

Cabinet Agenda

Date: Tuesday, 11th July, 2017
Time: 2.00 pm
Venue: Committee Suite 1,2 & 3, 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 in the report.

It should be noted that Part 1 items of Council decision-making meetings are audio recorded and the recording will be uploaded to the Council's website.

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

1. **Apologies for Absence**
2. **Declarations of Interest**

To provide an opportunity for Members and Officers to declare any disclosable pecuniary and non-pecuniary interests in any item on the agenda.

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

In accordance with Procedure Rules Nos.11 and 35 a period of 10 minutes is allocated for members of the public to address the meeting on any matter relevant to the work of the body in question. Individual members of the public may speak for up to 5 minutes but the Chairman or person presiding will decide how the period of time allocated for public speaking will be apportioned where there are a number of speakers. Members of the public are not required to give notice to use this facility. However, as a matter of courtesy, a period of 24 hours' notice is encouraged.

Members of the public wishing to ask a question at the meeting should provide at least three clear working days' notice in writing and should include the question with that notice. This will enable an informed answer to be given.

4. **Questions to Cabinet Members**

A period of 20 minutes is allocated for questions to be put to Cabinet Members by members of the Council. Notice of questions need not be given in advance of the meeting. Questions must relate to the powers, duties or responsibilities of the Cabinet. Questions put to Cabinet Members must relate to their portfolio responsibilities.

The Leader will determine how Cabinet question time should be allocated where there are a number of Members wishing to ask questions. Where a question relates to a matter which appears on the agenda, the Leader may allow the question to be asked at the beginning of consideration of that item.

5. **Minutes of Previous Meeting** (Pages 3 - 10)

To approve the minutes of the meeting held on 13th June 2017.

6. **Safer Parking for Communities around Schools Task and Finish Group - Final Report** (Pages 11 - 30)

To consider the final report of the Safer Parking for Communities around Schools Task and Finish Group.

7. **Implementation of Household Waste Recycling Centre Review: Arclid.** (Pages 31 - 38)

To consider a report on the implementation of the Household Waste Recycling Centre Review.

8. **Home Repairs and Adaptations for Vulnerable People Policy** (Pages 39 - 78)

To consider a report seeking approval of the Housing Repairs and Adaptations for Vulnerable People Financial Assistance Policy.

9. **The Self-Build and Custom Housebuilding Regulations 2016** (Pages 79 - 86)

To consider a report on changes to the legislation and regulations regarding self-build and custom housebuilding and the implications of those changes for the self-build register.

10. **Human Resources and Finance System Replacement** (Pages 87 - 124)

To consider a report on the provision of a replacement Human Resources and Finance system (also known as an Enterprise Resource Planning system).

THERE ARE NO PART 2 ITEMS

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Cabinet**
held on Tuesday, 13th June, 2017 at Committee Suite 1,2 & 3, Westfields,
Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor Rachel Bailey (Chairman)

Councillors A Arnold, P Bates, J Clowes, J P Findlow, P Groves, G Hayes,
D Stockton and L Wardlaw

Members in Attendance

Councillors G Baxendale, S Corcoran, Stewart Gardiner, L Jeuda, J Nicholas,
J Rhodes and G Williams

Officers in Attendance

Kath O'Dwyer, Frank Jordan, Peter Bates, Mark Palethorpe, Jan Willis, Kevin
Melling, Suzanne Antrobus and Paul Mountford

Apologies

Councillor D Brown

The Chairman advised that with effect from this meeting, meetings of the Cabinet would no longer be video webcast but would instead be audio webcast in accordance with the recent decision of the Constitution Committee. The recording of the audio webcast would be published on the Council's website shortly after the meeting.

The Portfolio Holder for Finance and Communities announced that a number of community events, including street parties, would be taking place throughout the Borough over the weekend to celebrate the achievements of the late Jo Cox MP. Some of the events would be attended by members of the Council.

The Portfolio Holder for Children and Families announced that he would be attending the Municipal Journal Awards on Thursday evening where Project Crewe, a multi-agency project for engaging children in need and their families, had been nominated for an award.

1 DECLARATIONS OF INTEREST

There were no declarations of interest.

2 PUBLIC SPEAKING TIME/OPEN SESSION

There were no members of the public wishing to speak.

3 QUESTIONS TO CABINET MEMBERS

Councillor L Jeuda referred to a matter she had raised at the previous meeting regarding the treatment of staff and an alleged culture of bullying and in particular to the response given by the Portfolio Holder for Corporate Policy and Legal Services that a group had been set up under the Chief Operating Officer's chairmanship to ensure that staff were treated properly and fairly. Councillor Jeuda asked what progress had been made by the Group and when it was likely to submit its report on the outcome of its work. She also asked specifically about how many complaints had been received from members of staff over the last year, how many members of staff had been off due to stress, how many were facing disciplinary action and what HR was doing to support staff.

The Chairman repeated her comments of the previous meeting that the Council's staff were highly valued and that the Council was committed to their wellbeing. The matter was properly one for the Staffing Committee and she undertook to ensure that the matter would be considered at the Committee's next meeting.

Councillor S Corcoran invited Cabinet to join him in congratulating all those who had been elected to Parliament for Cheshire East constituencies. He also drew attention to the record number of women MPs, both generally and within Cheshire East.

4 MINUTES OF PREVIOUS MEETING

RESOLVED

That the minutes of the meeting held on 9th May 2017 be approved as a correct record.

5 CORPORATE PARENTING COMMITTEE ANNUAL REPORT 2016-17

Cabinet considered the Corporate Parenting Committee Annual Report 2016-17. The report was presented by the Committee's Chairman, Councillor G Hayes.

The first year of the Committee had seen enhanced involvement by members in their roles as corporate parents through the work of the Committee which had covered a range of key themes and topics which impacted on the daily lives of cared for children and care leavers. Details were set out in the Committee's report.

RESOLVED

That the Corporate Parenting Committee Annual Report 2016-17 be received and noted.

6 ANSA PROPOSED JOINT VENTURE COMPANY

Cabinet considered a business expansion opportunity for Ansa to establish a joint venture trading company with High Peak Borough Council and Staffordshire Moorlands District Council. The joint venture would be appointed through an operating agreement with a minimum term of ten years and would deliver environmental frontline operational activities covering waste collection, street cleansing, parks and ground maintenance and fleet management. The geographical operating area of the joint venture sat beyond the eastern boundary of Cheshire East.

Kevin Melling, Managing Director of Ansa, attended the meeting and spoke to the report.

RESOLVED

That Cabinet

1. endorses in principle the business expansion opportunity being pursued by Ansa to form a joint venture trading company (JVCo) with High Peak and Staffordshire Moorlands;
2. notes that the detailed business case will be subject to the necessary due diligence which will be carried out by an external provider prior to the commencement of phase 1;
3. notes that preparatory and set-up costs will be funded initially by use of the CERF Reserve (as approved by CERF Board on 15 May 2017) and that such costs are to be “paid back” on a commercial basis over the duration of the respective contracts;
4. notes that the CERF’s Shareholders’ Agreement requires CEC’s approval to form the JVCo;
5. notes that, in the event of deciding not to proceed with either or both contracts, arrangements are being put in place to ensure that financial contributions are made in respect of abortive costs – by High Peak, Staffordshire Moorlands, and Ansa – with any residual abortive costs not covered by contributions from High Peak and Staffordshire Moorlands to be covered by Ansa;
6. authorises the Portfolio Holder for Finance and Communities in consultation with the Section 151 Officer and the Director of Legal Services to finalise the financial, legal and technical details of the JVCo;
7. upon the satisfactory completion of the above finalisation of detail, and subject to due diligence having been undertaken by all parties, delegates the final decision to establish the JVCo to the Portfolio Holder for Finance and Communities; and

8. notes that a further report will be submitted to Cabinet in December 2017 associated with potential phase 2 development which will be supported by a further business case and related due diligence work.

7 HOUSING REPAIRS AND ADAPTATIONS FRAMEWORK

Cabinet considered a report on the procurement and establishment of a framework to commission low value domestic repairs and adaptations on behalf of vulnerable residents.

The framework would form part of a larger suite of contracts and frameworks to enable the Council to provide a comprehensive range of housing repair and adaptations services to vulnerable residents. The framework value would be between £2.6million and 3.9million over the period of the framework, which was two years with an option to extend for a further year.

RESOLVED

That Cabinet

1. approves the procurement and establishment of a framework to commission low value domestic repairs and adaptations on behalf of vulnerable residents;
2. delegates authority to the Executive Director Place, in consultation with the Portfolio Holder for Housing and Planning and the Director of Legal Services, to award and enter into a framework agreement with a provider who meets the requirements of the framework; and
3. authorises the Director of Legal Services to make any alterations or enter into any supplementary agreements that are necessary to make the framework effective.

8 TRANSLATION AND INTERPRETATION SERVICES - PROCUREMENT

Cabinet considered a report on the procurement of translation and interpretation services via a framework agreement.

The Council would be looking to a single supplier to supply translation and interpretation services with a second supplier to provide a back-up service. The value of a new framework agreement over four years was estimated to be £1.1 million, made up of £200k a year from Cheshire East Council and £80k a year from the Mid-Cheshire Hospital Trust.

RESOLVED

That Cabinet

1. approves the procurement of Translation and Interpretation Services via a framework agreement; and
2. delegates authority to the Director of Finance and Procurement in consultation with the Portfolio Holder for Finance and Communities to:
 - (a) (following a legally compliant procurement exercise) approve the framework agreement and the supplier(s) admitted to the framework agreement;
 - (b) approve the subsequent award by the Council of the framework agreement(s) to the supplier(s); and
 - (c) approve the entering into all necessary framework agreement contractual documentation between the Council and the successful tenderer(s), and between the Council and the other contracting bodies.

9 TREASURY MANAGEMENT ANNUAL REPORT 2016/17

Cabinet considered the Treasury Management Annual Report for 2016/17.

The Annual Report was detailed in Appendix A and covered:

- Council's capital expenditure and financing during the year;
- Impact of this activity on the Council's underlying Capital Financing Requirement (CFR);
- Treasury position at 31st March 2017 identifying how the Council has borrowed in relation to the CFR and the impact on investment balances;
- Economic factors;
- Detailed investment and debt activity;
- Reporting of the required prudential and treasury indicators.

RESOLVED

That the Treasury Management Annual Report for 2016/17 as detailed in Appendix A be received.

10 2016/17 FINANCIAL OUTTURN AND REVIEW OF PERFORMANCE

Cabinet considered the 2016/17 financial outturn and review of performance.

The following appendices to the report set out details of how the Council had performed in 2016/17:

- Appendix 1 – Narrative from the Draft Group Accounts
- Appendix 2 – Outcomes
- Appendix 3 – Grants

Appendix 4 – Requests for Supplementary Capital Estimates and Virements

Appendix 5 – Debt Management

Appendix 6 – Reserves

Appendix 7 – Workforce Development

Councillor S Corcoran asked about Council Tax collection rates and whether there might be better ways of encouraging people to pay, as opposed to taking action against non-payers. The Portfolio Holder for Finance and Communities offered to discuss a range of issues with Councillor Corcoran, including a breakdown of the £1M cost of recovery.

RESOLVED

That Cabinet

1. notes the financial outturn and review of 2016/17 performance in relation to the following:
 - the narrative to the draft Group Accounts, including the financial outturn and impact on the Council's reserves and Balance Sheet (Appendix 1)
 - summary of performance against the Council's 6 Outcomes contained within the Council's Corporate Plan 2016 to 2020 (Appendix 1)
 - the final service revenue and capital outturn positions, overall financial stability of the Council, and the impact on the Council's reserves position (Appendix 1)
 - fully funded supplementary capital estimates and virements up to £250,000 approved in accordance with Finance Procedure Rules (Appendix 4, Table 5)
 - changes to Capital Budgets made in accordance with the Finance Procedure Rules (Appendix 4, Table 8)
 - management of invoiced debt (Appendix 5)
 - use of earmarked reserves (Appendix 6)
 - update on workforce development and staffing (Appendix 7)
2. approves
 - (a) a Supplementary Capital Estimate of £776,000 funded by the Department of Transport pot hole fund and virements as detailed in Appendix 4, Table 6; and

(b) the allocation of additional grant funding totalling £42,280, as shown in Appendix 3, Table 1; and

3 recommends that Council approve

(a) fully funded supplementary capital estimates and virements above £1,000,000 in accordance with Financial Procedure Rules as detailed in Appendix 4, Table 7.

The meeting commenced at 2.00 pm and concluded at 2.35 pm

Councillor Rachel Bailey (Chairman)

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Cheshire East Council

Cabinet

Date of Meeting:	11 th July 2017
Report of:	Safer Parking for Communities around Schools Task and Finish Group
Subject/Title:	Safer Parking for Communities around Schools Task and Finish Group – Final Report
Portfolio Holder:	Councillor Paul Bates, Finance and Communities Councillor David Brown, Highways and Infrastructure

1. Report Summary

- 1.1. This report introduces the Safer Parking for Communities around Schools Task and Finish Groups report on its findings, conclusions and recommendations following its review. (Cabinet is asked to note that the recommendation marked with an asterisk* has already been approved.)

2. Recommendations

- 2.1. That Cabinet receive the Task and Finish Groups report.
- 2.2. That Cabinet note the recommendations below, which are detailed in the attached report:
- 2.3 That the Portfolio Holders undertake to come back to the next meeting of Cabinet with a formal response to each recommendation and that response be submitted to the Corporate Overview and Scrutiny Committee.

Task and Finish Group Recommendations

- 2.4 The recommendations have been split into two categories firstly to address the root causes of concerns and secondly to manage the impact of them.

Root Causes

- 2.5 That a draft Sustainable Modes of Travel to School Strategy be prepared by the **Council** by September 2017, for anticipated implementation by September 2018.*

- 2.6 That **schools** be encouraged to produce a Travel Plan, and if required, the **Council** assist with its formation. The plan should include the appropriate initiatives set out in paragraph 15.2 of the report.
- 2.7 That the safer routes to schools scheme be resurrected and safe cycling routes be promoted by the **Council** in accordance with the Cycling Strategy.
- 2.8 That the education programme provided by **Cheshire Fire and Rescue Service** include safer parking and that a joint letter from Cheshire Fire, Police and Cheshire East Council be sent out to all parents highlighting the importance of road safety and safer parking.
- 2.9 That the possibility of **Cheshire Fire and Rescue Service** attending schools at school drop off times with a fire engine is explored as part of the road safety education programme.
- 2.10 That a walking to schools with heroes campaign be introduced by **Cheshire Fire and Rescue Service**— Police or Fire Officers could be involved in the introduction of walking buses.
- 2.11 That the **Council** encourage the funding of safer routes to schools from development through appropriate use of Conditions and S106 Agreements.
- 2.12 That **schools** are encouraged to investigate the possibility of setting up arrangements whereby local spaces such as pub or community centre car parks can be used at drop off and pick up times, to encourage park and stride.

Managing the Impact

- 2.13 That any opportunity provided by a development project on or near a school (including conversion to an academy), be carefully considered and that discussions take place between the **Council** and **school concerned** to ascertain whether or not it would be feasible to provide a safer parking or drop off zone
- 2.14 Note that there was a window of opportunity to include a discussion about safer parking and drop off zones, where appropriate, when schools were applying for academy status.

- 2.15 That signs be erected by the **Council** outside schools showing pictures of correct and incorrect ways to park.
- 2.16 That adequate resources be provided by the **Council** to enable enforcement patrols to be increased. *
- 2.17 That the **Council** share this report with all schools.

* This recommendation has already been approved.

3. Other Options Considered

- 3.1. The Council's current proactive initiatives being delivered are predominantly focussed on managing the impacts of traffic outside schools and include:
- Development and implementation of parking restriction schemes
 - Advisory 20mph zones outside all schools in Cheshire East
 - Road Safety education which is delivered annually to all schools in Cheshire East
 - Parking Enforcement Officer visits to all schools in Cheshire East
 - Keep Clear markings are refreshed and enforced at all schools
 - Provision of guidance on the website to assist schools in developing travel plans and safer routes to schools projects

4. Reasons for Recommendation

- 4.1 Parking outside schools at dropping off and picking up time is a recognised, long standing and growing national problem. Typical behaviour includes:
- Parking on double yellow lines
 - Parking on 'school keep clear' road markings
 - Parking on the pavements, causing obstructions
 - Parking on zigzag markings and pedestrian crossings; and
 - Parking across the school gates
 - Parking across neighbouring private driveways
- 4.2 This is not just a safety issue but a problem of traffic congestion and nuisance to local residents. The issue is complex and varies by location and type of school. Over many years attempts to tackle the issues have been implemented across the UK, however to date no successful long term resolution has been identified.

5. Background/Chronology

The Corporate Overview and Scrutiny Committee agreed to set up the Task and Finish Group at its meeting held on 15 November 2016. The Task and

Finish Group was set up at the request of the former Portfolio Holder for Communities as:

- School traffic and parking was a major problem for the whole community
- Children were at risk
- There were issues with enforcement

Therefore to try and understand and tackle the problems the group agreed the following terms of reference for the review:

- To determine whether or not there is a problem with parking around schools.
- To identify what measures and schemes are currently in place and investigate best practice.
- Identify measures to ensure safer parking.
- To investigate the enforcement and education options.
- To understand the role of partner organisations.
- To alleviate the parking problems around schools.

6. Wards Affected and Local Ward Members

6.1. All Wards and Ward Members could be affected by the proposals.

7. Implications of Recommendation

7.1. Policy Implications

7.1.1. A policy approach could be considered to achieve a reduction in the number of children driven to school.

7.2. Legal Implications

7.2.1. Safer Routes to School interventions may require statutory legal processes to be followed depending on the individual proposals.

7.2.2. Any proposal to provide a safer parking or drop-off zones would require planning approval together with a number of legal requirements including Funding, Licencing and Section 77 consent.

7.3. Financial Implications

7.3.1. The full range of recommendations which are being made to Cabinet by the Task and Finish Group have not yet been fully assessed, further work is required to capture the capital and revenue implications.

- 7.3.2. The cost of providing a safer parking or drop-off zone will have a significant capital implication.

7.4. Equality Implications

- 7.4.1. Better managed school parking and promotion of more sustainable travel modes could benefit all children although it is recognised that children with particular needs may have to be accommodated separately.

7.5. Rural Community Implications

- 7.5.1. Given the larger catchment areas associated with rural schools, these do create a tougher challenge in terms of encouraging modal shift towards walking and cycling.

7.6. Human Resources Implications

- 7.6.1. None.

7.7. Public Health Implications

- 7.7.1. Walking to and from school helps children achieve the recommended government targets of physical activity. Physically active children are more alert, ready to learn, do better in tests and achieve better grades than children who are driven to school.

7.8. Implications for Children and Young People

- 7.8.1. Modern lifestyles and concerns regarding children's safety and security has led to increased car use as a mode of traveling to school. Measures to increase walking and cycling as a mode of choice need to be evaluated, together with management measures to encourage greater use of sustainable travel modes.

7.9. Other Implications

- 7.9.1. None.

8. Risk Management

- 8.1. Lack of a formal Policy approach could lead to increased pressure on existing services in managing the impacts of traffic outside schools.

9. Access to Information/Bibliography

- 9.1. The Corporate Overview and Scrutiny Task and Finish Group report is attached in Appendix A.

10. Contact Information

Contact details for this report are as follows:

Name:	Katie Small
Designation:	Scrutiny Officer
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Corporate Overview and Scrutiny Committee



Safer Parking for Communities around Schools

Task and Finish Group

Final Report

November 2016

1.0 Foreword

- 1.1 The Corporate Overview and Scrutiny Committee agreed to carry out this review at the request of the former Portfolio Holder for Communities. In Cheshire East around 34% of pupils are driven to school and inconsiderate parking is major issue for children, parents, residents, commuters and emergency services.
- 1.2 Parking outside schools is understandably an emotive issue for all concerned. During the review, it soon became apparent to the Task and Finish Group that one solution would not suit all schools and that for any scheme to be successful, all stakeholders would have to share responsibility and work together. The Task and Finish Group has therefore recommended several different solutions which could be used to help alleviate the problem.
- 1.3 I would like to thank the Task and Finish Group, officers and partner organisations for their valued and hard work during the review.
- 1.4 I commend this report to Cabinet and hope the recommendations can be taken forward.



Chairman – Councillor M Simon

2.0 Introduction

- 2.1 The former Portfolio Holder for Communities, Councillor L Gilbert, had requested that Members investigate safer parking for communities around schools as:
- School traffic and parking was a major problem for the whole community
 - Children were at risk
 - There were issues with enforcement
- 2.2 Parking outside schools at dropping off and picking up time is a recognised, long standing and growing national problem. Typical behaviour includes:
- Parking on double yellow lines
 - Parking on 'school keep clear' road markings
 - Parking on the pavements, causing obstructions
 - Parking on zigzag markings and pedestrian crossings; and
 - Parking across the school gates
 - Parking across neighbouring private driveways
- 2.3 This is not just a safety issue but a problem of traffic congestion and nuisance to local residents. The issue is complex and varies by location and type of school. Over many years attempts to tackle the issues have been implemented across the UK, however to date no successful long term resolution has been identified.
- 2.4 The Corporate Overview and Scrutiny Committee therefore decided to set up a task and finish group to scrutinise the problem in Cheshire East.

3.0 Setting the Scene

- 3.1 School related traffic congestion and risks of such congestion is a significant problem to the community and is mainly due to parents dropping off and picking up their children from school. In Cheshire East, in 2011, 34% of pupils were driven to school whilst 47% walked.
- 3.2 School traffic is a problem for students, teachers, parents, residents and emergency services. It can cause road traffic accidents and child pedestrian injuries are more likely to occur in settings with high traffic volume and on street parking with children often emerging from behind parked cars.
- The journey to and from school (door to door) accounts for 20% of child casualties.
 - 25% of all car journeys are under 2 miles, that's about a 30 minute walk and 12 minute bike ride (DTLR Transport Statistics).

