

Environment and Prosperity Scrutiny Committee

Agenda

Date: Monday, 25th July, 2011
Time: 9.30 am
Venue: Committee Suite 1 & 2, Westfields, Middlewich Road,
Sandbach CW11 1HZ

The agenda is divided into 2 parts. Part 1 is taken in the presence of the public and press. Part 2 items will be considered in the absence of the public and press for the reasons indicated on the agenda and at the foot of each report.

PART 1 – MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS PRESENT

1. **Apologies for Absence**

2. **Declarations of Interest/Whipping Declarations**

To provide an opportunity for Members and Officers to declare any personal and/or prejudicial interests in any item on the agenda

3. **Public Speaking Time/ Open Session**

A total period of 15 minutes is allocated for members of the public to make a statement(s) on any matter that falls within the remit of the Committee.

Individual members of the public may speak for up to 5 minutes, but the Chairman will decide how the period of time allocated for public speaking will be apportioned, where there are a number of speakers

4. **Minutes of Previous Meeting** (Pages 1 - 6)

5. **Call-in of the Decision of the Cabinet Member for Prosperity dated 27 June 2011 relating to the Crewe Heritage Centre** (Pages 7 - 20)

For any apologies or requests for further information, or to give notice of a question to be asked by a member of the public

Contact: Mark Nedderman

Tel: 01270 686459

E-Mail: mark.nedderman@cheshireeast.gov.uk

To consider the call-in of the above decision.

CHESHIRE EAST COUNCIL**Minutes of a meeting of the Environment and Prosperity Scrutiny Committee**

held on Tuesday, 5th July, 2011 at Committee Suite 1,2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor L Gilbert (Chairman)
Councillor G M Walton (Vice-Chairman)

Councillors A Barratt, P Butterill, H Davenport, K Edwards, R Fletcher,
M Grant, P Groves, P Hoyland and B Silvester (substitute)

Apologies

Councillors D Druce

110 DECLARATIONS OF INTEREST/WHIPPING DECLARATIONS

There were no declarations of interest.

111 ALSO PRESENT

Councillor J Macrae Prosperity Portfolio Holder

112 OFFICERS PRESENT

Caroline Simpson – Head of Regeneration
Karen Carsberg - Strategic Housing Manager
Adrian Fisher - Head of Planning & Housing
Nic Abbott - Homechoice Team Leader
Mark Nedderman – Senior Scrutiny Officer

113 PUBLIC SPEAKING TIME/ OPEN SESSION

There were no members of the public present who wished to address the Committee.

114 MINUTES OF PREVIOUS MEETING

RESOLVED – That the minutes of the meeting held on 21 June 2011 be approved as a correct record and signed by the Chairman.

115 CHESHIRE EAST HOUSING STRATEGY

Karen Carsberg attended the meeting and gave a presentation on the Council's Housing Strategy which was currently in its public consultation period.

Karen explained that the process to produce the strategy had started with a number of consultation events in 2010.

The strategy set out the vision and priorities for housing between 2011 and 2016.

The Council's vision stated that housing supported the creation of balanced and sustainable communities in Cheshire East, where all residents could achieve independent living in good quality affordable homes that were appropriate to their needs.

The strategy had the following 5 priorities:

- Delivering market and affordable housing
- Making the best use of our existing stock
- Meeting the needs of our most vulnerable residents
- Meeting the needs of an ageing population
- Investing in our neighbourhoods

Karen explained that the Council was facing a serious shortfall in affordable housing provision, as a significant proportion of houses in Cheshire east were unaffordable for first time buyers due to the level of deposit required by lenders. There was also a shortage of both private and social rented accommodation with 80% of Cheshire of Cheshire East housing stock being in owner occupation.

Karen also reported upon the Council's policy to bring back into use the 3000 properties known to be empty in the Borough. The Council ultimately had enforcement powers to bring them back into use. However, the Council had developed a toolkit for landlords which provided a range of solutions to avoid the enforcement route.

In response to a question about how the Council engaged with landlords who were not based in the Borough, Karen explained that the Council supported two very active land lord forums split between North and South of the Borough.

