**-191.1**	**-202.3**	**-208.1**
Sourced from Collection Fund	-2.5	**-1.4**	**0.0**	**0.0**
TOTAL: Central Budgets	**-266.7**	**-263.8**	**-260.2**	**-259.3**
Funding Position	**0.0**	**0.0**	**0.0**	**0.0**

5. Feedback

We want you to be involved in decision making in Cheshire East…

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If you would like to view the results of previous consultations undertaken by Cheshire East Council, please click here.