- Children who walk or cycle to school are less at risk of heart disease, stroke, diabetes and osteoporosis when they are older but 4 out of 10 boys and 6 out of 10 girls are active for less than one hour per day.
- The decline in walking to school has coincided with a rise in childhood obesity, with the proportion of overweight children increasing by 7%. (travelling to school: DFES and DFT report 2004).
- During the rush hour, 1 in 5 cars are on the school run.
- Parents on average drive 600 miles a year on the school run, costing over £300 a year on fuel and wear and tear on the car.
- In 1971 most 7 year olds made their own way to school unaccompanied and usually on foot.
- Between 1993 and 2004 the proportion of primary school children being driven to school rose from 29% to 41%. In secondary schools over the last 10 years there has been a 60% increase in the number of children being driven to school.
- Each day about 8.3million children are involved in the school run.
- 39% of households own at least one bike yet only 5% of journeys are by bike.
- Research for the national travel survey found that 60% of all journeys by women taking children to school and 57% of those by men returned straight home afterwards.
- Many people believe that their child is safer being driven to school.
- Research suggests that children who walk or cycle to school are more alert and ready to learn, achieving better academic results.
- Walking or cycling to school provides greater independence and freedom
- Walking or cycling to school promotes a healthy lifestyle that will carry through to adulthood.
- Walking or cycling to school is better for the environment.

4.0 Background and Membership

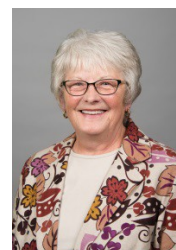
- 4.1 At the request of the former Portfolio Holder for Communities, on 15 November 2015 the Corporate Overview and Scrutiny Committee agreed to set up a Task and Finish Group to look at safer parking for communities around schools. It was agreed that the following councillors would sit on that group:



Margaret Simon



Michael Beanland



Mo Grant



Sarah Pochin



Bernice Walmsley

5.1 Terms of Reference (as agreed with the former Portfolio Holder)

- To determine whether or not there is a problem with parking around schools.
- To identify what measures and schemes are currently in place and investigate best practice.
- Identify measures to ensure safer parking.
- To investigate the enforcement and education options.
- To understand the role of partner organisations.
- To alleviate the parking problems around schools.

6.1 Methodology

6.2 Witnesses

- Councillor P Bates – Communities and Health Portfolio Holder
- S Cordon – Head of Communities
- P Traynor – Strategic Commissioning Manager - Highways (Cheshire East Council)
- A Grey – Cheshire Fire and Rescue
- C Heyes – Cheshire Fire and Rescue
- S Barker – Senior Road Safety Engineer (Cheshire East Highways)
- D Malcolm – Head of Planning (Regulation) (Cheshire East Council)
- S Hodgkiss – Land and Sites Coordinator (Cheshire East Council)
- F Jones - Parent and Parish Councillor
- R Johnson – Traffic Management Officer, Cheshire Constabulary
- L Mitchell – Parking Services Officer (Cheshire East council)

6.3 Timeline

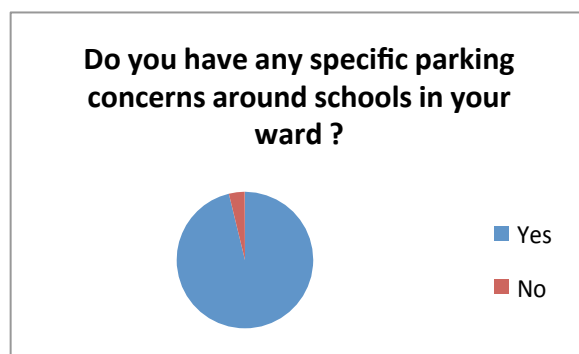
- 15 November 2015 - Corporate Overview and Scrutiny Committee agreed to set up a task and finish group.
- 23 November 2015 – The Task and Finish Group met with the Portfolio Holder for Communities and scoped the review.
- 20 January 2016 – The Task and Finish Group met with P Traynor to discuss the programme of works and enforcement.
- 5 February 2016 – The Task and Finish Group met to agree the questions to ask Planning and Education.

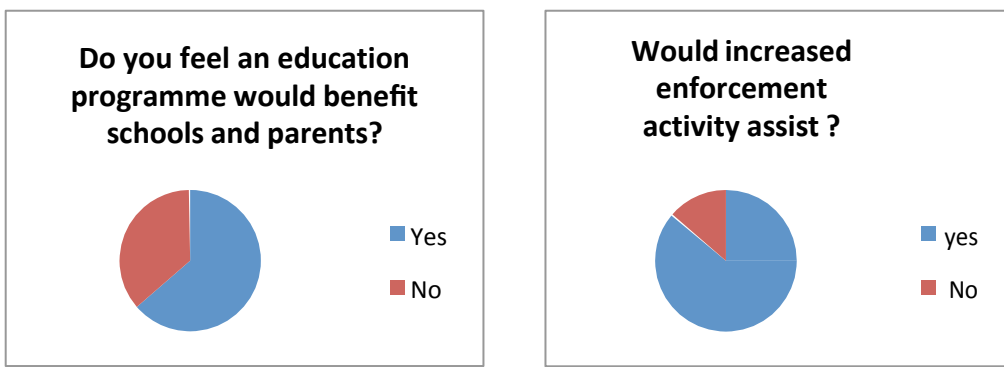
- 4 March 2016 – The Task and Finish Group met with the Land and Sites Coordinator
- 8 March 2016 – The Task and Finish group met with D Malcolm, Head of Planning (Regulation).
- 5 April 2016 – The Task and Finish Group met with C Heyes, Cheshire Fire and Rescue.
- 19 April 2016 - The Task and Finish Group met with R Johnson, Traffic Management Officer.
- 12 May 2016 - The Task and Finish Group met with L Mitchell, Parking Services Officer.
- 15 June 2016 - Members attended a site visit at Dane Bank Avenue to witness the problems.
- 20 July 2016 – Members met with P Traynor to discuss the success of two pilot schemes.
- 8 September 2016 – Members met with F Jones, Parent and Parish Councillor.

7.0 Findings

7.1 Members Questionnaires

- 7.2 All Members of the Council were sent a questionnaire to ascertain their views on the problems of parking around schools in their wards. An analysis of the 27 responses is set out below:





8.0 Possible Reasons for Driving to School

8.1 Members considered that the decrease in walking to school could be due to the following factors:

- Increased car availability
- Parental choice of school
- Increasing time pressures
- Reduced levels of bus services
- Increase in traffic making walking or cycling more dangerous
- Perception of safety
- Cost and lack of awareness of public transport
- Bad weather
- Parental choice due to being part of an onward journey to work

9.0 20 MPH Zones

9.1 The Council has carried out a local community road safety consultation between February and March 2015 with a view to using the feedback to develop an initial local community road safety programme and help formulate a forward plan for road safety. A significant number of responses related to speeding outside schools. Cabinet therefore agreed that advisory 20mph zones would be progressed for all 160 schools within Cheshire East over a three year period. Flashing signs are activated during drop off and pick up times indicating a 20mph speed limit. This programme is currently being delivered in partnership with Schools, Police, Cheshire Fire and Rescue and Local Community. In the first year the scheme has been successful and well received. This had already been done in certain areas where individual councillors had pushed for it.

10.0 School Pick Up/Drop off Trials

- 10.1 Cheshire East has been considering exploring the possibility of trialing options with schools to work towards resolving parking issues, in particular focusing on improving their pick up/drop off arrangements.

11.0 Safer Routes to Schools

- 11.1 Safer routes to schools enable more children to walk or cycle to school. They usually involve a series of highways measures to make roads safer, such measures can include:

- Traffic calming, lower speed limits, speed cameras.
- Zebra/pelican crossings.
- Central refuges.
- Cycle/pedestrian paths.

Re-routing street networks, forcing drivers to seek alternative routes, including the possibility of one way streets and no entry signs.

- 11.2 However for the scheme to be successful, schools need to be involved by providing:

- A travel plan
- Cycle storage
- Pedestrian/cycle training
- Walking buses/cycle trains
- Mapping out safer routes to schools

12.0 Sustainable School Travel

- 12.1 Local authorities have a duty to promote the use of sustainable travel and transport. The duty applies to children and young people of compulsory school age who travel to receive education or training in a local authority's area. The duty relates to journeys to and from institutions where education or training is delivered.

- 12.2 There are five main elements to the duty which local authorities must undertake:

- an assessment of the travel and transport needs of children, and young people within the authority's area;
- an audit of the sustainable travel and transport infrastructure within the authority's area that may be used when travelling to and from, or between schools/institutions;
- a strategy to develop the sustainable travel and transport infrastructure within the authority so that the travel and transport needs of children and young people are best catered for;
- The promotion of sustainable travel and transport modes on the journey to, from, and between schools and other institutions; and
- The publication of a Sustainable Modes of Travel Strategy.

- 12.3 The group agreed that a Sustainable Modes of Travel Strategy should be implemented at the earliest opportunity.

13.0 School Expansions

- 13.1 There are a number of school expansions due to take place by September 2017. The group agreed that Ward Members should be consulted on any proposals as they have valuable local knowledge and would be able to assist with public relations and communication.
- 13.2 The group also felt that those schools where congestion is already severe potential expansions should be considered very carefully.
- 13.3 When new planning applications are submitted for school expansions or additional housing, Members, Planning Officers, Education Officers and police should work together to ensure that there is a joined up approach to providing walking routes to schools and that Section 106 monies are secured to provide any highway safety measures required.

14.0 Safer Parking and Drop off Zones

- 14.1 The group agreed that there was a window of opportunity to discuss safer parking and drop off zones when schools were applying for academy status.

15.0 Working with Schools

- 15.1 The group acknowledged the importance of working with schools and having them on board as the problem could not be tackled by the Council alone. Some schools had previously shown resistance to take part ownership of the issue which would hinder any improvements that could be made. All schools should have a travel plan and the Council should, if required, assist the schools with its formation. A School Travel Plan is a document which sets out the measures and initiatives an individual school will use to reduce car journeys and promote other ways of getting to school safely. Successful school travel plans will be supported by the whole school community (pupils, teachers, parents, governors and support staff), the local community and the local authority.
- 15.2 Schools should also be encouraged to consider implementing initiatives such as:
- Green cone zones - special Green Cones placed in the carriageway to prevent motorists from parking on the yellow zig zag lines near the entrance to schools. Cheshire Fire and Rescue indicated that it may be able to source some green parking cones for schools at a cheaper price with bulk purchase.
 - Staggering drop off and pick up times.
 - Reward scheme for walking/cycling.
 - Drop off and pick up zones.

- Encouraging car sharing.
- Walking buses/cycle trains.
- Ensuring that children are on board as they will influence parents.
- Recruiting staff and parent volunteers to educate and advise parents on safer parking at school drop off and pick up times.
- Park and stride.
- Publicity campaigns including leaflets, posters and competitions.
- Cycling proficiency training (bikeability).
- Travel to school agreements.

16.0 Education

16.1 For a number of years Cheshire Fire and Rescue Service has been commissioned by Cheshire East Council to deliver road safety education in schools to key stage 2 and 4 children, which consists of 180 visits to schools per year. The group met with two representatives of the fire service to understand its role and the education programme it delivers. It was agreed that:

- The education programme should include safer parking and that a joint letter from Cheshire Fire, Police and Cheshire East Council should be sent out to all parents highlighting the importance of road safety and safer parking.
- Explore the possibility of Cheshire Fire and Rescue taking a fire appliance to schools with parking problems at pick up times be investigated, this could highlight the difficulties caused by irresponsible parking. This could also be used as an excellent opportunity to engage with parents and pupils.
- That a walking to schools with heroes campaign be considered – Police or fire officers could be involved in the introduction of walking buses.
- That the council explore whether signs could be erected outside schools showing pictures of correct and incorrect ways to park. One suggestion was that we could engage with pupils to create artwork for signs.

17.0 Meeting with Traffic Management Officer

17.1 The group met with R Johnson, Traffic Management Officer for Cheshire Constabulary. He reported that there were 70 Road Traffic Officers (including motorways) for Cheshire and 1000 PCSOs. However, only Cheshire East Council's Civil Enforcement Officers had the power to issue penalty charge notices for parking on double or single yellow lines. While the Police have the powers to ticket for the offence of obstruction this is done within the officers normal duties. He highlighted that the Police and PCSOs would try to educate rather than issue fines in the first place

18.0 Civil Enforcement

- 18.1 The Councils Civil Enforcement Team actively pursue the issue of safer parking around schools. Morning and afternoon visits take place to coincide with the pick up and drop off times and target those schools where safety of the children, pedestrians and road users is of particular concern.
- 18.2 There are currently 23 Enforcement Officers to patrol all schools in the Borough, the Officers would prefer to educate advise and move on irresponsible and inconsiderate parkers rather than issue penalty charge notices. The group felt that enforcement was required to set an example to parents and that mobile CCTV cameras should also be considered.
- 18.3 Members attended a site visit in the location highlighted by several Councillors in the questionnaire, with the Officers during pick up times to witness a typical day on the school run. During that time, one parent was issued with a Penalty Charge Notice for parking on the keep clear markings and others were made aware of their inconsiderate parking.
- 18.4 Members noted that the Parking Service is currently recruiting more Civil Enforcement Officers which will provide some additional resource to their small team so as to further address the demand for enforcement around schools.
- 18.5 All signage and linage, particularly double yellow lines and no stopping zones should be checked to ensure that they are up to date, clear and adequate.

19.0 Recommendations

- 19.1 The recommendations have been split into two categories firstly to address the root causes of concerns and secondly to manage the impact of them.

Root Causes

- 19.2 That a draft Sustainable Modes of Travel to School Strategy be prepared by the **Council** by September 2017, for anticipated implementation by September 2018.*
- 19.3 That **schools** be encouraged to produce a Travel Plan, and if required, the **Council** assist with its formation. The plan should include the appropriate initiatives set out in paragraph 15.2 of the report.
- 19.4 That the safer routes to schools scheme be resurrected and safe cycling routes be promoted by the **Council** in accordance with the Cycling Strategy
- 19.5 That the education programme provided by **Cheshire Fire and Rescue Service** include safer parking and that a joint letter from Cheshire Fire, Police and Cheshire East Council be sent out to all parents highlighting the importance of road safety and safer parking.
- 19.6 That the possibility of **Cheshire Fire and Rescue Service** attending schools at school drop off time with a fire engine is explored as part of the road safety education programme.
- 19.7 That a walking to schools with heroes campaign be introduced by **Cheshire Fire and Rescue Service**— Police or Fire Officers could be involved in the introduction of walking buses.
- 19.8 That the **Council** encourage the funding of safer routes to schools from development through appropriate use of Conditions and S106 Agreements.
- 19.9 That **schools** are encouraged to investigate the possibility of setting up arrangements whereby local spaces such as pub or community centre car parks can be used at drop off and pick up times, to encourage park and stride.

Managing the Impact

- 19.10 That any opportunity provided by a development project on or near a school (including conversion to an academy), be carefully considered and that discussions take place between the **Council** and **school concerned** to ascertain whether or not it would be feasible to provide a safer parking or drop off zone
- 19.11 Note that there was a window of opportunity to include a discussion about safer parking and drop off zones, where appropriate, when schools were applying for academy status.
- 19.12 That signs be erected by the **Council** outside schools showing pictures of correct and incorrect ways to park.
- 19.13 That adequate resources be provided by the **Council** to enable enforcement patrols to be increased. *
- 19.14 That the **Council** share this report with all schools.

* This recommendation has already been approved.

Background Documents

National Travel Survey 2013

Travelling to School: DFES and DFT report

An Evaluation of the Travelling to School programme

Travelling to School: An Action Plan: DFT

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Cheshire East Council

Cabinet

Date of Meeting: 11th July 2017
Report of: Peter Bates | Chief Operating Officer
Subject/Title: Implementation of Household Waste Recycling Centre
Review: Arclid.
Portfolio Holder: Cllr Don Stockton

1 Report Summary

- 1.1 This item tabled at full Council of the 23rd Feb 17 was deferred to allow time for Cheshire East Council to work in partnership with Sandbach Town Council and local members in evaluating alternatives to the closure of Arclid Household Waste Recycling Centre (HWRC). Cheshire East has worked with the Town Council in reviewing their proposals which are listed within this report.
- 1.2 In 2014, Cabinet adopted its Municipal Waste Management Strategy, identifying how we plan to manage waste to 2030. The Strategy included a recommendation to undertake a review of the Household Waste Recycling Centre network.
- 1.3 The review sought to examine the service provision against best practice and our strategy objectives. In doing so, it identified a need to consider a more commercial approach to operating, these were:
 - Opening key sites for trade/commercial waste
 - Charging for some items such as construction/rubble waste
 - Reducing opening hours
 - Closing Arclid HWRC.
- 1.4 Following extensive consultation, full Council agreed on 23rd February 2017 to take forward three of the four proposals and that the fourth, the closure of Arclid be paused for a 6-month period. In the minutes, it states - Managing waste: amendment. Agenda item 8: Corporate Plan & MTFS 2017 – 2020 [page 42]

“During the paused period, Cheshire East works in partnership with Sandbach Town Council, and also local members, to establish and evaluate viable and workable alternatives to the closure of the Arclid site, along with an appropriate strategy”.

- 1.5 This work with Sandbach Town Council and local members has taken place and concluded that a viable and suitable alternative to closure is not available and therefore the strategy going forward is for Arclid site to close on September 30th 2017.

2 Recommendation

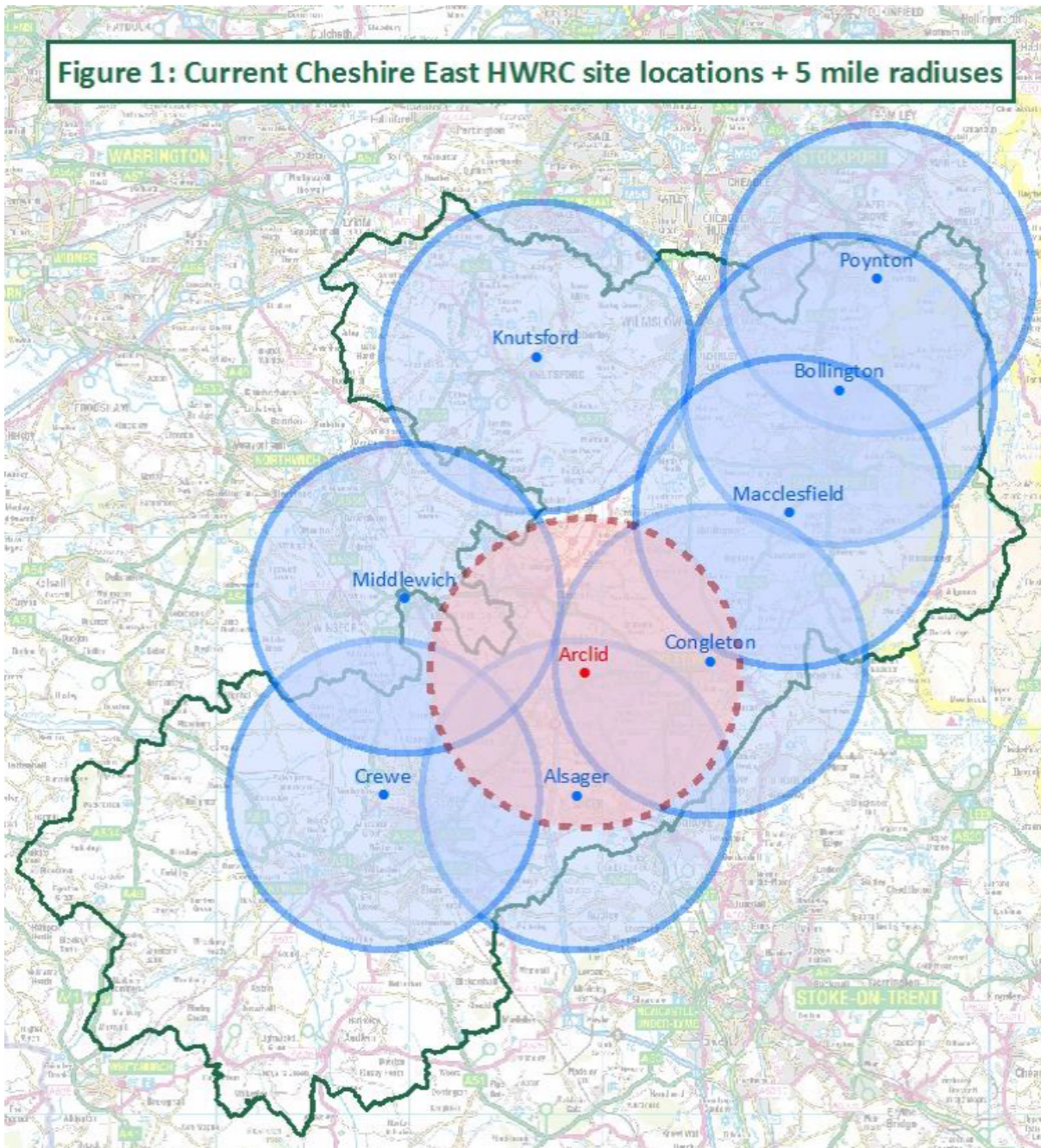
- 2.1 That Cabinet note the questions posed from Sandbach Town Council and the Council's response.
- 2.2 Having reviewed submissions from Sandbach Town Council, Cabinet support the closure of Arclid Household Waste Recycling Centre from September 30th 2017.
- 2.3 That Cabinet authorise the Corporate Manager for Waste and Environment Services in consultation the Chief Operating Officer and Director of Legal Services to take the necessary actions to close the Arclid site.