In response to a further question regarding what partnership arrangements existed in Cheshire East with Social Housing providers, Karen explained that all the key agencies were brought together on a regular basis (Cheshire East Strategic Housing delivery group) and through the Local Area Partnerships (LAP's) and that specifically within the Congleton LAP, there existed a separate Housing sub-group.

In response to a question regarding powers available to the Council to protect affordable housing schemes, Karen explained that through section 106 agreements, affordable housing could be preserved in perpetuity as affordable housing. However, in some cases, owners had the ability to 'staircase out', potentially having the ability to own 100% of the property.

A definition of affordable homes could be found in Planning Policy Statement 3(PPS3) which stated that affordable housing should: meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices, include provision for the home to remain at an affordable price for future

eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.

RESOLVED – That the presentation be noted

116 **ALLOCATIONS POLICY**

Nic Abbott Cheshire Homechoice team leader attended the meeting and provided a presentation on the review of Council's Housing allocations policy, Cheshire Homechoice. The Committee also considered a report of the Head of Planning and Policy.

Cheshire Home choice was the Choice based lettings partnership between Cheshire East Council and the registered providers of Social Housing in Cheshire East. Cheshire homechoice was launched in April 2010 and was a partnership between Cheshire East Council, Cheshire peaks and Plains, Plus Dane and Wulvern.

Cheshire Home choice had been operating effectively for 12 months. However there were some areas of the allocations policy that needed improving or reviewing in light of lessons learned and in preparation for changes anticipated through the Localism Bill.

Nic reported that there had been very few formal complaints received from customers, and those that had been received related to procedural matters rather than policy.

Nic explained that the process should be completed by January 2012 and would include:

- Undergoing consultation with customers based on their opinions on Housing priorities
- Working closely with partners to resolve some of the issues identified
- Conducting an event with Members of the Council and Partner Board members to further consult on the process
- Taking guidance from Support Agencies and Customers
- Testing the policy to try to identify any errors
- Re-registering & re-assessing all applications to avoid duplication and further complication for customers

In response to a query about how the policy reflected the needs of young people particularly former cared after children who were seeking accommodation, Nic explained that such individuals were given a high welfare banding in the allocations policy and the Council worked very closely with Children's Services, and Members of the Corporate parenting Board.

RESOLVED – That the report and presentation be received.

117 **HOME IMPROVEMENT AGENCY**

Karen Carsberg explained the background of the Home Improvement Agencies which provided services to older or disabled that lacked either the financial capacity or personal resources to organise home repairs or adaptations themselves in order to retain independent living.

The role of a Home Improvement Agency was:

- Provide support to assist vulnerable people through the complex process of home repairs and adaptations.
- Helping people to find ways to pay for the repairs and adaptations, including applying for disabled facilities grants, home repair loans and equity release products
- Providing technical advice on the options available and producing architectural drawings and specifications, and assisting people through the planning and building regulations application processes
- Assisting people to employ reputable contractors and carrying out quality checks on the work
- Signposting and referrals to other services to help the vulnerable person address other housing related issues that are affecting their ability to continue living independently in their own home.

Karen explained that the Council currently supported 3 HIA's which were:

- In-house by the Strategic Housing division of Planning and Housing – for Congleton;
- Mears, a national social housing repairs and domiciliary care provider – for Crewe & Nantwich; and
- Regenda, a registered housing provider – for Macclesfield.

The Council had undertaken a review of HIA's in 2010, which highlighted the need for a single HIA. The Council had therefore embarked upon a procurement process which had culminated in 3 tenders being received to provide the Council with a home improvement agency service. In August, Cabinet would be asked to decide which of the tenders it preferred and would therefore be asked to provide the service in house.

RESOLVED - That the presentation be received and Karen Carsberg be requested to provide a copy of the report scheduled to go to Cabinet in August 2011 to Members of this Committee at the time of publication.

118 **UPDATE ON ALL CHANGE FOR CREWE**

Caroline Simpson attended the meeting and gave a presentation on 'All Change for Crewe' a project started two years ago to revitalise the economy of Crewe.

Caroline provided statistics comparing the Economic growth of Crewe with that of the north west region and the national position. It was clear that Crewe had lagged behind.