3 Other Options Considered

- 3.1 The Council has worked in partnership with the Town Council to consider alternative options listed in paragraph 4.3 below however none of these have been identified as workable alternatives.
- 3.2 The Council could leave the Arclid site open by funding the site through virement of budgets from other budgets. The outturn for 2016-17 however demonstrated an adverse variance of 1.7 million and the Council is dealing with further reduction in grant and ongoing budget pressures in 2017-18

4 Reasons for Recommendation

- 4.1 Cheshire East Council, working with specialist consultant Resource Futures, has reviewed its Household Waste Recycling Centres provision through analysis of site location, usage and tonnage; all benched marked with other authorities.
- 4.2 Under the review, spatial analysis of Cheshire East's Household Waste Recycling Centres suggested the network of nine sites is an over-provision, for the size of the authority and the number of residents. (see Figure 1). When benchmarked with a number of other English authorities, Cheshire East Council has more sites than most and the highest density of sites per 100,000 residents.



- 4.3 On February 23rd 2017, full Council requested discussions in partnership with Sandbach Town Council and local members, to explore a viable and workable alternative to the Arclid closure. During the subsequent meetings seven questions were posed, the answers to each are given below (questions in italics):

Q1. Consider the scope, and benefits, in reviewing the housing growth assumptions, for all Household Waste Recycling Centre sites, in the Consultant's report – Even if the number of households in the four Sandbach wards were to double from its current 11,000, there remains ample capacity within the system to cope with the increase.

Q2. Consider whether there is scope, and it is appropriate, to launch a feasibility study into the viability of developing a new Household Waste Recycling Centres at the ANSA waste hub in Middlewich - The current vehicle movement restrictions and public concerns about these, from the existing permitted Cledford Environmental Hub facility, mean that we would discount this site for a new Household Waste Recycling Centre.

Q3. Provide more detail, for all Household Waste Recycling Centres sites, on the current operational functions, and future opportunities, in particular that relating to the potential for stripping and sorting metals - The current contract was created to encourage the contractor to recycle and reuse as much as possible and therefore it was determined that all materials arriving at site are to be their responsibility. Under the existing contractual arrangements, there is no further value and hence further contractual savings to be made from additional recycling.

Q4. Consider whether there is scope to investigate the potential opportunity for business/trade waste to be processed at the adjoining empty site to Arclid Household Waste Recycling Centres - The adjoining site closed, following extensive pressure from residents, their main concerns being the noise and vehicle movements along a narrow country lane. The additional traffic from traders and service vehicles along this narrow lane is only likely to exasperate this and make the site unsuitable for additional vehicle movements

Q5. Investigate, again, any additional financial savings for all Household Waste Recycling Centres sites – the full independent review, carried out by Resource Futures, presented all the available options. No additional savings to be made in the current contract.

Q6. Consider whether it would be viable not to close the Arclid Household Waste Recycling Centres until the future income stream from rubble/construction waste charging becomes apparent - The savings associated with rubble charging are an estimate. In the event of a higher figure being realised this would offset the further £200k of non-allocated savings within this year's environmental services budget.

Q7. Calculate how much it would cost to keep the Arclid Household Waste Recycling Centres open, post September 2017 - Arclid closure annual savings are as stated, £100,000 per year. This cost is as part of the wide network of Household Waste Recycling Centres that are managed by the contractor and does not reflect what it may cost if it were being run in isolation.

We have also previously advised, Arclid is in need of capital investment to the order of:

- Replacement porta cabin including welfare facility approx. £20k
- Replacement of steps (5 of) approx. £37.5k

- Replacement of existing hardstanding approx. £175k
- Interceptor approx. £30k
- Should sewer connection not be possible then a need to install a tank to retain surface water (plus ongoing requirement to empty the tank) approx. £ 30k
- Existing septic tank needs addressing, currently fills with rain water

Expenditure on this site would take away from capital released to enhance the service to the rest of the network.

- 4.4 With ever-increasing budgetary pressures, the closure of the Council's least efficient site with the lowest tonnage throughput is a sensible, well-balanced measure that has public backing – 60% of over 2,100 respondents supported the proposal to close Arclid.

5 Background/Chronology

- 5.1 The Council has a statutory duty to provide sites at which residents can deposit their household waste free of charge and that are reasonably accessible to residents. The legislation does not specify how many sites an authority should provide and therefore the responsible authority is able to determine what is reasonably accessible based on local circumstances.
- 5.2 A national organisation, WRAP, published a Household Waste Recycling Centres Guide in 2012, which identified guidance for the level of provision of HWRC:
- Maximum catchment for a large proportion of the population of 3-5 miles (7 in very rural areas)
 - Maximum driving times for the great majority of residents in good traffic conditions of twenty minutes (30 in very rural areas)
 - Maximum number of inhabitants per Household Waste Recycling Centres of 120,000
 - Maximum number of households per Household Waste Recycling Centres of 50,000
 - In Cheshire East, there is one site for approximately 19,000 households and one site for every 41,575 inhabitants.
 - All residents can reach a site within twenty minutes' drive (over 98% can reach a site within 15 minutes) in normal traffic. This would suggest that CEC currently has more sites than are necessary.
- 5.3 Arising out of the waste strategy and the need to make efficiency savings across the Council, the review revealed how to improve services and deliver medium term savings for the Council.
- 5.4 The area that Arclid services is covered by surrounding sites, the site does not meet accessibility requirements of a modern split level site and has the lowest tonnage throughput and hence is the most expensive to run.

- 5.5 Between 17th November 2016 and 10th January 2017, Cheshire East Council consulted on proposals for the future of Household Waste Recycling Centre provision in the borough. Proposal 1 of the consultation was to close the Arclid Household Waste Recycling Centre from the 1st April 2017, maintaining service through the surrounding sites of Middlewich, Congleton and Alsager - 60% of respondents supported this proposal. For full details of the consultation please see para 9.1.

6 Wards Affected and Local Ward Members

- 6.1 The closure of Arclid affects the wards of Brereton Rural, Sandbach Heath & East and Sandbach Town.
- 6.2 Local ward members: Cllr John Wray, Cllr Sam Corcoran, Cllr Barry Moran

7 Implications of Recommendation

7.1 Policy Implications

- 7.1.1 The recommendation is in line with the Council's Municipal Waste Strategy 2030 in which there is agreement to undertake a review of the Household Waste Recycling Centre network
- 7.1.2 The closure supports the Council's corporate objectives.

Outcome 4: Cheshire East is a green & sustainable place

By promoting waste, reuse and recycling and by providing modern appropriate disposal facilities for household waste.

Outcome 6: A Responsible, Effective & Efficient Organisation

By providing an efficient service focussed on promoting waste reduction, reuse, recycling, and providing new opportunities for expanding the service provision to small traders.

7.2 Legal Implications

- 7.2.1 The Council is under a duty under s.51 of the Environmental Protection Act 1990 to arrange for the disposal of controlled waste collected in its area and for places to be provided at which persons resident in its area may deposit their household waste and for the disposal of waste so deposited. These arrangements shall be such as to secure that:
- Each place is situated either within the area of the authority or so as to be reasonably accessible to persons resident in its area
 - Each place is available for the deposit of waste at all reasonable times
 - Each place is available for the deposit of waste free of charge by persons resident in the area; but arrangements may restrict the availability of specified places to specified descriptions of waste.

- An authority may include in its arrangements for the places provided in its area for the deposit of household waste free of charge by residents in its area for these to be available for the deposit of household or other controlled waste by other persons on such terms as to payment (if any) as the authority determines
- Local authorities also have a duty of care to manage and transfer waste in a way that enables its safe recovery or disposal and a duty to implement the waste hierarchy in priority order. These are in addition to the Council's general duty to provide equal access to services.

7.2.2 Final decisions on permanent changes to the Household Waste Recycling Centre service have been subject to a public consultation. There is no statutory duty to consult on proposals to change the way in which a local authority carries out its duties but there is an expectation enshrined in case law that any local authority making decisions affecting the public will do so fairly and in a way that cannot be said to be an abuse of power.

7.2.3 Such consultation has involved those directly affected by the changes, together with the relevant representative groups. The responses to the consultation have been conscientiously taken into account and can be viewed on the Councils website. Following representation the decision to close Arclid household waste recycling centre was paused to allow further discussion with Sandbach Town Council. During this pause, meetings took place between Sandbach Town Council, local members, Cheshire East Council with the express purpose to establish and evaluate viable and workable alternatives to the closure of the Arclid site.

7.3 Financial Implications

7.3.1 Proposals for future savings, associated with Household Waste Recycling Centres are accepted as part of the Council's current budget setting cycle that was approved on 23rd February 2017. The current contract costs are approximately £3 million per annum. The closure of Arclid will deliver £100,000 of efficiencies per annum by 2018-19. The preferred option changes would be phased in over 2017-18 achieving a partial delivery of savings in year with a target for full savings achieved from 2018-19 onwards.

7.4 Equality Implications

7.4.1 Proposals will result in the closure of the facility at Arclid, which currently does not meet accessibility standards for Household Waste Recycling Centres due to the use of gantries and steps to access skips.

7.5 Rural Community Implications

7.5.1 Careful analysis of travel times to Household Waste Recycling Centres has ensured adequate provision of sites to service all areas of Cheshire East.

7.6 Human Resources Implications

- 7.6.1 There will be no implications for Council employees because of this change as the sites are run by an external contractor.

7.7 Public Health Implications

- 7.7.1 None

7.8 Implications for Children and Young People

- 7.8.1 None

7.9 Other Implications (Please Specify)

- 7.9.1 The proposed changes may have an impact on fly tipping and therefore short-term measures will be required to prevent tipping and undertake enforcement as required.
- 7.9.2 Proposal to open key larger sites to small traders is likely to reduce commercial fly tipping by providing an affordable disposal route for small quantities of trade waste.

8 Risk Management

- 8.1. Proposed changes could meet with public opposition and a communications strategy will be prepared to deliver this service change.

9 Access to Information/Bibliography

- 8.2. A report of the consultation - http://www.cheshireeast.gov.uk/waste_and_recycling/waste-strategy-and-performance/waste-strategy-and-performance.aspx

10 Contact Information

Contact details for this report are as follows:

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Cheshire East Council

Cabinet

Date of Meeting: 11th July 2017

Report of: Executive Director, Place – Frank Jordan

Subject/Title: Home Repairs and Adaptations for Vulnerable People Policy

Portfolio Holder: Councillor Ainsley Arnold, Housing and Planning

1. Report Summary

- 1.1. This reports sets out how Cheshire East Council will exceed its statutory duties to enable vulnerable residents to live independently in suitable, well maintained homes by providing help with home repairs and adaptations, which will result in the improved health and wellbeing of our residents and reduce the demand on health and social care.
- 1.2. The Council has successfully operated a policy of home repair grants and loans for vulnerable people for a number of years, most recently through the Private Sector Housing Financial Assistance Policy which was adopted in 2012. The 2012 Policy has facilitated Council investment of nearly £7million into improving the homes and lives of over 1,450 vulnerable households in Cheshire East. The Policy has also drawn in over £2.1million of match funding from Government grants, Registered Providers and charitable trusts.
- 1.3. There are significant cost benefits to the Council and the local health economy derived from investment in housing repairs and adaptations. Analysis of the Disabled Facilities Grant programme shows that spending £1.3million in 2016-17 had the potential to avoid expenditure on health and social care to the tune of £3.8million over the next five years. Every £1 spent on stair lifts has produced a cost benefit of £7.50 in the local health and social care system through reduced falls and emergency admissions.
- 1.4. The Council has reduced costs in the local health economy by over £2million by helping 173 vulnerable people to tackle heating problems in 2016-17. For every £1 of the Council's investment in heating, there was a cost benefit of £18.51 to the health and social care system.
- 1.5. The 2012 Policy has been reviewed in order to refocus the help we offer to ensure that we deliver Outcome 5 of the Council's resident-focused outcomes: 'People live well and for longer'. A set of four outcomes have been developed within the Policy that link to the overarching Outcome 5:

1. **Affordable warmth:** Residents can afford to heat their homes and have the opportunity of better health
 2. **Independence:** Disabled people can use their home more effectively and live independently with confidence and dignity
 3. **Health and wellbeing:** Residents can be confident that their home is safe and weathertight and they can live without fear of injury or ill health
 4. **A place to live:** Residents have the opportunity to live in a suitable well maintained home in the heart of our communities
- 1.6. The Policy sets out a series of six grants and loans that will help residents to achieve these four outcomes. It is anticipated that help will normally be offered as an interest free loan, and the Policy details how the Council will act as a responsible lender and have regard to the applicant's ability to make repayments before we offer them a loan. There will be circumstances where it is not feasible to offer a loan, either because of the individual's vulnerability, or an imminent risk to health and safety, or because there is a statutory duty to provide a grant. In these circumstances financial assistance may be offered as a non-repayable grant, subject to certain conditions being fulfilled.

2. Recommendation

- 2.1. It is recommended that Cabinet:
- Approves the Housing Repairs and Adaptations for Vulnerable People Financial Assistance Policy
 - Delegates approval to the Executive Director, Place to put all necessary steps in place to implement the Policy.

3. Other Options Considered

- 3.1. The Council could opt to not invest in housing repairs and adaptations, but there is a compelling business case for investing public resources into essential home repairs and adaptations, preventing unnecessary hospital admissions and enabling care to be provided at home. The statutory duty placed on local housing authorities by the Housing Grants, Construction and Regeneration Act 1996 means that the Council cannot opt out of investment in Disabled Facilities Grants.
- 3.2. A policy detailing only grants has been considered but discounted as the cost of delivering such a policy would be unsustainable; recovery of loans allows us to re-invest funding to assist further households.
- 3.3. A policy detailing only loans has been considered but discounted as there is recognition that there are some vulnerable households who are unable to

access a loan because of their vulnerability or a loan cannot be secured quickly enough to be able to deal with an imminent risk to health and safety.

4. Reasons for Recommendation

- 4.1. The Council is committed to putting residents first and investing in early intervention and prevention services to help residents live well and for longer. By choosing to invest in home repairs and adaptations through this Policy, the Council can empower and motivate people to manage their own care and wellbeing at home, enable our social care teams to be able to provide high quality care and support in a suitable environment, and reduce the need for paid care in accessible, safe home environments.
- 4.2. There is a strong policy drive for integrated approaches across housing, health and social care to prevent hospital admissions and expedite hospital discharge. Housing's role in supporting health is becoming more prominent, with research demonstrating the causal link between poor housing conditions and ill health.
- 4.3. The Policy delivers on many of the recommended actions within NHS England's guide to how housing can support health and social care systems, including improving suitability and accessibility, affordable warmth, enabling hospital discharge and supporting people to live independently in the community.
- 4.4. Bringing long term empty homes back into use is a critical part of the local authority's strategic housing role to achieve social, economic and environmental objectives that shape our communities and create a sense of place. The Policy provides an opportunity for a significant enabling tool to bring empty homes back into use at an affordable rent, benefitting vulnerable low income households and increasing availability of housing stock which supports the Local Plan by focusing housing numbers on existing sites and supporting sustainable development. Inclusion of an empty homes loan in this Policy as an interim measure will enable the Council to continue offering loans while the Council's wider approach to tackling empty homes is under review.
- 4.5. The Council makes a significant financial investment through its capital programme to enabling disabled people to achieve independent living and to improving housing conditions. The policy provides a clear framework to ensure that financial resources are directed to the people who need it most and that resources are used effectively to achieve outcomes that support the Council's three year plan.

5. Background/Chronology

- 5.1. One of the major social achievements of the last century is the significant increase in life expectancy. Improved housing has been an important

contributor to that gain as decent, suitable housing is a key determinant of the health and wellbeing of a population, particularly in later life. The availability, standard and suitability of housing has a critical role to play in plans for a more integrated approach to provision of health services and social care. Good health starts at home: good housing benefits people's mental and physical wellbeing, enables informal carers' ability to care, and underpins older people's ability to live independently, safely and as part of the wider community. Improving housing conditions, such as making properties weathertight, improving indoor temperatures, tackling damp, and adapting homes to make them more suitable for disabled people has a positive impact on the health of vulnerable people.

- 5.2. The Council shares the Government's view that everyone should have the opportunity of a decent home, and that the primary responsibility for maintaining and improving housing rests with the owner, but that there are occasions where it is necessary to intervene, including where vulnerable people are unable to afford to carry out urgent repairs that are affecting their health and safety, and to support disabled people to overcome functional difficulties created by an unsuitable home environment.
- 5.3. The Regulatory Reform (Housing Assistance) (England & Wales) Order 2002 removed most of the prescriptive housing renewal grant legislation, and introduced a wide ranging discretionary power for local housing authorities to develop a local policy to meet local need. The 2002 Order did not repeal the legislation on providing Disabled Facilities Grants, and these remain a statutory duty to be provided by local authorities.
- 5.4. Cabinet approved the Private Sector Housing Financial Assistance Policy at its meeting on 2nd April 2012, providing eight grant and loan products to assist homeowners, disabled people and landlords to repair and maintain their homes.
- 5.5. The Policy has been successfully delivered for five years, but a number of necessary amendments have been identified to reflect changes in welfare reform, Government policy and to respond to changing local priorities and pressures. Specifically, issues that were identified were:
 - 5.5.1. The eligibility criteria for a number of the grants and loans was out of date and did not reflect changes made through welfare reforms in recent years.
 - 5.5.2. Winter wellbeing and affordable warmth has become an increasing priority locally in the Council's efforts to tackle fuel poverty; the 2012 Policy did not adequately support this as the provision of loans and the necessary legal process needed to secure a charge at the Land Registry did not allow an urgent response to heating breakdowns. Changes in the national energy efficiency landscape had rendered the Warm Front top-up grant in the 2012 Policy defunct, without a suitable replacement available.

- 5.5.3. The Disabled Facilities Grant service operated in Cheshire East is very successful and met the needs of 318 disabled people in 2016-17. We have successfully introduced more flexibility into the service offered to disabled people, enabling people to have more choice and control and meet their aspirations for the way their home is adapted. However, the constraints of the statutory grant cannot always support people's aspirations, and the 2012 Policy had no flexibility to assist.
- 5.5.4. Disabled Facilities Grant legislation rules out the use of the grant if a property is not the disabled person's only or main residence. Increasingly we are unable to fully meet the needs of children and young people who live between their estranged parents' homes, or who receive substantial levels of care from grandparents, and they could potentially be left at risk while their needs are not fully met, or their main carer may not receive the respite that they need to continue providing effective care, resulting in carer breakdown.
- 5.5.5. Spiralling building costs are affecting our ability to deliver adaptations within the financial constraints of the statutory grant. Building costs have almost doubled over the last six years; this is not unique to Cheshire East as Registered Providers and other local authorities are reporting similar issues. The impact of the spiralling building costs is that some disabled people have been unable to have their home adapted as they cannot fund the costs in excess of the statutory grant, or the adaptations have been significantly delayed while other design options are developed or while the applicant secures the additional funding.
- 5.5.6. Our ability to meet the needs of vulnerable residents was undermined by the wide ranging purposes for which some of the grants and loans could be used, restricting the number of people in need who receive help. For example, uptake of empty homes loans has mainly been by people who intended to move in to the home themselves, and restricted money available for properties to be made available for affordable rent.
- 5.6. The revised Policy addresses these issues by:
- 5.6.1. Updating the eligibility criteria, including introducing low income thresholds in addition to welfare benefit criteria, in order to assist people who are on low income but still above benefit thresholds;
- 5.6.2. Providing for a Warm Homes grant, which is designed to draw in match funding in order to maximise our financial resources;
- 5.6.3. Extending the purpose for which loans can be used, to support people's aspirations about how their home is adapted, and to allow the adaptation of a second property enabling disabled people to receive care and support at another property owned by a family member or carer;
- 5.6.4. Increasing the maximum value of grants and loans, in particular by introducing a discretionary top-up to the statutory Disabled Facilities Grant, to be able to deliver essential works within the budget available;

5.6.5. Deleting the Warm Front top-up grant and the Landlord Accreditation grant, and refocused the purposes for which the Empty Homes loan can be used, to increase affordable rent.

5.7. The six products that are detailed in the new Policy are:

1. **Healthy Homes Loan** – a loan of up to £15,000 for essential repairs. This is intended to support low income homeowners to make their homes safe and weathertight, focusing on the external structure of the property and services such as electrics to the property.
2. **Warm Homes Grant** – a grant of up to £2,000 for heating measures. This is intended to support people who are vulnerable to the effects of cold, by providing funding towards heating repairs, replacement boilers and other heating appliances.
3. **Disabled Facilities Grant** – a statutory means-tested grant of up to £30,000 for home adaptations such as adapted bathrooms, ramps and stair lifts. The policy also provides for a discretionary top-up of £20,000 for extensive building works such as an extension, in recognition of rising building costs which mean that the statutory grant may be insufficient to meet the disabled person's needs.
4. **Independent Living Loan** – a loan of up to £15,000 for low income disabled homeowners for purposes which would not be covered by the statutory grant. This is intended to support people who have been assessed as having to make a financial contribution to a statutory grant, but do not have access to savings, thereby delaying the adaptations, which impacts on their safety and wellbeing, and increases their need for a care package. This loan is also intended to support disabled people who might receive care and support at two addresses, perhaps due to a relationship breakdown of parents, but are unable to access a statutory grant at both addresses. Offering a loan to these families would enable a disabled person to receive respite care in an appropriate setting, benefit parent-child relationships and provide a break to the main carer.
5. **Disability Relocation Grant** – a grant of up to £2,000 to enable disabled people to move to a more suitable home.
6. **Empty Homes Loan** – a loan of up to £20,000 to bring empty homes up to a standard suitable for re-occupancy for an affordable rent. This has been included in the Policy so that we are able to continue to provide loans to bring empty homes back into much needed use while a policy on how the Council will tackle empty homes is developed. A report will be brought forward to Cabinet in the future.

5.8 The Policy includes equity share loans, interest free repayment loans and grants. Consideration has been given to the costs of delivering grants and loans and the borrowing costs, set out below.

- 5.9 Equity share loans: There is no regular repayment due on the loan, instead a charge is placed on the property equivalent to a percentage of the value of the property which is derived from the value of the loan compared to the market value of the property. Repayment of the loan is deferred until the property is next sold. The expectation is that the property value will increase over time thereby enabling full recovery of the loan amount plus additional funds in lieu of interest covering the lost investment opportunity of tying up capital in the loan. However, there is a risk that the property value may not increase or could fall resulting in a loss on the loan. This arrangement has the advantage of no monthly repayments so is relatively easy to administer.
- 5.10 Interest free repayment loans: The applicant would make monthly repayments until the loan is repaid in full or upon sale of the property, whichever is the earlier. The loan term will range from between one and ten years based on a test of affordability for the applicant. Although these are technically a mortgage, the administration of these loans could be dealt with in the same way as a normal debtor to the Council. There is an opportunity cost of offering interest free loans: by tying up the capital in interest free loans, the Council loses the opportunity to invest the money and receive interest on its investment.
- 5.11 Grants are the most costly to the authority as the expenditure is only recouped in the event of a breach of grant conditions, but are easy to administer. Grants will only be awarded where loan options have been exhausted first.
- 5.12 We have discounted using interest-bearing loans as these would take the form of a mortgage. Mortgages in general are difficult to administer. The Council currently uses a mortgage administrator to manage the few remaining former district mortgages. This agreement is in its final year at a reduced cost of £2,200 for 2017-18. Any new mortgages would lead to significantly increased costs of administration over future years. Alternatively arrangements and resources would need to be made available in-house to administer any new mortgages, which will become more onerous if repayments are not maintained.
- 5.13 Should any of the loan conditions be breached by an applicant, there is provision within the policy to use its discretion to demand repayment of the loan. In the event of non-payment, interest will be applied to the outstanding balance at a rate equivalent to the Bank of England base rate plus 0.5%. At current rates this is 0.75%, which compensates the Council for any other lost investment opportunity as investments are currently yielding less than 0.75%. This rate would also ensure that the impact is not so great on a vulnerable loan recipient.

6. Wards Affected and Local Ward Members

6.1. All wards.

7. Implications of Recommendation

7.1. Policy Implications

7.1.1. The Policy sets out ways to meet Outcome 5 'People live well and for longer'. We are committed to supporting the most vulnerable residents, whilst enabling others to support themselves and lead a prosperous and healthy life.

7.2. Legal Implications

7.2.1. The Regulatory Reform (Housing Assistance) (England & Wales) Order 2002 contains wide-ranging powers to provide assistance for housing renewal, including for the purpose of adapting or improving or repairing living accommodation. The Order also states that before the powers contained within it can be used, the Council must publish a policy on how it intends to use them.

7.2.2. The Council is under a statutory duty to provide grant aid to disabled people for a range of adaptations to their homes (Housing Grants, Construction and Regeneration Act 1996).

7.2.3. A local housing authority does not have a duty to assist a grant applicant in meeting any share of the costs which the applicant is financially assessed to be responsible for. The housing authority may however consider using its discretionary powers of assistance provided for by the Regulatory Reform Order.

7.2.4. Under the Financial Services and Markets Act 2000 (Exemption) (Amendment) (No2) Order 2003, local authorities offering mortgages have been exempted from the financial regulatory regime on the basis that a comparable quality of service is provided to customers in accordance with the mortgage sales guidance for local authorities and registered social landlords. The Council has put in place documents and procedures which meet its responsibilities as a lender.

7.2.5. By putting in place a policy which meets its statutory duties and sets out the extra discretionary investment that it will make for vulnerable residents, the Council is meeting its legislative responsibilities and its overarching local priorities.

7.3 Financial Implications

7.3.1 Delivery against the Policy is funded by rolling capital programmes in the Council's budget: Disabled Facilities Grant, Empty Homes and Private Sector Assistance. Unspent funds from previous years are

carried forward to subsequent years where the funds are committed but works are incomplete at the end of the financial year.

7.3.2 The total approved funding for discretionary Private Sector Assistance and Empty Homes programmes for 2017-18 including carry-forwards is £333,078. An additional £300,000 per annum is included in the rolling programme for 2018-19 and 2019-20 which will be subject to further approval as part of the budget setting process.

7.3.3 In 2017-18, the Disabled Facilities Grant allocation is £1,775,253, however it should be noted that the future allocation of capital grant is not guaranteed. The statutory duty placed on local authorities to award Disabled Facilities Grants determines that should the Government not allocate capital grant to the Council in the future, funding will need to be provided from the Council's own resources or through prudential borrowing. The grant determination for the capital allocation contains a grant condition that any money paid must only be used for the specific purpose of providing adaptations for disabled people who qualify under the scheme.

7.3.4 £1.5million per annum is included in the Council's medium term financial strategy which will be subject to further approval as part of the budget setting process. A request for approval to increase the capital programme for 2017-18 to reflect the increased capital allocation will be submitted as part of the first quarter review to enable us to use the grant for the purposes for which it is specified.

7.4 Equality Implications

7.4.1 The Policy will enable the Strategic Housing service to deliver efficient and effective services to groups with protected characteristics who are vulnerable, in particular but not limited to older people and people with a disability.

7.5 Rural Community Implications

7.5.1 The Policy will apply equitably across all our communities.

7.6 Human Resources Implications

7.6.1 The Policy will be administered by Strategic Housing officers within existing resources.

7.7 Public Health Implications

7.7.1 The Policy will enable the Strategic Housing service to provide services which directly impact on public health. Housing improvements will benefit vulnerable residents' mental and physical wellbeing and reduce demand on health and social care services.

7.7.2 The exact relationship between poor housing and ill health is complex. 45% of accidents occur in the home, and accidents are among the top ten causes of death for all ages. Local data suggests that around 3,500 to 4,000 older people attend Accident and Emergency (A&E) departments each year as a result of a fall.

7.7.3 Cold and damp homes increase the risk and effects of cardiovascular, respiratory and rheumatoid diseases, as well as hypothermia and mental ill health. Young children, older people and people with an illness or disability are more likely to suffer the effects of cold and damp housing.

7.8 Implications for Children and Young People

7.8.1 The Policy will provide opportunities for disabled children and young people to live in suitable housing, and protect the health of children and young people in low income vulnerable families through improved living conditions.

7.9 Other Implications – Better Care Fund

7.9.1 People need health, social care, housing and other public services to work seamlessly together to deliver better quality care. More joined up services help improve the health and care of local populations and may make more efficient use of available resources. There is no single way to integrate health and care. Some areas are looking to scale-up existing initiatives such as the New Care Models programme and the Integration Pioneers. Others are using local devolution or Sustainability and Transformation Plans as the impetus for their integration efforts. The Better Care Fund is the only mandatory policy to facilitate integration. It brings together health and social care funding, and this policy framework for the Fund covers two financial years to align with NHS planning timetables and to give areas the opportunity to plan more strategically. The Disabled Facilities Grant is a part of the Better Care Fund and is very much in-keeping with the whole system approach of working with our colleagues on the two local transformation plans of Caring Together and Connecting Care.

8 Risk Management

8.1 The publication of a policy setting out how we intend to use the powers within the Regulatory Reform Order will remove the risk of the Council acting outside of its powers when giving financial assistance for housing renewal.

8.2 The use of legal charges registered at the Land Registry for loans within the policy is the most secure method of registering the Council's interest in a property, and will ensure that the property cannot be disposed of by the applicant or their estate without the Council redeeming its interest following repayment of the loan.

8.3 We have considered the risk of a resident applying for a loan who already has an existing charge on their property in favour of another lender or in favour of the Council as a result of a deferred payment agreement for care costs, or as a result of a Council mortgage. The risks associated with allowing further borrowing are considered on an individual basis for each loan application, and the circumstances of previous borrowing and the amount of available equity in the property examined to ensure that the applicant is not put at financial risk and the Council has the best possible prospect of recovering the deferred amounts or other secured borrowing and the amount due as a result of borrowing under this Policy.

8.4 As any loans are secured on their home, applicants are strongly advised to seek independent legal and financial advice, and the costs of this professional advice can be included in their loan. There are two loan repayment options to maximise choice for applicants and to enable us to tailor our loan offer to their particular circumstances. Where customers are assessed as being able to afford to make monthly repayments, they will be offered an interest free loan over a period of up to ten years. Where customers are unable to afford regular repayments, an equity share loan will be offered, which is repaid only when the property is sold, and the repayment amount is based on a percentage share in the value of the property.

9 Access to Information/Bibliography

9.1 Background reports can be obtained by contacting the report writer.

10 Contact Information

Contact details for this report are as follows:

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Home Repairs and Adaptations for Vulnerable People: Financial Assistance Policy

1 August 2017 – 31 March 2021

DRAFT FOR APPROVAL

Contents

	PAGE
Purpose of the Policy	3
Outcomes	4
The help we will provide:	
Healthy Homes Loan	5
Affordable Warmth Grant	8
Disabled Facilities Grant	10
Independent Living Loan	14
Disability Relocation Grant	16
Empty Homes Loan	18
Applications for Assistance falling outside of this Policy	21
Transitional Arrangements	21
<u>Appendices</u>	
A – Interest Free Repayment Loans	22
B – Equity Share Loans	23
C – Disabled Facilities Grant Preliminary and Ancillary Services and Charges	24
D – Application Process	25
E - Carrying out and Completion of Works	26
Contact details	27

Purpose of the Policy

One of the major social achievements of the last century is the significant increase in life expectancy. Improved housing has been an important contributor to that gain as decent, suitable housing is a key determinant of the health and wellbeing of a population, particularly in later life. The availability, standard and suitability of housing has a critical role to play in plans for a more integrated approach to provision of health services and social care. Good housing benefits people's mental and physical wellbeing, enables informal carers' ability to care, and underpins older people's ability to live independently, safely and as part of the wider community.

Whilst Cheshire East Council shares the Government's view that the primary responsibility for maintaining and improving housing rests with the owner, it also acknowledges that there are occasions where it is necessary to intervene, including where vulnerable people are unable to afford to carry out urgent repairs that are affecting their health and safety, and to support disabled people to overcome functional difficulties created by an unsuitable home environment.

The Regulatory Reform (Housing Assistance) (England & Wales) Order 2002 removed most of the prescriptive housing renewal grant legislation in the Housing Grants, Construction and Regeneration Act 1996, and introduced a wide ranging discretionary power for local housing authorities to develop different forms of financial assistance to meet local needs.

To provide financial assistance for housing repairs and improvements, the local housing authority must first adopt and publish a policy setting out how it intends to use this general power to award assistance. An Interim Private Sector Assistance Policy was adopted in 2009 and was replaced by a Private Sector Housing Financial Assistance Policy in 2012. The Policy has been reviewed in light of our experience of delivering the previous policies and how effective they have been at delivering outcomes for residents, and to take advantage of the opportunities that exist to secure better outcomes.

This Policy details six products to assist vulnerable people to repair and adapt their home. These products are in the following formats:

- **Interest free loan:** The Council offers the financial assistance on a repayable basis over a period of no more than ten years (five years for Empty Homes loans), but without any interest or additional premium upon repayment.
- **Equity share loan:** The Council offers the financial assistance in exchange for a share in the value of the property. There are no regular repayments, and no interest is added to the loan. The loan becomes repayable when the property is sold or transferred, and the repayment will be based on the value of the property. For example, where a property is valued at £100,000 and the person borrows £10,000, the Council takes a 10% stake in the property. When the property is sold, the Council's stake is 10% of the sale price, so if

the property is sold for £110,000, the Council receives a repayment of £11,000.

- **Grant:** The Council offers the financial assistance as a grant which is only repaid if any of the repayment conditions are triggered.

The Policy also details how the Council will act as a responsible lender and have regard to the applicant's ability to make repayments before we offer them a loan. As any loans are secured on the property, applicants are strongly advised to seek independent legal and financial advice, and the costs of professional advice can be included in their loan. We have developed two loan repayment options to maximise choice for applicants and to tailor our loan offer to their particular circumstances.

The Policy will be in operation from 1 August 2017 to 31 March 2021, subject to adequate funding being available.

Outcomes

This Policy is driven by the fifth of the Council's resident-focused outcomes: 'People Live Well and for Longer'. We are committed to supporting the most vulnerable residents, whilst enabling others to support themselves and lead a healthy and prosperous life.

We have developed a set out of four outcomes (below) that link up to Outcome 5 of the Council's Corporate Plan. All requests for help will be assessed against these to ensure that our financial assistance will help residents achieve at least one key outcome.

Outcome	Affordable Warmth	Independence
What this looks like	Residents can afford to heat their homes and have the opportunity of better health	Disabled people can use their home more effectively and live independently with confidence and dignity
Outcome	Health and Wellbeing	A place to live
What this looks like	Residents can be confident that their home is safe and weathertight and they can live without fear of injury or ill health	Residents have the opportunity to live in a suitable well maintained home in the heart of our communities

‘Healthy Homes’ Loan

1. Eligible Applicants

Any individual(s) who has a qualifying owner’s interest in the property and is over the age of 18, and has lived in the property for at least 12 consecutive months at the date of application, **and meets one or more of the following criteria:**

- 1.1 Is in receipt of one or more of the passporting benefits cited in the Housing Renewal Grants Regulations 1996 (as amended). At the time of publication of this Policy, the following benefits are cited, but may change from time to time as amended by the Regulations:
 - i. Income Support;
 - ii. Income Based Job Seekers Allowance;
 - iii. Pension Credit Guarantee;
 - iv. Income related Employment and Support Allowance;
 - v. Universal Credit;
 - vi. Child Tax Credit with maximum assessable income of £15,050;
 - vii. Working Tax Credit with maximum assessable income of £15,050 **or**
- 1.2 Is in receipt of one or more of the following Armed Forces related benefits:
 - i. War Disablement Pension
 - ii. Armed Forces Compensation Scheme Guaranteed Income Payment;
 - iii. Armed Forces Independence Payment; **or**
- 1.3 Is in receipt of one or more of the following disability related benefits, and is assessed as being unable to afford the full cost of the eligible works.
 - i. Attendance Allowance;
 - ii. Disability Living Allowance;
 - iii. Personal Independence Payment;
 - iv. Industrial Injuries Disablement Benefit; **or**
- 1.4 Has reached state retirement pension age, and is assessed as being unable to afford the full cost of the eligible works.
- 1.5 In respect of paragraphs 1.4 and 1.5, the Test of Resources set out in the Housing Renewal Grants Regulations 1996 (as amended) will be used to assess whether the applicant is able to afford the full cost of the eligible works.

2. Eligible Properties

- 2.1 The property must be situated in Cheshire East and must be registered at the Land Registry.
- 2.3 The loan will not normally be available where repairs have previously been

completed and financed by a loan from the Council under this or previous Policies where the condition relating to future applications has not yet expired.

3. **Eligible Works**

3.1 The following types of works are eligible for assistance:

- i. Repairs that will make the main structure of the property weather-tight. For example, typical repairs that could be considered, based on the severity of the disrepair, include roofing, windows and doors, and preventing damp penetration.
- ii. Repairs that will eliminate a significant hazard within the living accommodation. For example, typical repairs that could be considered, based on the severity of the disrepair, include electrics, gas, fire prevention and falls prevention.
- iii. Measures to reduce the consequences of flooding in areas designated by the Council as at risk of flooding.
- iv. Facelift works as part of an area based renewal or regeneration scheme.

The following areas of the home are excluded from being eligible for assistance with repairs: gardens, yards, annexes, garages, sheds, porches and conservatories, except where they form a fundamental part of the living accommodation.

Assistance will not be provided for kitchen or bathroom upgrades, or for decorative or cosmetic works that are not as a result of the assisted repairs.

3.2 A loan will not be given where there are other suitable forms of financial assistance available, for example but not limited to energy supplier schemes, or household insurance.

3.3 Loans will not be approved retrospectively; any works that have been started or completed prior to a valid loan application will not be considered.

3.4 Eligible works will be determined by the Strategic Housing service.

4. **Amounts**

4.1 The maximum loan amount that will be considered is £15,000, and a loan will not normally be considered for less than £1,000. All other potential sources of funding must be exhausted first; these thresholds may only be waived at the Council's absolute discretion where no other suitable sources of funding can be identified and the Council considers that financial hardship has been demonstrated using its standardised evaluation.

4.2 Eligible costs that can be included in an application for assistance are:

- i. Reasonable cost of eligible works and VAT

- ii. Eligible fees as set out at Appendix C

5. **Application Process**

Details are set out at Appendix D.

6. **Carrying out and Completion of the Works**

Details are set out at Appendix E.

7. **Loan Conditions**

7.1 The loan must be secured by way of a legal charge registered at the Land Registry.

7.2 The loan must be repaid by one of the following methods:

- i. Interest-free repayment loan, as set out at Appendix A, or
- ii. Equity share loan, as set out at Appendix B.

7.3 The applicant must live in the property as their only residence.

7.4 A valid policy for buildings insurance sufficient to reinstate the building must remain in force until the assistance is repaid, with the Council's interest in the property noted on the policy.

7.5 Where an applicant has provided false or misleading information in their loan application or in their request for payment, the approved loan will be withdrawn and a demand made for repayment of any monies already paid. The Council's interest in the property will not be removed from the Land Registry until all monies have been repaid. The Council reserves the right to apply interest at the Bank of England base rate plus 0.5% which will be charged daily from the 29th day after the demand for repayment is made until the loan is discharged in full.

7.6 The Council may by written notice require the applicant to provide a statement within 21 days showing how the loan conditions are being fulfilled. In the event that the loan conditions are breached, the Council reserves the right to make a demand for repayment of any outstanding monies, and interest at the Bank of England base rate plus 0.5% will be charged daily from the 29th day after the demand for repayment is made until the loan is discharged in full.

7.7 Further applications for financial assistance for repairs to the same property will not be considered under this Policy and subsequent versions of this Policy, for a period of ten years from the certified date of completion, or until the loan is discharged, whichever is the earlier.

‘Affordable Warmth’ Grant

1. Eligible Applicants

1.1 Any individual(s) who has a qualifying owner’s interest in the property, and is over the age of 18, and has lived in the property to be improved as their only residence for at least 12 consecutive months at the date of application, **and meets one or more of the following criteria:**

1.2.1 Is in receipt of one or more of the passporting benefits cited in the Housing Renewal Grants Regulations 1996 (as amended). At the time of publication of this Policy, the following benefits are cited, but may change from time to time as amended by the Regulations:

- i. Income Support;
- ii. Income Based Job Seekers Allowance;
- iii. Pension Credit Guarantee;
- iv. Income related Employment and Support Allowance;
- v. Universal Credit;
- vi. Child Tax Credit with maximum assessable income of £15,050;
- vii. Working Tax Credit with maximum assessable income of £15,050 **or**

1.2.2 Is in receipt of one or more of the following Armed Forces related benefits:

- i. War Disablement Pension
- ii. Armed Forces Compensation Scheme Guaranteed Income Payment;
- iii. Armed Forces Independence Payment; **or**

1.2.3 Has a household income of less than £16,000 (single person household) or £20,000 (multiple person household) and savings of less than £8,000, **and** a member of the household has one or more of the following health conditions for which they are receiving medical treatment at the time of their application:

- i. Chronic Respiratory disease (for example, COPD, emphysema, chronic bronchitis, severe asthma)
- ii. Chronic Cardiovascular disease (for example, heart disease, stroke)
- iii. Cancer
- iv. Terminal illness
- v. Mental ill health

2. Eligible Properties

2.1 The property must be situated in Cheshire East.

3. Eligible Works

3.1 The following types of work are eligible for assistance:

- i. Heating and/or hot water repairs;

- ii. Boiler replacements;
 - iii. Installation of an appropriate heating system or appliance in an inadequately heated room(s), for example additional radiator, first time central heating system, storage heater or gas fire.
- 3.2 A grant will not be given where there are other suitable forms of financial assistance available, for example but not limited to, energy supplier schemes, heating grants or household insurance.
- 3.3 Grants will not be approved retrospectively; any works that have been started or completed prior to a valid grant application will not be considered.
- 3.4 Eligible works will be determined by the Strategic Housing service in consultation with a Council-appointed heating engineer.
- 4. **Amount of the Grant**
 - 4.1 The maximum grant amount will normally be 75% of the cost of the works, up to a maximum of £2,000. All other potential sources of funding must be exhausted first; the grant may only exceed 75% where no other sources of funding can be identified and the applicant demonstrates financial hardship.
 - 4.2 The maximum amount will include the cost of eligible works and any VAT. A fee in accordance with the Council's Fees and Charges schedule can be included as part of the grant, for technical and professional services provided by the Council to facilitate the application process.
- 5. **Application Process**

Details are set out at Appendix D.
- 6. **Carrying out and Completion of the Works**
 - 6.1 Details are set out at Appendix E.
- 7. **Conditions of Assistance**
 - 7.1 Where an applicant has provided false or misleading information in their grant application or in their request for payment, the approved grant will be withdrawn and a demand made for repayment of any monies already paid.

‘Disabled Facilities’ Grant

The primary legislation for Disabled Facilities Grants is the Housing Grants, Construction and Regeneration Act 1996 (as amended).

1. Eligible Applicants

- 1.1 Any person with a qualifying owner’s, tenant’s or occupier’s interest in the property who is over the age of 18.

2. Eligible Properties

- 2.1 Dwellings, qualifying houseboats and caravans are eligible for assistance.
- 2.2 The property must be situated in Cheshire East.
- 2.3 The property must be the only or main residence of the disabled person for whom the adaptation is intended.