Caroline explained the links between the level of population in Crewe and economic growth which would be addressed in the Local Development Framework (LDF) process.

Caroline also referred to the re-franchising of the North West mainline rail services and that Crewe station re-development would have to be at the forefront of any re-franchising proposals.

RESOLVED - That Caroline Simpson be requested to submit a progress report on 'All change for Crewe' to a future meeting.

119 **OPTIONS FOR REVISED PUBLIC TRANSPORT CRITERIA**

The Chairman informed the Committee that all Members of the Committee had received by email a copy of the revised transport criteria which took account of the Comments made at the previous meeting of the Committee held on 21 June 2011.

The Committee sought further information about whether any of the 'Safer routes to school' would be affected by changes to bus route support resulting from the new public transport criteria

RESOLVED – That Chris Williams Transport Manager be requested to clarify whether the revised criteria will have any impact on safer routes to schools.

120 **WORK PROGRAMME UPDATE**

The committee considered a report of the Borough Solicitor setting out the work programme for 2011/2012.

RESOLVED – That the report be received

121 **FORWARD PLAN - EXTRACTS**

The Committee considered extracts from the current forward plan.

RESOLVED – That the extracts be noted.

The meeting commenced at 2.00 pm and concluded at 4.15 pm

Councillor L Gilbert (Chairman)

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CHESHIRE EAST COUNCIL

CORPORATE SCRUTINY COMMITTEE

Date of meeting: 25 July 2011
Report of: The Borough Solicitor and Monitoring Officer
Title: Call In of Crewe Heritage Centre

1.0 Report Summary

This report sets out the procedure for the Call-in of the decision of the Cabinet Member for Prosperity made on 27th June 2011 to declare the site of the Crewe Heritage Centre surplus to the requirements of Cheshire East Council.

2.0 Recommendations

- 2.1 That the Scrutiny Committee considers whether or not it wishes to offer advice to the decision maker in response to the Call In.

3.0 Wards Affected

- 5.1 All Wards

4.0 Local Ward Members

- 4.1 All Members for the above Wards.

5.0 Policy Implications

- 5.1 Contained within the attached report.

6.0 Financial Implications

- 6.1 Contained within the attached report.

7.0 Legal Implications

- 7.1 Contained within the attached report.

8.0 Risk Assessment

- 8.1 Contained within the attached report.

9.0 Background and Options

- 9.1 In accordance with Scrutiny Procedure Rule 12.3, any 8 or more Councillors can call in a decision. In this case, 8 Members have called in the above decision for the reasons identified in Appendix 1

- 9.2 In accordance with Scrutiny Procedure Rule 12.6 the Committee has two options in respect of any further action. The Committee may decide to offer no advice, in which case the decision may be implemented. Alternatively, the Committee may decide to offer advice, in which case, the matter must be referred to the decision maker, in this case the Cabinet Member for Prosperity, in order for a decision to be made upon it. In accordance with Scrutiny Procedure Rule 12.8, the decision maker is not bound to accept any advice offered to him and will have sole discretion on any further action to be taken. Such action may include:
- (1) Confirming with or without amendment the original decision; or
 - (2) Deferring the matter pending further consideration; or
 - (3) Making a different decision.
- 9.3 Where the Scrutiny Committee decides to offer advice, this must be clearly documented in the minutes
- 9.4 If the Scrutiny Committee decides not to offer any advice, then the decision of the Cabinet Member for Prosperity can be implemented immediately.
- 9.5 Full details of the Call-In Procedure can be found at Scrutiny Procedure Rule 12
- 9.6 The Cabinet Member for Prosperity and Lead Officer will attend the meeting to explain the background and reasons for the decision and to answer any questions the Committee may have.
- 9.7 The following records the decision of the Cabinet Member for Prosperity of 27 June 2011:

‘RESOLVED

That the Cabinet Member for Prosperity agrees that the site of the Crewe Heritage Centre be declared surplus to the requirements of Cheshire East Council and that a 125 year lease be offered for sale on the open market with a restrictive covenant to preserve the site for the rail heritage of Crewe, the lease to be subject to such terms and conditions as are determined by the Assets Manager, Borough Solicitor and Head of Regeneration.’