3. Eligible Works

- 3.1 The works must be necessary and appropriate to meet the needs of the disabled person.
- 3.2 It must be reasonable and practicable to carry out the works, having regard to the age and condition of the property.
- 3.3 The works must be for at least one of the following purposes:
- a) Facilitating access by the disabled person to and from the dwelling, qualifying houseboat or caravan, or the building in which the dwelling is situated;
 - b) Making the dwelling, qualifying houseboat or caravan, or the building in which the dwelling is situated, safe for the disabled person and other persons residing with them;
 - c) Facilitating access by the disabled person to a room used or usable as the principal family room;
 - d) Facilitating access by the disabled person to, or providing for them, a room used or usable for sleeping;
 - e) Facilitating access by the disabled person to, or providing for them, a room in which there is a lavatory, or facilitating for the disabled person the use of a lavatory;
 - f) Facilitating access by the disabled person to, or providing for them, a room in which there is a bath or shower (or both), or facilitating for the disabled person the use of a bath or shower;
 - g) Facilitating access by the disabled person to, or providing for them, a room in which there is a wash hand basin, or facilitating for the

- disabled person the use of a wash hand basin;
- h) Facilitating the preparation and cooking of food by the disabled person
- i) Providing or improving any heating system in the dwelling to meet the needs of the disabled person
- j) Facilitating the use by the disabled occupant of a source of power, light or heat by altering the controls or the position of the controls, or providing additional controls
- k) Facilitating access around the dwelling, qualifying houseboat or caravan for the disabled person to enable them to provide care for another person who is normally resident there
- l) Facilitating access to and from the garden for the disabled person
- m) Making access to and from the garden safe for the disabled person
- n) Such other purposes as may be specified by order of the Secretary of State.

3.4 Grants cannot be approved retrospectively; any works that have been started or completed prior to a valid grant application will not be considered.

3.5 Eligible works will be determined by the Strategic Housing service in consultation with a Council-appointed Occupational Therapist.

3.6 When determining eligible works, regard will be had to value for money and establishing the most cost effective method of overcoming the disabling environment. The Council will always consider making adaptations within the existing footprint of the property first, and where this is not possible, only then will it consider extending the footprint of the living accommodation, apart from in exceptional circumstances where extending the footprint is the more cost effective option.

3.7 It is recognised that applicants may wish to carry out adaptations which are not the most cost effective approach. The Disabled Facilities Grant can be used flexibly to provide the applicant's preferred adaptations where the proposals will meet the needs identified by the Council-appointed Occupational Therapist. In these circumstances, the maximum grant awarded will be restricted to the value of the most cost effective adaptations and any eligible fees, to a maximum of £30,000.

4. **Amounts**

4.1 The maximum amount of grant allowed is £50,000. At the time of publication of this Policy, the maximum mandatory grant is £30,000. The Policy provides for an additional discretionary grant of a maximum of £20,000. In the event that the mandatory maximum grant limit is adjusted, the discretionary grant will be reviewed.

4.2 The additional discretionary grant will not be awarded in conjunction with the

use of the flexible Disabled Facilities Grant option outlined at paragraph 3.7, other than in exceptional circumstances where the most cost effective option would exceed the mandatory maximum grant limit. In these circumstances, the discretionary grant will be capped at the value of the most cost effective option.

- 4.3 Applicants will be subject to a Test of Resources in accordance with the Housing Renewal Grants Regulations 1996 (as amended) to determine whether all or any assistance will be made available. Where the applicant is in receipt of a means-tested benefit or the adaptations is for a disabled child under 16 years of age or a young person in full-time education under 20 years of age, there will be no Test of Resources.
- 4.4 Where applicants are assessed as having to make a financial contribution following a Test of Resources, the amount of grant to be awarded for eligible works will be reduced by an amount equivalent to the assessed contribution.
- 4.5 The maximum amount of grant will include the cost of eligible works, VAT and eligible fees. Eligible fees are detailed at Appendix C.

5. **Application Process**

- 5.1 Applicants must submit a valid application, consisting of:
 - i. a completed application, together with evidence of any welfare benefit entitlement, income, savings, shares and capital
 - ii. details of the works to be carried out,
 - iii. two written quotations for each type of work from contractors, unless otherwise directed by the Council,
 - iv. owner's, tenant's, and/or occupier's certificate,
 - v. details of any eligible fees, and
 - vi. proof of ownership and /or written consent of all owners.
- 5.2 The Council will approve or refuse a grant application in writing not later than six months from the date of a valid application. Where a grant application is refused, the Council will provide a written statement of the reasons for refusal, and details of any appeals procedure.

6. **Carrying Out and Completion of the Works**

Details can be found at Appendix E.

7. **Conditions of Assistance**

- 7.1 In accordance with the Housing Grants, Construction and Regeneration Act 1996: Disabled Facilities Grant (Conditions relating to approval or payment of grant) General Consent 2008:

- 7.1.1 If the applicant disposes of the property within 10 years of the certified date of completion, and the applicant has a qualifying owner's interest in the property, any grant in excess of £5,000 will become repayable, subject to a maximum amount repayable of £10,000.
- 7.1.2 The Council may, at its discretion, waive any demand for repayment of assistance once it has considered:
- i. the extent to which the grant recipient would suffer financial hardship were they to be required to repay all or any of the grant;
 - ii. whether the disposal of the premises is to enable the grant recipient to take up employment, or to change the location of their employment;
 - iii. whether the disposal is made for reasons connected with the physical or mental health or well being of the grant recipient or of a disabled occupant of the premises; and
 - iv. whether the disposal is made to enable the grant recipient to live with, or near, any person who is disabled or infirm and in need of care, which the grant recipient is intending to provide, or who is intending to provide care of which the grant recipient is in need by reason of disability or infirmity.
- 7.2 Requests for exemptions to repayment must be made in writing.
- 7.3 The Council reserves the right to remove equipment, such as lifts, when it is no longer required by the disabled person. Where it is clear that the equipment will not be reused due to its age or condition the Council may waive its right to recover such equipment.
- 7.4 Where an applicant has provided false or misleading information in their grant application or in their request for payment, the grant approval will be withdrawn and a demand made for repayment of any monies already paid.

‘Independent Living’ Loan

1. Eligible Applicants

- 1.1 Any individual(s) who has a qualifying owner’s interest in the property, and is over the age of 18, and is disabled, or a member of their household is disabled, and has been assessed by a Council-appointed Occupational Therapist as needing adaptations to their home.
- 1.2 Applicants will be subject to a Test of Resources in accordance with the Housing Renewal Grants Regulations 1996 (as amended) to determine whether all or any assistance will be made available. Where the applicant is in receipt of a means-tested benefit or the adaptations is for a disabled child under 16 years of age or a young person in full-time education under 20 years of age, there will be no Test of Resources.

2. Eligible Properties

The property must be situated in Cheshire East and be registered at the Land Registry.

3. Eligible Works

- 3.1 Adaptations that meet the purposes specified in the Housing Grants, Construction and Regeneration Act 1996 (refer to ‘Eligible Works’ under Disabled Facilities Grants) are eligible, where:
 - i. The applicant is unable to afford their assessed contribution for the mandatory Disabled Facilities Grant; or
 - ii. The applicant is utilising the flexible Disabled Facilities Grant option but is unable to afford their contribution to their preferred adaptations; or
 - iii. The adaptations are needed at a property that is not the main residence of the disabled person, but where the disabled person spends a significant proportion of their time receiving care (for example, in the home of a family member who provides regular respite care or support).
- 3.2 Loans will not be approved retrospectively; any works that have been started or completed prior to a valid loan application will not be considered.
- 3.3 Eligible works will be determined by the Strategic Housing service in consultation with a Council-appointed Occupational Therapist.

4. Amount of Loan

- 4.1 The maximum loan amount that will be considered is £15,000, and a loan

will not normally be considered for less than £1,000. All other potential sources of funding must be exhausted first; these thresholds may only be waived at the Council's absolute discretion where no other suitable sources of funding can be identified and the Council considers that financial hardship has been demonstrated using its standardised evaluation.

- 4.2 Eligible fees that may be included as part of the application for assistance are:
 - i. Legal fees and disbursements incurred as a result of setting up the loan
 - ii. Financial advice
 - iii. Lenders' fees for registering a second charge

5. **Application Process**

Details are set out at Appendix D.

6. **Carrying out and Completion of Works**

- 6.1 Details are set out at Appendix E.

7. **Loan Conditions**

- 7.1 The loan must be secured by way of a legal charge registered at the Land Registry.
- 7.2 The loan must be repaid by one of the following methods:
 - i. Interest-free repayment loan, as set out at Appendix A, or
 - ii. Equity share loan, as set out at Appendix B.
- 7.3 A valid policy for buildings insurance sufficient to reinstate the building must remain in force until the loan is repaid, with the Council's interest in the property noted on the policy.
- 7.4 Where an applicant has provided false or misleading information in their loan application or in their request for payment, the approved loan will be withdrawn and a demand made for repayment of any monies already paid. The Council's interest in the property will not be removed from the Land Registry until all monies have been repaid.
- 7.5 The Council may by written notice require the applicant to provide a statement within 21 days showing how the loan conditions are being fulfilled. In the event that the loan conditions are breached, the Council reserves the right to make a demand for repayment of any outstanding monies, and interest at the Bank of England base rate plus 0.5% will be charged daily from the 29th day after the demand for repayment is made until the loan is discharged in full.

‘Disability Relocation’ Grant

1. Eligible Applicants

- 1.1 Any individual(s) who is over the age of 18, and is disabled, or a member of their household is disabled, and has been assessed by a Council-appointed Occupational Therapist as needing adaptations to their home, **and**
- 1.2 Is assessed as being unable to afford the full cost of the eligible relocation expenses.
- 1.3 The Test of Resources set out in the Housing Renewal Grants Regulations 1996 (as amended) will be used to assess whether the applicant is able to afford to afford the full cost of the eligible relocation expenses.

2. Eligible Properties

- 2.1 The current property (that is, the property that the disabled person is moving from) must be situated in Cheshire East, **and**
- 2.2.1 It must not be reasonable or practicable to adapt the current property, **or**
- 2.2.2 The new property (that is, the property that the disabled person intends to move to) offers a better suited solution for the disabled person, and the solution offers better value for money for the Council. The new property must, in the reasonable opinion of the Strategic Housing service in conjunction with a Council-appointed Occupational Therapist, be appropriate to the needs of the disabled person, and any necessary adaptations to the new property must be reasonable and practicable.
- 2.4 The new property must be intended to be the only or main residence of the disabled person. There are no restrictions on the tenure or location of the new property.

3. Eligible Expenses

- 3.1 Assistance will be given towards reasonable removal costs associated with moving home, including:
 - i. Professional removal costs
 - ii. Disconnection and reconnection of household appliances
 - iii. Removal and reinstallation of disability equipment
- 3.2 Expenses that have been incurred prior to the application for assistance will not be considered.
- 3.3 Eligible expenses will be determined by the Strategic Housing service.

4. **Amounts**

- 4.1 The maximum grant amount will normally be £2,000. All other potential sources of funding must be exhausted first; the grant may only exceed £2,000 where no other sources of funding can be identified and the applicant demonstrates financial hardship.

5. **Application Process**

Details can be found at Appendix D.

6. **Carrying out and Completion of Works**

Details can be found at Appendix E.

7. **Grant Conditions**

- 7.2 Where an applicant has provided false or misleading information in their grant application or in their request for payment, the approved grant will be withdrawn and a demand made for repayment of any monies already paid.
- 7.3 Further applications for a disability relocation grant will not be considered from the same applicant under this Policy and subsequent versions of this Policy, except where there has been a change in the disabled person's or their carer's needs and the property cannot be adapted to meet those needs, or the needs of another disabled person residing at the property cannot be met within the property.

‘Empty Homes’ Loan

1. **Eligible Applicants**

- 1.1 Any individual(s) who has a qualifying owner’s interest in the property and is over the age of 18.
- 1.2 The purposes for which an Empty Homes Loan may be given are:
 - i. For a member of the Cheshire Landlord Accreditation Scheme who is the owner of an empty home and who intends to let the property on a tenancy that lasts for a minimum period of twelve months
 - ii. For an owner of an empty home who has entered, or intends to enter, into a lease agreement that lasts for at least the term of the loan agreement with a property management company or Registered Provider.

2. **Eligible Properties**

- 2.1 The property must be situated in Cheshire East and must be registered at the Land Registry.
- 2.3 The loan will not be available where repairs have previously been completed and financed by a loan from the Council under this or previous Policies where the condition relating to future applications has not yet expired.
- 2.4 The property must have been unoccupied for at least twelve consecutive months prior to the date of application, and determined as a high priority for refurbishment and re-occupancy by the Council. Priority will be determined through the use of a scoring matrix.

3. **Eligible Works**

- 3.1 Works that will bring the property up to an acceptable living standard ready for occupancy are eligible.
- 3.2 The following areas of the home are excluded from being eligible for assistance with repairs: gardens, yards, annexes, garages, sheds, porches and conservatories, except where they form a fundamental part of the living accommodation.
- 3.2 A loan will not be given where there are other suitable forms of financial assistance available, for example but not limited to energy supplier schemes, or household insurance.
- 3.3 Loans will not be approved retrospectively; any works that have been started

or completed prior to a valid loan application will not be considered.

3.4 Eligible works will be determined by the Strategic Housing service.

4. **Amounts**

4.1 The maximum loan amount that will be considered is £20,000, and a loan will not normally be considered for less than £1,000. All other potential sources of funding must be exhausted first; these thresholds may only be waived at the Council's absolute discretion where no other suitable sources of funding can be identified and the Council considers that financial hardship has been demonstrated using its standardised evaluation.

4.2 Eligible costs that can be included in an application for assistance are:

- i. Reasonable cost of eligible works and VAT
- ii. Eligible fees, as detailed at Appendix C

5. **Application Process**

Details can be found at Appendix D.

6. **Carrying out and Completion of the Works**

Details can be found at Appendix E.

7. **Loan Conditions:**

7.1 The loan must be secured by way of a legal charge recorded at the Land Registry.

7.2 The loan will be provided as an interest-free repayment loan over a maximum term of five years as set out at Appendix A.

7.5 The property must be occupied by a tenant and remain available to let to tenants throughout the term of the loan. The property must be available to let at a rate not in excess of Local Housing Allowance, and no restrictions can be put in place that prevents a person in receipt of welfare benefits occupying the property.

7.4 A valid policy for buildings insurance sufficient to reinstate the building must remain in force until the assistance is repaid, with the Council's interest in the property noted on the policy.

7.5 Where an applicant has provided false or misleading information in their application for assistance or in their request for payment, the approval of assistance will be withdrawn and a demand made for repayment of any monies already paid. The Council reserves the right to apply interest at the

Bank of England base rate plus 0.5% which will be charged daily from the 29th day after the demand for repayment is made until the loan is discharged in full.

- 7.6 The Council may by written notice require the applicant to provide a statement within 21 days showing how the loan conditions are being fulfilled. In the event that the loan conditions are breached, the Council reserves the right to make a demand for repayment of any outstanding monies, and interest at the Bank of England base rate plus 0.5% will be charged daily from the 29th day after the demand for repayment is made until the loan is discharged in full. The Council's interest in the property will not be removed from the Land Registry until all monies have been repaid.
- 7.7 Further applications for financial assistance for repairs to the same property will not be considered under this Policy and subsequent versions of this Policy, for a period of ten years from the certified date of completion.
- 7.8 The Council will normally only approve a maximum of three applications for Empty Homes Assistance from an applicant in any calendar year. This may only be waived where the applicant can demonstrate that no other suitable funding sources are available.

Applications for assistance falling outside of this Policy

All grant and loan applications will be considered against the published criteria. If the application does not meet the criteria, the Council will inform the applicant in writing of the reason why their application is being refused.

Where an applicant is refused assistance and they wish to appeal against the decision, they should appeal in writing to the Council within 28 days of the date of refusal.

It is recognised that there may be situations where the refusal of assistance would disproportionately disadvantage the applicant. In these circumstances, the Council may waive or alter some or all of the eligibility criteria, minimum or maximum amounts, or conditions of assistance based on the individual circumstances, and approve the application for assistance. All cases will be considered on an individual basis in a fair and transparent way by an Appeals Panel of senior housing officers. The decision of the Appeals Panel will be final in respect of that individual case and will not be binding upon future applications made by that or any other applicant.

Transitional Arrangements

From 1st August 2017, all new applications for assistance will be considered against the criteria set out within this Policy.

All applications for assistance approved under the Private Sector Housing Financial Assistance Policy 2012 will continue to be valid in accordance with the specific conditions of assistance contained within that Policy.

All valid applications received on or before 31st July 2017 under the Private Sector Housing Financial Assistance Policy 2012 but not yet approved will be processed in accordance with that Policy, except where the applicant requests that their application is assessed in accordance with this replacement Policy.

Appendix A

Interest Free Repayment Loans

1. Loans are offered as secured loans. The loan is secured by way of a legal charge registered at the Land Registry, until such time that the loan is repaid in full.
2. All joint owners and, where applicable, anyone with a legal interest in the property must give their consent to the works to be carried out and the registration of a legal charge.
3. The Council may request a written valuation of the property to determine whether there is sufficient equity for its interest in the property to be secure.
4. The applicant must make monthly repayments of the loan in accordance with an agreed schedule. We will calculate the monthly payment so that the loan is repaid to us by the end of the term of the loan. The term of the loan will not exceed ten years (five years in the case of an Empty Homes loan).
5. Applicants can repay the loan early at any time without penalty.
6. We may withdraw the offer at any time before we make the loan for any of the following reasons:
 - a. The discovery of a defect in the title to the property
 - b. The deterioration of the applicant's financial position
 - c. The supply of false information in connection with the applicant's loan application
7. If the applicant experiences financial difficulty and has problems maintaining the repayments schedule at any time, the Council will, having regard to the applicant's financial circumstances, consider alternative payment options including:
 - a. Recalculating monthly payments to include any arrears
 - b. Extending the period of the loan beyond the maximum loan term of ten years
 - c. Terminating the interest free repayment loan and offering the outstanding balance as an equity share loan
8. The loan will become immediately repayable in the following circumstances:
 - a. Upon sale or transfer of the property
 - b. In the event that the property is no longer the main residence of the applicant
 - c. In the event of a successful insurance claim related to the eligible works
 - d. Upon death of the applicant (or where there is more than one applicant, the death of the last surviving applicant).
 - e. In the event of a breach of a loan condition.

Illustration (example only)

Amount borrowed:	24 monthly repayments	60 monthly repayments	84 monthly repayments	120 monthly repayments	Total repaid:
£1,000	41.67	16.67	11.90	8.33	£1,000
£2,000	83.33	33.33	23.81	16.67	£2,000
£5,000	208.33	83.33	59.52	41.67	£5,000
£10,000	416.67	166.67	119.05	83.33	£10,000

Appendix B

Equity Share Loans

1. Loans are offered as secured loans. The loan is secured by way of a legal charge registered at the Land Registry.
2. All joint owners and, where applicable, anyone with a legal interest in the property must give their consent to the works to be carried out and the registration of a legal charge.
3. The Council will request a written valuation of the property suitable for money lending purposes to determine the percentage share and whether there is sufficient equity for its interest in the property to be secure.
4. The principle amount borrowed (the loan) is secured as a percentage share in the property. The percentage share is calculated using the amount of the loan, and the value of the property.
5. The redemption value of the loan will be calculated based on the percentage share of the value of the property at the point of sale. If, at the time of redemption of the loan, the property value is less than when the loan was approved, the repayment amount will be less than the amount borrowed.
6. Applicants can repay the loan early at any time. A written valuation will be necessary to determine the repayment amount.
7. We may withdraw the offer at any time before we make the loan for any of the following reasons:
 - a. The discovery of a defect in the title to the property
 - b. The deterioration of the applicant's financial position
 - c. The supply of false information in connection with the applicant's loan application
8. The loan will become immediately repayable in the following circumstances:
 - a. Upon sale or transfer of the property
 - b. In the event that the property is no longer the main residence of the applicant
 - c. In the event of a successful insurance claim related to the eligible works
 - d. Upon death of the applicant (or where there is more than one applicant, the death of the last surviving applicant)
 - e. In the event of a breach of a loan condition.

Illustration (example only)

	Example 1	Example 2	Example 3
Amount borrowed	£10,000	£7,000	£5,000
Value of property at date of loan offer	£100,000	£187,000	£150,000
Council's percentage share	10%	3.74%	3.33%
Value of property at date of repayment	£120,000	£200,000	£145,000
Amount repayable	£12,000	£7,480	£4,828.50

Appendix C

Preliminary and Ancillary services and charges

Disabled Facilities Grants

Preliminary and ancillary services and charges which can be included in applications for Disabled Facilities Grants are determined by the Housing Renewal Grants (Services and Charges) Order 1996 (S.I. 1996/2889):

- Confirmation that an applicant has an owner's interest in the property
- Specialist, technical and/or structural surveys
- Design and preparation of plans and drawings
- Preparation of schedules of the relevant works
- Assistance in completing forms
- Advice on financing the cost of the relevant works which are not met by the Council's assistance
- Applications for building regulations approval or planning permission (including the application fee and the preparation of related documents)
- Obtaining estimates for the relevant works
- Advice on contracts
- Consideration of tenders
- Supervision of the relevant works
- Disconnection and reconnection of electricity, gas, water or drainage utilities where this is made necessary by the relevant works (but not charges arising from non-payment of bills)
- Payment of contractors
- Services and charges of an occupational therapist in relation to the relevant works

Healthy Homes, Independent Living and Empty Homes Loans

- i. Specialist, technical and/or structural reports that are required by the Council
- ii. Building Control fees for eligible works
- iii. Legal fees and disbursements incurred as a result of setting up the loan
- iv. Valuation fees
- v. Financial advice
- vi. Lenders' fees for registering a second charge
- vii. A fee in accordance with the Council's Fees and Charges schedule will be included as part of the loan, for technical and professional services provided by the Council to facilitate the application process.

Appendix D

Application Process

- 1 All grant and loan applications must be made on the Council's official application form (except for the mandatory Disabled Facilities Grant), and accompanied by at least two written quotations on contractors' letter headed paper, and any other information that the Council considers necessary to be able to consider a grant or loan application. The requirement for two written quotations will only be waived in circumstances such as imminent risk to health and safety, or where the applicant can demonstrate that they have made all reasonable efforts to secure two quotes but have been unsuccessful.
- 2 Before approving a loan application, the Council will have regard to the applicant's ability to repay the loan. The Council will take into account any charges already secured on the property, bankruptcy checks, the level of equity available in the property, and any information obtained in the course of its checks which reveal financial difficulties within the last six months. The Council will not normally award a loan where the existing charges registered on the property combined with the amount of financial assistance requested would reduce the available equity in the property to 10% or less of the property value.
- 3 Before a loan application is approved, the applicant and the Council must enter into a loan agreement and a charge in favour of the Council must be registered at the Land Registry.
- 4 The Council will advise whether a grant or loan application has been approved or refused in writing, together with the value of the grant or loan that has been approved. Where an application is refused, the Council will provide a written statement of the reasons for refusal, and details of any appeals procedure.

Appendix E

Carrying out and Completion of Works

- 1 Works must be carried out by a contractor whose quotation was accepted as part of the grant or loan application. Any request to change the contractor must be made in writing. Consent will not be unreasonably withheld by the Council.
- 2 The timescales for the different grants and loans are set out below:

Grant/Loan	Work must be started by no later than -	Works must be completed by no later than -
Healthy Homes Loan	3 months from the date of approval	6 months from the date of approval
Affordable Warmth Grant	1 month from the date of approval	2 months from the date of approval
Disabled Facilities Grant	12 months from the date of approval	12 months from the date of approval
Independent Living Loan	12 months from the date of approval	12 months from the date of approval
Disability Relocation Grant	12 months from the date of approval	12 months from the date of approval
Empty Homes Loan	3 months from the date of approval	6 months from the date of approval

Requests for additional time to start or complete the works must be made in writing before the end of the relevant period. Consent will not be unreasonably withheld by the Council. In the event that the timescales are not adhered to, the Council reserves the right to cancel the grant or loan approval.

- 3 In the event of unforeseen work or an increase in costs arising during the course of the works the amount of the grant or loan may be increased at the discretion of the Council. The minimum amount of additional loan that will be considered is £200. The Council will only approve the request where the combined sum of the approved grant or loan with the additional request do not exceed the relevant maximum permitted grant or loan. Where the approved assistance is a loan, the applicant and the Council must enter into a revised loan agreement. Additional fees will be incurred for the registration of an amended legal charge.
- 4 Payment of assistance will be only be made where:

- i. The eligible works have been completed in accordance with any statutory requirements and/or the Council's specification, and to the reasonable satisfaction of an appointed Strategic Housing officer, and
 - ii. The Council's standard payment request form has been completed, and
 - iii. The Council has received a valid invoice or receipt for the works. An invoice or receipt will not be considered valid where it is issued by a company that the applicant or a member of their family is a proprietor of.
- 5 Requests for interim payments will be considered. The value of interim payments will not exceed the value of the works completed, and will not exceed 90% of the total value of eligible works that have been approved.
- 6 Requests for advance payments to make deposits for materials will not normally be considered, and will only be allowed where the applicant demonstrates financial hardship.
- 7 Where requests are received for an increase to the grant or loan for unforeseen works, the Council will only approve the request where the combined sum of the approved grant or loan with the additional request do not exceed the relevant maximum permitted grant or loan. Where the approved assistance is a loan, the applicant and the Council must enter into a revised loan agreement.
- 8 In the event of a dispute between the applicant and the contractor about the satisfactory completion of works, the Council reserves the right to pay the grant or loan to the applicant or contractor if the works have been carried out to the satisfaction of a Strategic Housing officer.

Contact details

This Policy is operated by the Housing Standards and Adaptations team, part of the Strategic Housing service:

By telephone: 0300 123 5017 Option 4

By email: privatehousing@cheshireeast.gov.uk

By post: (Floor 5, Delamere House), c/o Municipal Buildings, Earle Street, Crewe, Cheshire, CW1 2BJ

Or visit our website: www.cheshireeast.gov.uk/homerepairs

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Cheshire East Council

Cabinet

Date of Meeting:	11 th July 2107
Report of:	Frank Jordan - Executive Director of Place
Subject/Title:	The Self-Build and Custom Housebuilding Regulations 2016
Portfolio Holder:	Councillor A Arnold, Housing and Planning

1. Report Summary

- 1.1. On the 1st April 2016 (as required by the Self-build and Custom Housebuilding Act 2015) Cheshire East launched its self build register. From 31st October 2016 further regulations have placed additional duties on the Council. The principal change arising from this is to place a duty on the Council to grant a sufficient number of planning permissions for serviced plots of land to fulfil the demand for self-build homes as established by the self-build register.
- 1.2. The Council has the ability to establish criteria for entry onto the self-build register. These include local eligibility conditions and an assessment of financial resources.
- 1.3. The Council can also charge a fee for registration and to remain on the register.
- 1.4. This report outlines the changes to the Legislation and Regulations regarding self-build and custom housebuilding and the impact of these changes. Furthermore, the report seeks Cabinet approval for how to administer the self-build register, in light of the new discretionary regulations and the duty to provide sufficient planning permissions to meet the demand identified in the register.

2. Recommendation

- 2.1. It is recommended that the Cabinet:
- 2.2. Agrees to the introduction of a local connection test for entry onto the Self Build Register as defined in paragraph 5.12.
- 2.3. Agrees that the Council should not carry out a financial assessment of applicants to the self-build register.

- 2.4. Approves the charging of a fee for entry onto the self build register set at a level to cover the Council's reasonable costs incurred in accordance with the Regulations.
- 2.5. Delegates the authority to set the charging level to the Executive Director of Place in consultation with the Portfolio Holder for Housing and Planning.

3. Other Options Considered

- 3.1. The Council could choose to accept all applicants onto the self-build register whether they have a local connection or not, or whether they have the resources to purchase the land.
- 3.2. The Council could carry out a financial assessment of applicants to the self build register
- 3.3. Also, the Council could choose to finance the reasonable costs incurred in connection with it's functions under the Self-build and Custom Housebuilding Act 2015.

4. Reasons for Recommendation

- 4.1. The introduction of "a local connection test" will afford the Council substantial control over who is able to be included on the self build register. It may also restrict speculative applications from those who do not have a local connection to Cheshire East. A new test will be required as use of the local connection criteria in the Council's Allocation Policy would not be appropriate for this purpose.
- 4.2. In line with The Self-build and Custom Housebuilding Regulations 2016 (No.950) the Council can agree to set a criteria so that only those that can demonstrate that they have sufficient resources to purchase land for their self-build and custom housebuilding are eligible. However, this is a complex process as the cost of land varies depending on the size of plot and the location within the borough which will make it difficult to make a meaningful assessment of an applicants ability to purchase land at some stage in the future.
- 4.3. Charging a fee to be registered on the self-build register and to remain on the register would allow for some of the additional costs incurred by the Council, in running the self-build register, to be recovered.

5. Background/Chronology

- 5.1. The Self-Build and Custom Housebuilding Act 2015 provides for local authorities to create and maintain a register of persons in their area who wish to build their own homes. The Council is obliged to create such a register, provide for applicants to be able to register and to have regard to the information contained in the register when discharging its planning, housing, regeneration functions and when engaging in the disposal of land.

- 5.2. In addition to these obligations the Housing and Planning Act 2016 and associated Selfbuild and Custom Housebuilding Regulations 2016 place further duties upon the Council.
- 5.3. Duty to grant permissions. The principal change is that there is now a duty upon the Council to grant a sufficient number of planning permissions for serviced plots of land to fulfil the demand for self build homes as established by the register. Such demand is by reference to the 'base period'. The first base period runs from the date of the establishment of the register by the Council (1st April 2016) until the date of s10 of the Housing and Planning Act 2016 coming into force (31st October 2016). Thereafter the base period is to be calculated on a twelve month rolling basis from the date after the end of the initial base period.
- 5.4. The demand is the number of entries which have been added to the register in the relevant base period.
- 5.5. The requirement is for a corresponding number (as a minimum) of planning permissions to be granted for plots which are suitable for self-build and custom housing and which are serviced to enable such development.
- 5.6. Time for compliance. In relation to each base period the Council has a period of three years (from the date that the base period ended) in order to grant sufficient permissions to satisfy the demand as evidenced by that base period. Should the Council grant permission for the number identified in the base period within those three years then it will have satisfied its duty in relation to that base period.
- 5.7. A permission in relation to a specific plot may only be taken account of once. It cannot count toward supply for any more than a single, identified base period. Nor can any permissions granted prior to the start of the first base period be counted.
- 5.8. Serviced plot. A plot of land is considered to be a 'serviced plot of land' if it can, in the opinion of the Council, be provided with access to the public highway along with connections for electricity, water and waste water within the period before the permission granted in respect of that plot would ordinarily expire (i.e. a site which has the benefit of planning permission but does not yet have services available can still count toward the supply figure provided that there is a reasonable expectation that such services will be provided within the time period of the permission).
- 5.9. Exemptions. In certain circumstances an authority can make an application to the Secretary of State for exemption from the duty to provide permissions, those circumstances being that the identified demand for the base period in question represents greater than 20% of the land identified by the local authority for future housing in the relevant period. 'Demand' is taken to be the aggregate of the base period and the previous two base periods, 'Land Availability' is taken to be the total number of plots assessed as deliverable in the base period, the two preceding base periods and the two following base periods (i.e. over five years).

- 5.10. Local Eligibility Conditions. An authority may establish a criteria for eligibility for entry on to the register, should it establish such a regime the Council must divide the register into two separate parts. 'Part 1' of the register will contain the details of those who satisfy the various standard eligibility tests and in addition the 'local connection test'. 'Part 2' of the register will contain details of those who satisfy the standard eligibility test but who do not satisfy the 'local connection test'.
- 5.11. An authority may "set a criterion whereby only individuals who meet such conditions as the authority reasonably considers demonstrate, that the individual has sufficient connection with the authority's area, are eligible". The definition of such criteria goes no further than that other than if a criteria is established it must be published in the same manner as the register itself. Applications to be entered on the register must be determined within 28 days of receipt and upon determination the applicant must be notified within a further 28 days that either (i) they have been entered into Part 1 of the register or (ii) that they have been entered into Part 2 of the register or have been refused entry into the register. In relation to (ii) the authority is obliged to give reasons for its decision.
- 5.12. The local connection test should require that only those who meet the following criteria should be accepted onto Part 1 of the Register:-
- Have lived in Cheshire East for at least 2 years
 - Have worked in Cheshire East for at least 2 years
 - Have an offer of employment in Cheshire East
- 5.13. The principal effect of adopting local eligibility conditions and a split register is that the duty to grant the required number of planning permissions applies only to Part 1 of the register (i.e. only to those registered who have satisfied the local eligibility condition). The authority would however still have to have regard to the contents of the register in its entirety (including Part 2) when discharging its planning and housing functions, when discharging any regeneration function and when engaging in the disposal of land.
- 5.14. There are currently 93 applicants on the self-build register (up to 1st April 2017). 51 of these meet the local connection criteria to Cheshire East as outlined in this report: -

Base period	Total applicants	Applicants applying with a Cheshire East address	Applicants applying from an address outside Cheshire East
1 (1.4.16 – 31.10.16)	35	21	14
2 (1.11.16 – 31.10.17)	58 (up to 1.4.17)	30	28

5.15. Fees. It is open to the Council to charge a fee both to be registered and further to remain on that register upon expiry of the present base period. The details of such fees must be published by the Council and are limited in that the fees may not exceed the reasonable costs of the Council incurred in connection with its functions under the Act (there is further delineation based upon whether a registered person or association is within Part 1 or Part 2 in the case of a split register, it is also notable that those falling within ‘Part 2’ cannot be compelled to pay a fee to remain on the register unlike those falling within ‘Part 1’).

5.16. Members of the Armed Forces are not subject to the local eligibility criteria.

6. Wards Affected and Local Ward Members

6.1. All wards

7. Implications of Recommendation

7.1. Policy Implications

7.1.1 The principle of individuals and associations building or commissioning their own homes is supported in Policy SC 4 (Residential Mix) of the Local Plan Strategy.

7.2 Legal Implications

7.2.1 The Council now have a legal duty in the Self-build and Custom Housebuilding Act 2015, s2A(4) to provide enough planning permissions to meet the need from the self-build register (part 1 - subject to Cabinet approving “a local connection test”).

7.2.2 In accordance with the Self –build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016 the Council may charge a fee to a person (a) to be entered on the register for a base period or part of a base period; and (b) thereafter, on an annual basis, to remain on that register irrespective of whether any fee was charged to be entered on the register. The amount of fees charged must be determined and published by that authority. In determining the amount of the fees, the Council must secure that taking one financial year with another, the income from fees does not exceed its reasonable costs incurred in connection with discharging its functions under the Act.

7.3 Financial Implications

7.3.1 There will be a staffing cost to fulfil the requirements of the recommendations if they are approved. These costs can be covered by charging of fees as highlighted above.

7.4 Equality Implications

7.4.1 Any “local connection” test will require an Equality Impact Assessment.

7.5 Rural Community Implications

7.5.1 None identified.

7.6 Human Resources Implications

7.6.1 See 7.3.1

7.7 Public Health Implications

7.7.1 None identified.

7.8 Implications for Children and Young People

7.8.1 None identified.

7.9 Other Implications (Please Specify)

7.9.1 None identified.

8 Risk Management

- 8.2 Cheshire East, is a desirable area to live therefore there is a risk of a high demand for self-build plots from those with no connection to the borough. This in turn means that the duty to provide enough planning permissions for self-build plots will become difficult to meet. This risk can be mitigated by applying criteria to restrict eligibility for the register.

9 Access to Information/Bibliography

Self-build and Custom Housebuilding Act 2015,

Housing and Planning Act 2016 and Self Build and Custom Housebuilding Regulations 2016

10 Contact Information

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Cheshire East Council

Cabinet

Date of Meeting:	11 th July 2017
Report of:	Peter Bates – Chief Operating Officer
Subject/Title:	Human Resources and Finance System Replacement
Portfolio Holder:	Councillor Peter Groves, Cabinet Member for Democratic and Public Engagement, Assurance and ICT

1. Report Summary

- 1.1. The report details the results of the evaluation of the final submission for the provision of a replacement Human Resources (HR) and Finance system (also known as an Enterprise Resource Planning system or ERP system) for the Council, procured in partnership with Cheshire West and Chester Council, and recommends the appointment of a Preferred Bidder.
- 1.2. The report also includes an update to the business case to support the case for change.

2. Recommendations

- 2.1. Agilisys Ltd be appointed as Preferred Bidder and conditionally awarded the HR & Finance System framework contract (para 5.21);
- 2.2. Note the updated business case at para 5.42;
- 2.3. Note that the HR & Finance System Replacement capital budget is included within the Council's Capital Programme with an overall provision of £5.380m, of which this proposals requires £4.890m (para 7.4);
- 2.4. Approve one off revenue expenditure of £1.01m, to be funded in 2017-18 and 2018-19 from underspends against the Council's existing revenue budgets and a specific earmarked reserve (para 7.6);
- 2.5. Note the Council's share of the business case savings, being £0.5m corporate service savings, plus the Council's share of £0.4m Transactional Service Centre savings, plus the Council's share of £1.1m ICT Delivery savings, which will be used to repay the cost of investment (para 5.58);
- 2.6. Approve the principles underpinning the Inter Authority Agreement as set out at para 5.39;

- 2.7. Approve the principle of a contractual framework agreement, operated by Cheshire East Council, allowing Cheshire West and Chester Council and the other named Councils (Stockport MBC, Trafford Council, Warrington MBC, Wirral BC) the ability to call off from the framework during the first four years of the contract (para 5.25);
- 2.8. Delegate authority to the Chief Operating Officer and the Director of Legal and Monitoring Officer to award the HR & Finance System framework contract to Agilisys unconditionally, subject to the satisfactory resolution of all outstanding matters;
- 2.9. Delegate authority to the Chief Operating Officer and the Director of Legal and Monitoring Officer to finalise outstanding contractual issues and the Inter Authority Agreement with Cheshire West and Council; and
- 2.10. The Director of Legal Services and Monitoring Officer be authorised to enter into all necessary contractual documentation with the chosen supplier and with Cheshire West and Chester Council.

3. Other Options Considered

- 3.1. Agilisys have submitted a legally compliant bid and as the only bidder has obviously achieved the highest evaluation score. The procurement regulations require that the Councils either appoint them as the preferred bidder (subject to any conditions) or that the Council decides not to award the contract.
- 3.2. Failure to appoint would require the Council to either undertake a new procurement process or to remain on the existing Oracle system. A further procurement process would incur additional costs and result in a delay in achieving savings.
- 3.3. Before starting the current procurement process, the Council undertook a significant level of market research and soft market testing. It is therefore unlikely that a new procurement process would deliver a better outcome than that set out in this report.
- 3.4. As set out Appendix 7, retaining the existing Oracle system is estimated to cost an additional £5.2m by March 2025 compared to the new HR & Finance solution, once provision for a major system upgrade has been included. In addition many of the non-financial benefits set out at para 5.32 would not be delivered. Therefore this approach is not recommended.

4. Reasons for Recommendations

- 4.1. The Council's current HR & Finance ICT system is 15 years old. Technology, and its ability to streamline the way the Council does business, has moved on considerably in that time.

- 4.2. Following a robust competitive dialogue procurement process, evaluation of Agilisys' tender has demonstrated that the offer meets the Council's required capabilities for a replacement HR and Finance system.
- 4.3. The business case demonstrates the financial case for changing the Council's HR and Finance system.

5. Background/Chronology

Executive Summary

- 5.1. This section summarises the key points from the report. The Councils have undertaken a robust procurement process in accordance with the Council's Finance & Contract Procedure Rules for a replacement HR & Finance system. Following a competitive dialogue process this resulted in one final tender being submitted. Following an evaluation of the tender response and a value for money assessment it is recommended that Agilisys is appointed as the preferred bidder.
- 5.2. Overall, the solution will deliver a modern intuitive, state of the art HR and Finance system that will support the Council's vision of simple, standard, shared and self-serve business processes, and give staff and customers a much better user experience. This has recently been developed into a project and programme approach utilising a common name of "Best4Business" to support both Councils' journey of implementation and transformation. It will also transfer a significant level of operational risk from the Councils to Agilisys due to the solution being hosted externally.
- 5.3. The new contract will be more flexible than the existing contract arrangements as the licensing and support charges will be largely consumption based, meaning that if the Council's user numbers reduce, the annual licencing costs will also reduce.
- 5.4. The business case for change has been updated following the procurement process. The business case demonstrates better value for money than the "do nothing" option and demonstrates net annual savings across the Councils of £2.3m. The one-off implementation costs for both Councils are £11.8m (£5.9m each), resulting in a budgeted payback on the investment of 7.75 years (although the comparative payback including known future costs, which are outside the Council's current budget planning cycle, are closer to 5 years). The capital costs of the system (£4.9m for this Council) are currently included in the capital programme. The revenue costs of the implementation to be funded in 2017-18 and 2018-18 from underspends against the Council's existing revenue budgets and a specific earmarked reserve.
- 5.5. The proposed go live date for the new system is 1 September 2018. This will result in a significant change in business processes across the Councils. A business transformation team will be established to take responsibility for delivering this change.

- 5.6. The delivery of the business process change savings is critical to the success of this project. Governance arrangements have been created to oversee this project, with the Shared Services Joint Committee being the primary formal reporting route for Members, supported by the Best4Business Programme Board.
- 5.7. The new solution will require the two Councils to continue to work closely together. This working arrangement will be set out in an Inter Authority Agreement (IAA) which will cover contract and performance management, cost sharing arrangements, decision making and governance arrangements.
- 5.8. Specific areas for Members to note are set out below:

The procurement

- 5.8.1. Although 14 companies showed an interest in the opportunity at the outset of the procurement process, and four companies were shortlisted, only one final tender was received (from Agilisys).
- 5.8.2. Following rigorous dialogue and evaluation, the tender from Agilisys is legally compliant and commercially meets the Council requirements and can therefore be accepted.

The Contract

- 5.8.3. The implementation phase will be delivered as one project through the Cheshire East contract with a single contract manager. Implementation costs will be shared 50/50.
- 5.8.4. Licencing and support charges will be largely consumption based. There is however a non-refundable up-front payment of £1.4 million for licences and support and hosting during the implementation period.
- 5.8.5. Supplier implementation costs are fixed. These include high risk areas including system build, data migration and interfaces.
- 5.8.6. The Council may incur additional costs if it does not meet its contractual obligations.
- 5.8.7. Contracts will be separately managed once users have gone live.
- 5.8.8. An Inter Authority Agreement (IAA) between the two Councils will govern the implementation phase and will set out ongoing arrangements and mutual responsibilities.

The Solution

- 5.8.9. The new solution supports the Council's vision of a simple, standard, shared and self-service driven system and processes.

5.8.10. Councils will adopt standard "template" business processes wherever possible. Existing processes will be changed to fit the standard template.

5.8.11. All users go live for the new system and new business processes in September 2018.

5.8.12. Legacy system must be decommissioned by March 2019 otherwise significant additional costs will be incurred.

Value for money

5.8.13. New solution is better value for money in respect of solutions available in the marketplace, contribution to Council savings over the life of the contract (including the benefits of the supporting transformation programme), and the relative cost of the "do nothing" option.

5.8.14. Budgeted payback on investment projected at 7.75 years.
Payback if unbudgeted future costs are taken into account is 5.2 years.

Business change

5.8.15. Change will impact on a large number of staff.

5.8.16. Delivering savings of £2.3m (across Cheshire East Council and Cheshire West and Chester Council) per annum critical to the overall business case.

Financial Impact on the Council

5.8.17. One-off investment of £4.9m capital will be needed plus £1.0m revenue investment is needed to generate annual savings within Cheshire East Council of £1.2m.

Background

5.9. Both Cheshire East Council (CE) and Cheshire West and Chester Council (CWaC) use the "Oracle e-Business Suite" for their core Finance and HR / Payroll business processes. This system was implemented by the former County Council in 2002 and has been successfully supporting both Councils business processes since then. The system has been upgraded and modified over the last 15 years, with the last major upgrade in 2012. The base business processes rely in the main on the design put in place in 2002.