- 9.8 The Report of the Strategic Director, Places considered by the Cabinet Member for Prosperity on 27 June is attached at Appendix 2.
- 9.9 A response to the issues raised in the Call-In Notice is attached at Appendix 3.
- 10.0 **Appendices**

Appendix 1 – Call In Notice

Appendix 2 – Report of the Strategic Director, Places

Appendix 3 – Response to the issues raised in the Call-in Notice

For further information:-

Officer: Mark Nedderman

Tel No: 01270 686459

Email: mark.nedderman@cheshireeast.gov.uk

Background Documents:-

Documents are available for inspection at:

Legal and Democratic Services, Westfields, Middlewich Road, Sandbach, CW11 1HZ

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Appendix 1

Call In of Cabinet Member of Prosperity decision relating to the Crewe Heritage Centre decision (27 June 2011)

The 8 councillors listed below have called in the decision of the Cabinet Member for Prosperity to Environment and Prosperity Scrutiny Committee on the grounds:

‘That members have not been provided with adequate information about the site occupied by the Crewe Heritage Centre i.e. site plan and estimated value of site, that the proposed lease of 125 years is not best in the interest of the Borough of Cheshire East or the towns people of Crewe town’

Councillor D H Flude

Councillor M Grant

Councillor S Hogben

Councillor Newton

Councillor Thorley

Councillor Cartlidge

Councillor Sherrett

Councillor Brickhill

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CHESHIRE EAST COUNCIL

Cabinet Member for Prosperity

Date of Meeting: 27th June 2011
Report of: Strategic Director, Places
Subject/Title: Crewe Heritage Centre
Portfolio Holder: Councillor Jamie Macrae

1.0 Report Summary

- 1.1 Cheshire East Council is seeking to establish a long-term viable future for the Crewe Heritage Centre. The Council has taken on the responsibility for the site in Crewe as a legacy arrangement from the former Crewe & Nantwich Borough Council. The site is currently leased to a board of trustees who operate the site as a visitor attraction. However, the museum element of the site is no longer self-sustainable and is now financially dependent upon an informal sub-let to a railway engineering operation on the site.
- 1.2 The Council is required to regularise the current arrangements and it is recommended that the most appropriate way forward is to sell a long leasehold interest in the site with restrictive covenants to protect the site for rail heritage allowing for future training and employment.

2.0 Recommendation

- 2.1 That the Cabinet Member for Prosperity declare the site of the Crewe Heritage Centre surplus to the requirements of the Council and to offer a 125 year lease for sale on the open market with a restrictive covenant which will preserve the site for the rail heritage of Crewe. The lease will be subject to terms and conditions as determined by the Assets Manager, Borough Solicitor and Head of Regeneration.

3.0 Reasons for Recommendations

- 3.1 The current arrangements with regards to the site are not sustainable thus jeopardising the future of existing visitor attraction.

4.0 Wards Affected

- 4.1 All Crewe Wards

5.0 Ward Members

- 5.1 Councillors:

I Faseyi
M Martin
D Newton
C Thorley
M Grant
R Cartlidge
P Nurse
M Sherratt

- 5.2 Local ward members were consulted on the options earlier this year and have been advised of the proposed way forward. Newly-elected members have since been updated on the current position. There remains some concern regarding the strength of the restrictive covenant and the need to ensure that the Crewe rail heritage attraction is retained in the longer-term. There is general recognition, however, that the current position is not sustainable and the Council needs to take action to secure future investment and regularise the lease position.

6.0 Policy Implications including - Carbon reduction - Health

- 6.1 Celebrating Rail Heritage in Crewe is an important strand of 'All Change for Crewe' which is seeking to re-establish Crewe as one of the leading economic areas in the UK by 2030. The future ambitions for employment growth will be focused on high-value manufacturing but particularly linking to the industrial heritage of the Crewe area. The future of this site and the visitor attraction in Crewe is important to retain confidence in the area and it has a strong local identity and ownership from the local community.
- 6.2 The proposed head lease will include a restrictive covenant which will enable future job opportunities to be increased for local young people if planning permission allows this and subject as mentioned in 8.2 below as the site provides training opportunities to work within the rail heritage industry.