5.10. Since the original implementation of Oracle 15 years ago, there have been major improvements in technology and its ability to streamline the way the Council does business.

- 5.11. This is the first procurement exercise for a new HR & Finance solution undertaken by the Councils or the former County Council, and therefore the value for money offered by the Oracle system has not been formally tested since its implementation in 2002.
- 5.12. In June 2016, the Cabinet of both Councils approved a joint procurement. Following consideration, it was determined that the needs of the two Councils would be met by using the competitive dialogue process for a replacement HR and Finance system. This approval was based on a set of key assumptions which are set out in Appendix 1.

The Procurement

Management of the process

- 5.13. The procurement process has been managed by a project team and overseen by a Programme Board consisting of representatives from procurement, finance, legal, HR, and contract management drawn from both Councils, including the HR & Finance transactional shared service – Transactional Services Centre (TSC); and the ICT delivery shared service – ICT Delivery.
- 5.14. A joint Member Steering Group was established following the June 2016 Cabinet decision to receive updates and review progress. Progress reports have also been made to the Shared Service Joint Committee (SSJC).

The Procurement Process

- 5.15. The procurement was conducted in accordance with the Public Contract Regulations 2015 and the Council's Finance & Contract Procedure Rules.
- 5.16. The Councils evaluation framework is designed to ensure that the project team could evaluate the bidder submissions in an objective and consistent way - 60% of the marks related to quality and 40% related to price.
- 5.17. Following extensive soft market testing, 14 companies expressed an interest in the opportunity. Following a shortlisting process, the Councils invited four bidders to start the competitive dialogue process. However, three of these bidders dropped out during the competitive dialogue process and before submission of the final tenders – see Appendix 2 for more details. Therefore the Councils have only received one final tender, from Agilisys.
- 5.18. Specific legal advice from the Councils' external and internal advisors was obtained regarding the receipt of one final tender; the advice received being that the Public Contracts Regulations 2015 do not require that a procurement be halted or abandoned where a sole bidder situation arises. In addition guidance issued by HM Treasury on market failure and single bidder situations, provided that a definitive set of rules cannot be set in such situations and that each case had to be considered on its merits. When deciding whether to proceed with the procurement consideration was given to

the submissions received and evaluated at an earlier stage of the competitive dialogue process, the remaining bidder was the 1st ranked in the evaluation both on quality and price at that earlier stage. As such it was decided that the procurement should continue, as there was still an opportunity through rigorous dialogue that the remaining bidder could submit a legally compliant bid meeting all the Councils requirements.

- 5.19. In the quality evaluation, Agilisys were given a good score (see Appendix 2). The quality evaluation also included a number of pass/fail tests to ensure that a minimum level of performance would be achieved in all key areas. All these tests were passed.
- 5.20. The price evaluation is based on the percentage difference between the costs of the different bidders' solutions. Because they are the only bidder, Agilisys received all 40 marks awarded for the price elements. However, the Councils still need to be satisfied that the tendered price offers value for money. The review of value for money is set out at para 7.11 below.
- 5.21. Based on the evaluation of the Agilisys tender response and the value for money assessment, the recommendation is to appoint Agilisys as the preferred bidder.

The bidder

- 5.22. Agilisys was established in 1998, has annual sales of £85m per year, and employs over 1,500 staff from a network of offices through the UK. Agilisys is part of the Blenheim Chalcot group which has sales of over £300m and more than 3,000 employees.
- 5.23. Agilisys will implement the Unit 4 Business World system (formerly known as Aggresso) that is being implemented, or is in use, across a number of local Councils, including Scottish Borders, City of Edinburgh, Renfrewshire, Wolverhampton, West Berkshire, North Somerset, Tower Hamlets, Cumbria, Bedford, Bracknell Forest, Halton & Sefton, Redcar & Cleveland, Stockton & Darlington, the Local Government Shared Services operation (Cambridgeshire, Northamptonshire, and Milton Keynes Councils), and the "Tri-Borough" partnership of Westminster, Kensington and Hammersmith & Fulham. Agilisys will utilise their proven Local Government templated solution, which they have developed and implemented with many of these organisations.
- 5.24. Agilisys have also worked with a number of other neighbouring local authorities in relation to other technology developments, including Rochdale, Oldham, Wigan, and Wrexham.

The contract

- 5.25. The procurement has been structured so as to enable the Councils to establish a framework which governs the pricing and terms of the individual contracts of each Council. The procurement also opened up the framework

to the following named Councils: Stockport MBC; Trafford Council; Warrington BC; and Wirral MBC ('the Named Councils').

- 5.26. The competitive dialogue process has established the terms of the framework agreement and the call off contract. The framework agreement will be between Cheshire East Council and the Supplier; each Council will then enter into a call off contract to procure the system. It is envisaged that the Named Councils will need to enter into an access agreement with Cheshire East Council to enable them to call off a contract under the framework. The Named Councils will have up to 4 years from establishment of the framework to call off a contract under the framework.
- 5.27. The contracts called off by CE and CWaC with Agilisys will be the same in all respects, except that CE's contract will cover the implementation aspects of the project. The implementation of the new solution will be delivered as a single project for the Councils, as this is a more cost effective route than running parallel implementations. The effect of this is that CE will be responsible for paying all invoices related to implementation costs and with CWaC being recharged for the appropriate share. The arrangements for managing this process will be set out in the Inter Authority Agreement (IAA). Details for the scope of the IAA set out at para 5.39 below.
- 5.28. Once the solution system goes live, the ongoing 'steady state will be governed by each Council's contract, with Agilisys. The primary contract term is seven years. The Councils will each have the option to extend the term of the contract for up to five years, making a maximum contract term of 12 years.
- 5.29. The contract includes the following:
- The organisations that benefit from the contracts. These include the two Councils, and related organisations including the Cheshire Pension Fund, Council-owned companies, and schools and academies within the areas served by the Councils;
 - The services and functionality to be provided by the solution, including the Councils' key HR and financial processes such as payroll, supplier payments, income collection and general ledger;
 - The charges payable to the Supplier for the solution, including an upfront licence, support and hosting during implementation, and ongoing hosting and support costs, the latter charges based on user numbers; and
 - The Councils' responsibilities are set out in detail in the contracts, and includes a number of dependencies which may incur additional costs should the Councils fail to comply with their responsibilities.
- 5.30. A summary of other key aspects of the contract is set out in more detail in Appendix 3.
- 5.31. Subject to approval and clarifications, the intention is for the contracts to be signed on 1st September 2017.

The Solution

- 5.32. Agilisys will provide a managed solution based on the Business World software product from Unit 4, with additional functionality in areas such as online recruitment and integration to other business systems provided using other 3rd party products and services. The software will be externally hosted in data centres based in Ireland and the Netherlands. Agilisys will provide a service which will be deployed in an externally hosted Microsoft environment, which they describe as one of the best and most secure hosting platforms available, accredited with internationally recognised security management standards. The Councils will benefit from Microsoft's scale and experience of running highly secure and compliant online services around the globe.
- 5.33. The Business World product is a modern integrated Finance and HR solution. It features an intuitive user interface which is expected to offer a significantly improved experience to users of the system compared to the Council's existing solution. It is designed in a way which will support the Council's strategies in relation to flexible and mobile working, allowing users to access the system from any location using a range of devices. This will give staff a better experience and encourage compliance with standard business processes.
- 5.34. The new solution is externally hosted and, as such, will transfer significant operational risk for system availability, performance and upgrades from the Council to Agilisys, compared to the existing Oracle solution which is hosted and managed internally.
- 5.35. The Agilisys plan is to go live on 1st September 2018, 5 months later than originally assumed in the June cabinet report. This delay is primarily due to the extended procurement timescale as set out and endorsed in the SSJC November 2016 report.
- 5.36. The legacy Oracle solution must be decommissioned by March 2019. If the Council is still relying on the Oracle solution for any aspect of its Finance and HR processes at this stage, a further 12 months of support and maintenance charges, payable to the supplier ORACLE, will be incurred. Internal costs for the continuation of the legacy solution will also be incurred, albeit at a lower rate than currently being expended. This outcome would have a significant negative impact on the overall business case.
- 5.37. The Councils expect to need to purchase around 5,400 licences for the new solution, this compares to the 8,000 licences currently owned for the Oracle product.
- 5.38. Further information on the solution is set out in Appendix 4.

The Inter Authority Agreement (IAA)

- 5.39. The new solution will require the two Councils to continue to work closely together, in particular during the implementation phase. These working

arrangements will be set out in an IAA which will need to be entered into by the Councils, prior to entering into the contracts with Agilisys. The IAA will cover the following areas:

- Contract management and performance management
- Cost sharing arrangements and cross indemnification
- Decision making processes
- Governance arrangements
- Effect of termination of the contract(s) with the Supplier.

5.40. Arrangements for the Councils ongoing support to the new solution will be covered as part of the TSC and ICT Delivery Shared Service Agreements, and therefore will not be included as part of the IAA. These updates will require the agreement of the SSJC.

5.41. Key principles of the IAA are set out in Appendix 5.

Business change

Background

5.42. A significant cross-Council software implementation means change. Some of the Council's related processes have not changed for more than 15 years. The new solution will change the way individuals work, sometimes radically.

5.43. As set out at para 5.58, the business case is critically dependant on delivering savings from business change and being able to demonstrate that the benefits have been realised.

Business transformation programme

5.44. This programme will succeed only if the change in technology solution is accompanied by a business transformation programme, to drive out changes in processes, cultures and behaviours, and to maximise the benefits which the new solution will offer.

5.45. A key part of any successful business software implementation is to manage the change, so that affected individuals can transition as smoothly as possible from the current way of operating to a new operating model and delivering the outcomes required of the programme.

5.46. Change management is not easy and it cannot be left to chance. It has to be proactively managed, just as it is essential to manage the technology side of a new system implementation. Change management is one of the most difficult parts of implementing large scale software applications. It is not technically difficult, but it involves changing people's attitudes and ensuring 'buy-in' to new ways of working.

5.47. The Council has determined that the business change aspect of the implementation programme will be retained as an Authority responsibility,

supported appropriately by the supplier. A Business Transformation team has been established, which will take responsibility for delivery of this activity throughout the life of the programme. The team will also provide support to related transformational change programmes, including the ongoing redesign of the Transactional Service Centre hosted by CWaC, which relies predominantly on the existing Oracle system to deliver its core business processes and services.

5.48. The Business Transformation team will address a number of related themes alongside the technology implementation programme, including:

- Culture change;
- Process and technology;
- Training; and
- Communications and engagement.

5.49. A broad range of stakeholders must be appropriately engaged in the transformation programme associated with this investment. These stakeholders include:

- The Council's Members and senior leadership team;
- Corporate (eg Finance, HR, Procurement) and transactional services staff;
- Managers and staff in front line service areas;
- Maintained schools;
- Academies currently using the Council's systems;
- Council companies and alternative service delivery vehicles;
- Pensioners; and
- External customers and suppliers.

5.50. A comprehensive communications plan is in development to ensure each stakeholder group is identified and appropriately engaged. A critical element of successful engagement involves identifying how the change in solution which this programme will deliver will impact on each stakeholder group, and what the positive elements of that impact will be. Equally, we must be honest about any aspects of the solution which may be perceived by stakeholders as a negative (for example, a move away from processes based on long-standing Council practices to best practice standardised processes).

5.51. As part of the business change programme, the processes which are currently supported by the Oracle product have been comprehensively mapped out. Once the design of the new solution has been finalised, an exercise to identify the changes from old to new processes, and how these impact on specific service areas and stakeholder groups, will be undertaken.

5.52. It must also be recognised that any significant change of this nature has the potential to be viewed negatively by stakeholders, as part of the natural human reaction to change. Those impacted must be given appropriate

support, including communication, training, and assistance once the new solution has gone live.

Benefits realisation

- 5.53. The Councils will be tracking delivery of the realisation of the benefits set out in the business case to ensure that these are delivered. Specific resources have been included in the business case for this task.

The Business Case

- 5.54. The main elements of the financial business case are the annual savings in running costs, annual business process savings, and the one-off costs of implementation. These are set out in the paragraphs below.

Annual cost of the existing systems (both Councils)

- 5.55. The cost of the Oracle solution in 2016/17 was £2.0m per annum. In addition, the current recruitment system (Taleo) and financial forecasting system (CP) will no longer be required, as their functionality will be delivered as part of the new solution. These two systems cost £0.2m per annum, making total operational running costs of existing systems of £2.2m per annum.
- 5.56. These annual costs do not include the significant one-off costs that would be required to upgrade the current Oracle system if this was retained (see Appendix 7)
- 5.57. Since April 2016, the cost of operating Oracle has reduced from around £3.0m per annum to the current level of £2.0m per annum. This reduction reflects the major transformation programme that ICT Delivery has been going through since the ending of the CoSocius arrangement, and also the reduction in ongoing development activities in relation to Oracle, in anticipation of the solution being replaced. The latter reductions are not reflective of the level of investment which has been required over the life of the Oracle product to develop and enhance the solution to meet the Council's evolving requirements.

Annual savings (both Councils)

- 5.58. The new solution is projected to deliver total net annual savings of £2.3m pa from a combination of decommissioning legacy systems, business process change savings and after allowing for the running costs of the new solution as set out below.

	£m
Annual savings	
Savings on legacy systems (ICT Delivery – shared 50/50)	2.2
Business process change savings:	
CE – corporate services	0.5
CWaC – corporate services	0.3
TSC – shared service part - shared 50/50	0.4
	1.2
Less: running costs of new solution	-1.1
Total net annual saving	2.3

- 5.59. Savings in the Oracle staffing costs and Taleo and CP systems are expected to be delivered around September 2018 as the new solution goes live. Savings in the Oracle support costs will not be achieved until 2019/20.
- 5.60. The planned business process change savings only relate to the corporate support functions in CE and CWaC, including the TSC shared service, as noted above.
- 5.61. Delivery of these savings will be closely monitored to ensure that the full benefits are realised.
- 5.62. It is very likely that further business process change savings will be generated across the other Council service areas, but these have not been included in the business case. There will be a future decision for both Councils about how they manage the delivery of these savings and whether to include them in budget.

One-off implementation costs (both Councils)

- 5.63. There will of course be costs to implement the new system and deliver the programme of business change needed to generate the £2.3m of efficiencies. These one-off cost are set out in the table below and in more detail in Appendix 6.

	£m
Licencing and implementation	11.1
Business change	0.7
Total implementation costs	11.8

- 5.64. These costs have been refined following the dialogue sessions with Agilisys. The Councils will continue to work with Agilisys and ICT Delivery to identify further opportunities to reduce costs throughout this programme.

Overall total cost of the new solution (both Councils)

- 5.65. Over the 7 year primary contract period the total gross cost of the new system (including business change) is estimated at £20.9m. This comprises the pre-implementation costs of £1.4m, total implementation costs of £11.8m

and average running costs of £1.1m pa for 7 years. The financial impact on CE is set out at para 7.3.

5.66. The ongoing costs of the new solution comprise three main elements. These are:

- Support charges payable to Agilisys. These charges will depend on the number of active users. However, based on current estimates, the charges are forecast to average around £0.84m per annum over the primary contract period.
- Council in-house support team. The Councils retain responsibility for a range of support functions (see Appendix 3 for details). The estimated cost of this support is forecast at £0.25m per annum.
- Contract management. This will be a major contract that will affect business processes across both Councils. Therefore an effective, dynamic and proactive contract management function will be important to ensure that both Councils maximise the potential benefits from the new solution. The contract manager role is projected to cost approximately £0.04m per annum more than the current arrangements.

5.67. The £1.4m pre-implementation costs include the procurement process, business process documentation, and data cleansing. Approval to increase the original procurement budget of £0.8m to £1.4m was granted by SSJC in November 2016.

Payback

5.68. The budgeted payback period is 7.75 years. This is calculated on the basis of total one-off project costs of £13.2m (£1.4m of pre-implementation costs and £11.8m of implementation costs) and annual savings of £2.3m per year. The payback calculation takes account of the upfront nature of the investment costs compared to the delivery of savings across the primary contract period, and also takes account of the interest costs payable on the upfront investment.

5.69. In addition, by moving to the new Agilisys solution, the Councils will avoid a number of costs that are not currently included within their budget setting process. The main avoided cost is the potential major upgrade of the Oracle system. If these avoided costs are included, the payback period is around 5.2 years.

Next steps

5.70. Following appointment of the Preferred Bidder, the project team will enter into a clarifications period with Agilisys. This period does not allow significant changes to the nature or the price of the contract.

5.71. Subject to any outstanding issues being satisfactorily clarified, approval will be sought from the Chief Operating Officer and Director of Legal Services and Monitoring Officer, in conjunction with equivalent officers in Cheshire

West and Chester Council, to award the contract to Agilisys. Award of contract is expected to take place by 1 September 2017.

5.72. The IAA between the two Councils will be finalised and signed, subject to the approval from the Chief Operating Officer and the Director of Legal Services and Monitoring Officer, prior to the signing of the contract with Agilisys.

5.73. Once all the legal agreements are in place, the key stages are:

- Mobilisation of Council and contractor staff – August 2017
- Detailed Solution design – September and October 2017
- System build – December 2017 and January 2018
- System testing – February to April 2018
- User acceptance testing – May to July 2018
- Cut over – August 2018
- New system go-live – September 2018
- End of “hypercare” post go live support – December 2018
- Support contract with Oracle terminated – March 2019

5.74. The Best4Business Transformation team will be communicating and engaging with all stakeholders across the two Councils, customers and partners throughout the implementation programme.

6. Wards Affected and Local Ward Members

6.1. This decision affects the whole Council and therefore all wards.

7. Implications of Recommendation

7.1. Policy Implications

7.1.1. The revised business case demonstrates the financial case for change, and the decision will support the Council's objective to be a responsible, efficient and effective organisation.

7.1.2. The framework provides an opportunity for four neighbouring Councils to access a modern solution in a compliance and efficient manner without needing to undertake a separate procurement process.

7.1.3. The more flexible licencing model will make it cheaper and easier to establish joint arrangements with other public sectors bodies in the CE/CWaC geographical area.

7.2. Legal Implications

7.2.1. The terms of the contract agreed during the dialogue process are based on the Model Services Contract from the Government Legal Service which is commonly used for large scale ICT projects. Prior to the commencement of the procurement the terms of the contract were

amended to reflect the Councils' standard position in terms of risk transfer.

7.2.2. The competitive dialogue process has been conducted in accordance with the Public Contract Regulations 2015. The Councils internal legal teams and external legal advisers have participated in and been consulted throughout the competitive dialogue process with relevant matters being escalated where relevant to the programme board or elsewhere as necessary. Compliance of the procurement has been reviewed by Internal Audit.

7.2.3. Further legal input will be sought to conclude all legal documents.

7.2.4. Refer also to Appendix 3 for other legal aspects.

7.3. Financial Implications

7.3.1. Para 5.65 above sets out the combined financial impact on both Councils. This section sets out the specific financial impact on CE.

7.3.2. As set out in para 5.63, the total cost of implementing the new system is projected to total £11.8m. The two Councils have agreed to share these cost equally, and therefore the CE share is £5.9m.

7.3.3. Based on the current expenditure profile of the programme, the Council expects to be able to fund £4.9m of the total cost from capital, and therefore the remaining £1.0m will need to be funded from revenue. The main elements that need to be funded from revenue are:

- Business change
- User training
- Data cleansing
- Decommissioning of legacy solutions
- Redundancy costs

Capital Investment

7.4. The capital cost to Cheshire East Council is £4.890m, which will be funded from the Capital Programme allocation of £5.387m. The scheme is currently included in the capital programme.

7.5. As set out at para 5.68 the budgeted payback period for the project is projected to be 7.75 years. However, the scheme would still pay for itself, although over a longer period than our current policy recommends.

Revenue Implementation Costs

7.6. The Council's share of the revenue implementation costs will be £1.014m in total of which £0.215m are expected to be incurred in 2017-18 and the balance of £0.799m in 2018-19.

- 7.7. The one off revenue expenditure will be funded in 2017-18 and 2018-18 from underspends against the Council's existing revenue budgets and a specific earmarked reserve.

Ongoing costs

- 7.8. The on-going costs of the new system will comprise the cost of a small in-house support team and support charges from Agilisys. As set out above, these costs will be funded from switching off legacy systems and business process change savings. Delivery of these savings is critically dependant on being able to end the Oracle support arrangements by March 2019.
- 7.9. Oracle and related systems are currently managed by ICT Delivery and the costs shared equally between the two Councils. Therefore as these systems are decommissioned, shared charges from ICT Delivery will reduce for both Councils.
- 7.10. The actual support charges payable to Agilisys will be driven mainly by the actual number of active users using the system. Based on current projections of user numbers, the Council's support payments to Agilisys are projected to fall from around £0.48m pa to £0.45m pa towards to end of the primary contract period. In addition, the Council will have to pay for a share of the in-house support team, which will be approximately £0.13m pa.

Value for money

- 7.11. Value for money has been considered in 3 separate parts. These are summarised in the table below:

Nos	Value for money test	Evidence / findings
1	Does the Agilisys final submission represent value for money compared to what is on offer in the market.	<ul style="list-style-type: none"> • Best value solution by a clear margin at outline solution stage • Strong contract provisions to ensure contract will remain value for money • Agilisys continued to improve their offer even after they became the single bidder • Significantly better value than purchasing via a public procurement framework
2	Does the Agilisys submission represent value for money on an "invest to save" basis.	<ul style="list-style-type: none"> • Original business case based on 5 year payback (June 2016 Cabinet) • Budgeted payback period now around 7.75 years. • Payback period including unbudgeted savings around 5.2 years

3	How does the cost of the proposed solution compare to the “do nothing” option.	<ul style="list-style-type: none"> Over the primary contract period, the “do nothing” option is projected to cost an additional £5.2m compared to the net cost of the new solution and related business change savings.
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7.12. More detail on the value for money reviews is set out in Appendix 7.