7.0 Financial Implications (Authorised by the Borough Treasurer)

- 7.1 No income is currently derived from the existing lease as the consideration is a 'peppercorn' rent. The Council will be seeking to derive an initial premium for the grant of the long lease and a nominal annual rent.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 It is considered that the most effective way to ensure that the future of the site is suitably protected is to offer a long leasehold interest with a relevant restrictive covenant. One reason is that access rights to/from Vernon Way are dependent on the Council retaining an ownership in

the Heritage Centre. Another is that through a long leasehold interest the intended covenant can potentially be enforced more readily than through a freehold sale.

- 8.2 For so long as the 50 year lease referred to in 10.4 remains in place the Trustees have the right to possession of the whole of the Heritage Centre. Therefore their landlord cannot insist upon their sharing occupation or allowing uses other than the visitor attraction from the site.
- 8.3 Additional planning consents are required for the current business and training engineer programme to operate.

9.0 Risk Management

- 9.1 If the Council were to take no further action both operations on the site may be put at risk.
- 9.2 Due to the complex nature of the legal restrictions regarding the ownership, use and access on the site, any intervention from the Council is likely to require a substantial cross service resource commitment both in time and finance.
- 9.3 The site is located within the Crewe Town Centre urban area and its future use, development and management may need to be considered within the context of their impact on 'All change for Crewe' and the Crewe Vision. There is a real opportunity to develop a unique heritage experience not only in the provision of a sustainable museum attraction but in the development of a centre of excellence for heritage railway engineering, to the mutual benefit of both the parties concerned and to complement the national Skills Academy for Railway Engineering (NSARE) proposals for Crewe.

10.0 Background and Options

- 10.1 Cheshire East Council is seeking to establish a long-term viable future for the Crewe Heritage Centre. The Council has taken on the responsibility for the site in Crewe as a legacy arrangement from the former Crewe & Nantwich Borough Council.
- 10.2 The site is owned by the Council and let on 50 year lease from 1991 to 2041 to 'The Trustees of The Heritage Centre' on a peppercorn type rent in order for them to run a visitor attraction from the site.
- 10.3 The Trustees are in breach of the terms of their lease due to an unauthorised sub-let. CEC has been drawn into discussions on numerous occasions and in October 2009 met with the Trustees in an attempt to broker a workable solution to the ongoing problems.

- 10.4 The Council wishes to put in place an intermediate landlord which will take on the responsibility for ongoing management of the site and delivery of the current lease obligations. The sale by the Council of the 125 lease for the site would be made subject to the existing lease to the Trustees.
- 10.5 In adopting the approach recommended in this report, the Council will seek to work with any interested parties to protect the heritage attraction within the site. Any new lease will be subject to the existing lease which requires the use of the site to be used as a heritage attraction. It is anticipated however that there may be interested parties who may be able to combine more effectively the heritage attraction with a commercial use of the site as is the current ambition of the Heritage Trustees.
- 10.6 This option will ensure the Council retains overall responsibility for the site in the longer-term by retaining the freehold but hands over the management and current operational issues to another party who can endeavour to deliver the potential for the site.

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

Name: Peter Hall
Designation: Head of Property Services
Tel No: 01270 686133
Email: peter.hall@cheshireeast.gov.uk

Call in decision of the Environment and Prosperity Scrutiny Committee regarding the Crewe Heritage Centre on the grounds;

'That members have not been provided with adequate information about the site occupied by the Crewe Heritage Centre i.e. site plan and estimated value of site, that the proposed lease of 125 years is not best in the interest of the Borough of Cheshire East or the towns people of Crewe town.'

Response;

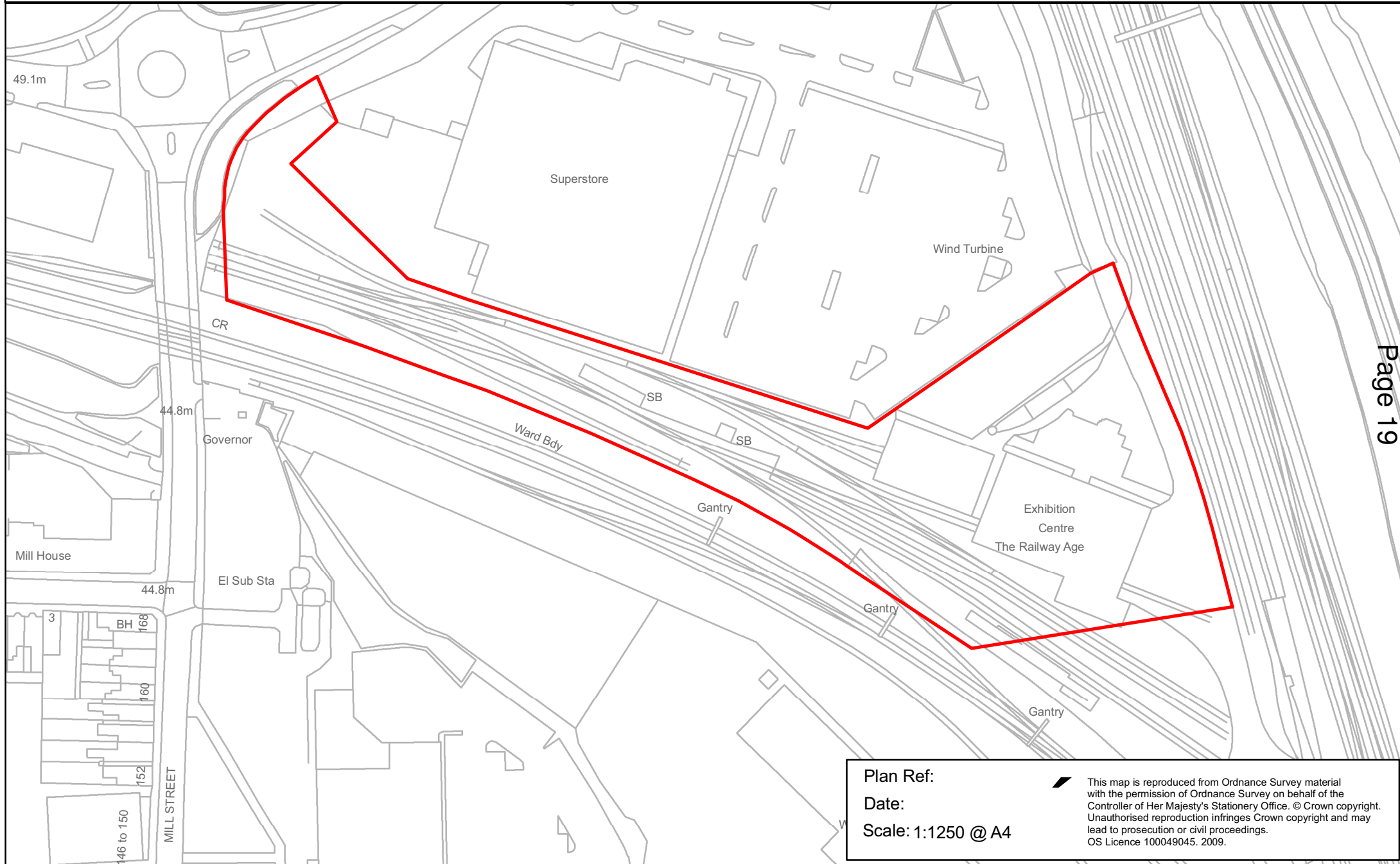
A plan detailing the extent of the area under lease is attached for information.

As detailed in the report it is considered that the most effective and appropriate way to ensure the future of the site is suitably protected is to offer a long leasehold interest with relevant restrictive covenant. Through a long leasehold interest the intended covenant protecting the rail heritage of Crewe can potentially be enforced more readily than through a freehold sale.

With regard to the estimated value of the site, it is considered that as a consequence of the existing 50 year lease at a peppercorn rent, the site has a perceived nominal value. It is likely that any bids received for the site will be on a purely speculative basis in addition to rail enthusiasts or those with an interest in the heritage of Crewe. The value of bids is likely to be determined by an 'ability to pay' rather than on a defined, investment basis and thus is extremely difficult to anticipate.

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Crewe Heritage Centre.



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Scale: 1:1250 @ A4

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