Conclusion of value for money review

7.13. The Councils have put significant effort into demonstrating that overall the proposed new solution represents value for money. Although the budgeted payback period is longer than originally anticipated, it is still a better financial option than “do nothing” and provides additional benefits that would not be available with the current Oracle e-business Suite.

7.14. Equality Implications

7.14.1. There are no equality implications from this proposal.

7.15. Rural Community Implications

7.15.1. There are no specific implications for the rural communities of Cheshire East Council

7.16. Human Resources Implications

7.16.1. This proposal will allow the transformation of Human Resource (HR) processes, both those that are operated on behalf of the Council by the Transactional Service Centre and also via the HR teams within the Council.

7.17. Public Health Implications

7.17.1. There are no direct public health implications from this proposal.

7.18. Implications for Children and Young People

7.18.1. There are no direct implications for the children and young people of Cheshire East.

8. Risk Management

8.1. There are no significant concerns about the deliverability of the new HR & Finance solution.

- 8.2. Delays in implementing the solution could prevent the Councils ending the Oracle support contracts at March 2019. Renewing these support contracts could cost an additional £0.7m.
- 8.3. The new contract transfers a significant proportion of operational risk, from the Council to Agilisys, due to the externally hosted and managed nature of the solution being implemented.
- 8.4. The implementation of a new ICT system always involves some risk of short term service disruption, particularly in the case of a new solution which covers two Councils, multiple service areas, and links to other service critical line of business systems. To mitigate this risk, Agilisys will develop, with the Councils, a detailed testing strategy and cutover plan, which will provide assurance that the risks inherent at the time of the implementation date will be managed appropriately.
- 8.5. A risk register will be maintained and reported the Programme Board on a regular basis, The Board will escalate any significant issues to the Steering Group, and to the Shared Service Joint Committee, as appropriate during the course of the programme
- 8.6. There is a risk of cost escalation for council in-house resources and non-delivery of savings. These issues will be closely monitored though the governance arrangements set out above. There will be a strong emphasis on control of costs.
- 8.7. Refer also to Appendix 3 for other risk management aspects.

9. Access to Information/Bibliography

- 9.1. *Documents are available for inspection at: Westfields, Middlewich Road, Sandbach, CW11 1HZ.*

10. Contact Information

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Appendix 1

1. Assumptions underpinning approval to proceed with procurement

- 1.1. In June 2016, the Cabinets of both Councils approved a joint procurement process for a replacement HR and Finance system. This approval was based on the following key assumptions:
- The current Release 12 of the Oracle e-Business suite would fall out of support in December 2019. In addition, the current hardware would require an upgrade during this timeframe.
 - On-going cost of Oracle of around £3.0m (excluding overheads) per year (both revenue and capital funding)
 - An investment in a modern HR and Finance solution would pay for itself within a five year period
 - The replacement solution to have a lifespan in excess of 10 years.
 - A minimum target of 10% for business process savings based on both Councils adopting a common vision of simple, standard, shared and self-service business processes.
 - The system would be paid for based on the number of users on the system (a consumption model).
 - Go-live date for the new system would be April 2018.
 - Total procurement costs of approximately £0.8m (£0.4m per Council).
- 1.2. Since the Cabinet report in June 2016, Oracle have postponed the date at which support for our current “R12 e-Business Suite” will be withdrawn, from 2019 to 2021. This has delayed the deadline to either move to a new version of Oracle or migrate to a different HR & Finance solution.

Appendix 2

2. Summary of Quality score

- 2.1. The table below summarises the actual Agilisys quality score for each area compared to the maximum score for each of the areas.

	Score	
	Maximum	Actual
1. Delivering the Councils Requirements	33%	18.60%
Meetings our requirements - Finance	4%	4.00%
Meetings our requirements - Payments and Income	4%	2.40%
Meetings our requirements - Human Resources	4%	1.60%
Meetings our requirements - Payroll	4%	2.40%
Meetings our Overarching Requirements	7%	4.20%
Meetings our Non-functional requirements	10%	4.00%
2. Delivering the Programme Services and Timeline	15%	10.60%
Responses to question on Programme Timeline	5%	4.00%
Responses to question on Programme Management and Governance	3%	2.40%
Responses to questions on Technical Delivery Services	4%	2.40%
Responses to question on Implementation Services	3%	1.80%
3. Delivering Future Change	5%	3.00%
Responses to question on how future change is delivered	5%	3.00%
Legal / Commercial	7%	4.20%
Legal / Commercial Question	7%	4.20%
TOTAL SCORE	60%	36.40%

- 2.2. Overall, this score equates to a bid which provided the Council with a good standard of response supported by a good level of comprehensive evidence showing full understanding of the requirements and gives the Councils a reasonable level of confidence the Councils' requirements will be met. Evaluation scores are based entirely on the written final tender submission, in accordance with the evaluation criteria established at the outset of the procurement. Information obtained through verbal dialogue and supplier system demonstrations cannot feature in or influence the final evaluation of the written bid.
- 2.3. Through soft market testing, discussions with other Councils, and dialogue with Agilisys, the procurement team have gained sufficient assurance that the solution on offer is capable of meeting our needs, and that the quality score shown above is sufficient to support the recommendations in this report. Considerable work will be done through the Business Change

programme to ensure that the Council optimises the final solution it implements in terms of efficiency and user experience.

- 2.4. Unit 4 Business Software and CapGemini withdrew in the early stages of the dialogue process and therefore did not submit an Outline Solution. Hitachi withdrew after submission of their outline solution in February 2017.

3. Key Aspects of the Contract

Organisations included in the contract scope

3.1. The contract with Agilisys would include rolling out the new system solution to the following organisations:

- CWaC and CE (including maintained schools)
- The Cheshire Pension Fund (including pensioner payroll)
- CE Alternative Service Delivery Vehicles
- A small number of trust funds and other external organisations (eg Charter Trustees for Ellesmere Port)
- Academies payrolls

Scope of Agilisys solution included in the contract

3.2. The solution includes the following modules

- General ledger (including forecasting)
- HR/Payroll (including online recruitment)
- Procurement (excluding. supplier portal)
- Procure to Pay (P2P) including accounts payable (excluding supplier portal)
- Income to Cash (I2C) including accounts receivable
- Flexible and intuitive reporting / dashboard facility

3.3. The solution includes the following services

- Training for go-live users
- Extracting data from legacy systems needed for the new solution and migration of this data into the new system and extraction of data required for retention purposes
- Interfaces with existing systems
- Installation and management of software updates
- Service desk support for issues escalated from internal teams
- System performance to the edge of the Councils network
- Hosting and disaster recovery

3.4. The Council will have responsibility for:

- Business change
- Contract management and performance monitoring
- First and second level Service Desk support including local solution support
- Workflow management / changes

- On-going user training
- Performance of the system over its own network

3.5. The Agilisys tender also includes a range of Optional Requirements (set out below). These are not included in the scope of the initial installation (or the business case), but could be added at a later date, subject to business case:

- Fixed assets
- Cash receipting
- Supplier portal
- Performance appraisals
- Flexi time recording
- Non-project time recording and flexible working hours
- Learning and development
- Archiving of data not required for the new system, but may still be needed for reference
- Self-service user licences (for staff that do not have full user licences)
- 40 hours per month of enhanced support on an ongoing basis

Licensing

3.6. The Agilisys licencing model comprises a one-off payment of £1.4m to purchase 5,400 licences, and an ongoing support payment based on the number of active users of the system. Therefore the licence will not be fully consumption based as originally anticipated in the June 2016 Cabinet report. However, through dialogue with Agilisys it was determined that to adopt a licencing model with a minimised upfront payment and a greater “consumption” element would cost an additional £1.5m over the life of the primary contract period.

3.7. The licencing model offers significant flexibility to reuse or recycle any licences which are owned but not being actively used, across a number of different scenarios. These include:

- Changes to the Authority’s statutory functions (for example if new functions such as public health are added);
- Transferring licences between the Councils and other organisations within the wider “family” of each Council;
- Setting up new Council Companies or partnership arrangements with other public sector bodies operating in the CWaC/CE geographical area (provided those users are not existing Unit4 customers).

3.8. In general the Councils will not be able to recycle any spare licences to provide services to users delivering services outside the Councils combined geographical areas. This will usually require additional licencing.

- 3.9. A user will only require one licence, even if they are working on multiple organisations within the wider CE/CWaC family. A licence will give the user the right to use all the system functionality. However, the Councils will wish to restrict the access of all users to ensure effective segregation of duties and proper financial management.

Payment to the supplier

- 3.10. On contract signature: A payment of £1.4m to purchase user licences for the core Business World software and support and hosting during the implementation phase.
- 3.11. Implementation phase: This phase includes setup, data migration from the current system, and user training. Payment will be linked to the delivery of ten milestones. The supplier will not be paid until the Council sign off that each milestone has been delivered.
- 3.12. Ongoing support charges: this covers product support, hosting and disaster recovery. Charges will be based on the number of active users of the solution, and will vary in accordance with changes in user numbers (subject to a maximum annual reduction in charges of 10%). The unit charges will be banded and based on the total number of users on the Framework. Therefore the actions of one Council to changes the numbers of its users will potentially impact on the unit price paid by the other Council. This issue will be addressed as part of the Inter Authority Agreement (see Appendix 5 below). It also means that if additional Councils join the framework, the unit price paid by the Councils for the licences is likely to fall.

Performance management

- 3.13. Implementation phase: as set out above, payment to the supplier will only be made once the Council is satisfied that key milestones have been delivered. In addition, the supplier is subject to delay payments if it is late in delivering milestones at two key stages during this phase
- 3.14. Ongoing: the Council has agreed a suite of KPIs which will be reported on a monthly basis. Failure to meet these KPIs will result in financial penalties and could ultimately lead to contract termination.

Council responsibilities

- 3.15. During the competitive dialogue process, the Councils have agreed responsibility for a range of activities. Failure to meet these responsibilities could result in financial penalties and/or delays in the implementation timetable. The key responsibilities are during the implementation phase and include:

- Providing the resource and skills highlighted in the proposal
- Provide connectivity from user devices to the hosted environment
- Timely & robust decisions during design phase
- Provision of information about the Authority's Organisational hierarchies, roles, grades, chart of accounts and other core information during the design phase
- Build of Authority specific processes, policies and procedures into the design
- Development of Authority specific policies and guidance
- Development and running of User Acceptance Testing scripts and logging test results in relation to Council specific/non template processes.
- Cutover management for Authority environment
- Testing of loaded data against extracted data and performing data quality assurance checks to ensure integrity of data

Other legal aspects

- 3.16. The contract with Agilisys is based on the standard Government Legal Services Model Services Contract. Throughout the dialogue process, the Councils have negotiated the terms, and have achieved terms which significantly improve the Councils' position in comparison to the Model Services Contract.
- 3.17. Agilisys have submitted their tender on the assumption that TUPE does not apply. In the unlikely event that employee(s) of the Council are able to demonstrate that TUPE applies, the relevant Council would indemnify Agilisys for applicable redundancy costs.

Other risk management aspects

- 3.18. High risk areas associated with the bidders' solution, primarily around payroll, were addressed through the dialogue process prior to submission of the final tender.
- 3.19. Delays in implementing the solution could prevent the Councils ending the Oracle support contracts at March 2019. Renewing these support contracts could cost an additional £0.7m. If the delays are due to contractor fault, these costs could be recovered from Agilisys. If the delays are due to Council fault, these would be an additional unbudgeted cost.
- 3.20. The Councils have identified 3 specific areas of risk during the implementation phase. Agilisys have assumed responsibility for delivering each of these areas. These are:
- Data extraction and migration
 - Building and hosting interfaces
 - Managing the build of the new system

Appendix 4

4. Overview of the Solution

- 4.1. Agilisys will provide a managed solution based on Business World software produced by Unit 4.
- 4.2. The solution offered will support the Council's vision of a simple, standard, shared and self-serve system and process, that will future proof the arrangements over a number of years, supporting not only the Councils corporate teams, but also provide a solution that will facilitate change across our organisations as described below.
- 4.3. The new solution will transfer significant operational risk for system availability, performance and upgrades from the Council to Agilisys and give staff a modern, more intuitive HR & Finance system which should give a much better experience and encourage compliance with standard business processes.

Timescales

- 4.4. The Agilisys plan is to go live with all functionality in scope on 1st September 2018, 5 months later than originally assumed in the June 2016 cabinet report. This delay is primarily due to the extended procurement timescale as set out in the SSJC November 2016 report.
- 4.5. Arrangements will be needed to transfer data mid-year so that the 2018/19 accounts of both Councils and related organisations can be closed using the new system and the support contracts with Oracle terminated at March 2019.

User numbers

- 4.6. As part of the detailed preparation for the procurement process, the Councils have undertaken a fundamental review of their current business processes. One outcome of this review is that the two Councils have identified that they have around 8,000 Oracle licences, which largely reflects their historic size and number of employees. The Councils pay for all these licences whether they are used or not. This compares to approximately 6,100 current active Oracle users (at May 2017) performing a range of tasks.
- 4.7. In the contract for the new system, the Councils initial licence requirements will be based on the estimated number of users at 1st September 2018. The estimated number of licences required at go live of 5,400 is based on the existing number of active users of 6,100, reduced by around 700 users to reflect: 2 Council Companies that it is assumed will not be migrating to the new system, and a projected reduction in Council and school based user numbers.

- 4.8. Over the life of the contract the number of licences required will change as both Councils go through significant change. There are likely to be fewer system users as staff numbers fall; maintained schools could convert to academy status, and may move off the new HR & Finance solution. There could also be growth in user numbers through partnership arrangements with other public sector organisations (eg the Health Service) within the Councils area. The Councils are also likely to revise their target operating models, which may shift responsibility for business functions and activities between back office and front line teams. It is therefore difficult to forecast exactly what licencing will be required over the next 7 years. However, a base of 5,400 licences should provide some future-proofing for most likely scenarios.
- 4.9. Once users have gone live (expected September 2018), the annual support costs will reflect the actual number of users on the system, subject to a maximum reduction of 10% in one year.

Standardised business processes

- 4.10. In order to maximise the benefits of standardised business processes, both Councils have committed to implementing a range of “template” business processes which Agilisys have developed and implemented in other local authorities. Where the existing processes do not fit these standard templates, the Councils will change process to fit the templates wherever possible.
- 4.11. There will be some processes that cannot be changed to fit the standard template. These potential exceptions will be firmly challenged and subject to appropriate governance. These exceptions are likely to increase the cost of future upgrades and ongoing system maintenance.

Mobile working

- 4.12. Both Councils are committed to increasing flexible and mobile working. The new HR & Finance solution will contribute towards this strategy through the implementation of the “Unit4Me” facility, which is an intuitive mobile application that will allow users to deal with transactions such as personal details maintenance and expense claims in a flexible and mobile way.

Post implementation change

- 4.13. Inevitably over what is potentially a 12 year contract, both Councils will want to make significant changes to the initial implementation of the system. Examples would include: major restructuring, new partnership arrangements and setting up new Council Companies.

- 4.14. The new solution will facilitate this type of ongoing change in a number of ways, including: more flexible licencing arrangements than our current provider (see Appendix 3); use of a flexible and intuitive organisation structure design tool within the system; setup of new “clients” within the system is a business-led routine support activity rather than a significant commissioned piece of work.
- 4.15. The use of a solution which provides a local government template provides assurance that the core product will be adaptable to meet the Councils requirements for the future.

5. Inter Authority Agreement Principles

Contract Management

- 5.1. During the implementation phase there will be a single contract manager covering both Councils. This is a direct consequence of all contractual issues relating to the implementation phase only being included in the CE contract. The implementation of the new solution is being delivered as a single project, so as to secure economies of scale when compared with separate implementations.
- 5.2. Once the implementation phase has been completed, each Council will be responsible for managing its own contract with Agilisys, but doing so in consultation, and in a coordinated manner where this is useful and appropriate.

Cost sharing arrangements and cross indemnification

- 5.3. CE will be responsible for paying all implementation invoices from Agilisys, and then recovering the appropriate share from CWaC. As the implementation will be a single project, all implementation costs will be shared on a 50/50 basis, unless there is a specific agreement to the contrary.
- 5.4. The nature of the contract also means that there will be examples where an action or decision of one council could have an adverse financial impact on the other Council and result in additional charges being payable to Agilisys. To mitigate the impact of this situation the Councils will agree to indemnify each other for any such additional charges caused to the other Council, subject to:
 - The additional charges must exceed £50,000 for each relevant action (normally considered in isolation, but with a requirement to review the cumulative impact of multiple actions, both during implementation and live operations); and
 - Compensation will only be paid for a maximum of 3 years, or until the end of the primary or secondary contract term – whichever is sooner.
- 5.5. Actions or decisions in relation to the solution may also have impacts for service delivery and sharing of costs relating to the Councils' Shared Services (Transactional and ICT). Such impacts will need to be jointly assessed and managed through the shared service governance and change control provisions, alongside any changes to the contracts with Agilisys.

Decision making processes

5.6. As set out above, once the implementation phase has been completed, each Council will be responsible for managing its own contract with Agilisys. The contracts will give each Council a range of rights it can exercise, in particular if supplier performance is not meeting the required standard. The IAA will set out where the Councils want these decisions to be taken jointly, in consultation with each other. Key examples are set out below:

5.7. Decisions to be taken jointly:

- Operation of internal support function, to be operated on a shared basis
- Operation of supporting governance mechanisms
- Maintaining shared system design
- Provision of contractually committed resources
- Carrying out user acceptance testing to approve system changes

5.8. Decisions taken as individual Councils, following consultation through appropriate governance mechanisms with the other:

- Termination of contract
- Operational decisions having significant impact on user numbers
- Appointment of contract manager / authority representative
- Business changes required to deliver business case savings

Governance arrangements

Governance arrangements with Agilisys

5.9. The draft contract with Agilisys includes provisions to establish a number of joint forums to deal with the implementation, change control and ongoing contract management. The exact membership and role of these forums will be refined before final contract signature.

Governance arrangements between the Councils

5.10. It is anticipated that the existing joint reporting and governance structures will be used for overseeing this project as far as possible. On this basis the Shared Services Joint Committee will remain the primary formal reporting route to Members, supported by the Best4Business Programme Board.

5.11. It is anticipated that a Best4Business Design Authority will be established, to support the Programme Board and to ensure rapid decision making with respect to the design of the new system and any post-contract changes which may be required, both during the implementation phase and post go-live.

Appendix 6

6. Details of implementation costs

- 6.1. This Appendix sets out in more details the implementation costs set out at para 5.63 in the main report.
- 6.2. The table below sets out the total implementation cost for both Councils. This will be incurred between September 2017 and November 2018.

	£m
Agilisys costs	
Purchase of licences in Business World	1.4
Other setup costs (including system design, build, testing, interface development, data extraction and migration) – capital	6.1
Other setup costs (user training) – revenue	0.4
	7.9
Council costs	
Council staffing – capital	2.3
Council staffing – revenue	0.6
Redundancy provision – revenue	0.6
Business change – revenue	0.3
	3.9
Total implementation costs	11.8
Total capital costs	9.8
Total revenue costs	2.0

7. Value For Money review

Background

- 7.1. The new HR & Finance solution represents a significant investment for both Councils and therefore it is important that value for money can be demonstrated. There are three separate elements to the value for money considerations. These are:
1. Does the Agilisys final submission represent value for money compared to what is on offer in the market. This is a particularly important consideration when there is only a single bidder;
 2. Does the Agilisys submission represent value for money from an “invest to save” perspective; and
 3. How does the cost of the proposed HR & Finance solution compare to the “do nothing” option.
- 7.2. All three objectives need to be satisfied in order for the Councils to demonstrate value for money. Each of these objectives is considered below.

Value for money – market comparison

- 7.3. Normally this would be demonstrated by comparing the final tenders from a number of bidders. This is not possible for this bid and therefore alternative supporting evidence is needed to demonstrate value for money. This includes:
- The Agilisys solution represented significantly better value than the proposal received from a competing bidder, based on submissions received at the Outline Solution stage of the procurement in February 2017.
 - As the Councils do not have to make a contract award, Agilisys continued to add value to their proposition during the final dialogue phase. Agilisys' costs reduced overall by £0.4m in their final tender compared to their outline submissions.
 - A rigorous selection questionnaire process to reduce number of bidders from 14 to a short list of four at the start of the dialogue stage has ensured only credible suppliers were taken forward.
 - Outline business case based on soft market testing to act as a comparator.
 - Agilisys need to produce a competitive deal to attract the other four Councils on the framework (Stockport MBC, Trafford Council, Warrington MBC, Wirral BC).
 - Councils can request independent benchmarking report every 12 months to demonstrate value for money. Agilisys required to change price/quality if service deemed not to be top quartile value for money.

- If the Councils can obtain on a like-for-like basis better commercial terms then they may:
 - Require the Supplier to adopt the more favourable commercial terms; or
 - Enter into a direct agreement with the third party in respect for the relevant item.
- 7.4. The core of the Agilisys solution – the Unit 4 Business World software - is available through the Government Digital Marketplace (also known as G-Cloud). The closest comparator to the Councils solution is the purely consumption based model (which has no up-front licence purchases). This would cost £40.8m purely for supplier charges. This excludes any Council resources required either to implement the solution or to provide ongoing local support.
- 7.5. Overall, there is evidence to support the view that the Agilisys submission represents value for money compared to the market and that there are strong contractual provisions which will enable the Council to ensure that this value for money is maintained over the life of the contract.

Value for money - invest to save

- 7.6. The updated business case is in two parts:
- Reductions in ongoing and future budgeted spend – described as “cashable” costs and savings; and
 - Other benefits which, while not having a direct impact on existing budgets, reflect real benefits to the Councils – described as “non-cashable” impacts.
- 7.7. It is helpful to provide examples of what is meant by cashable and non-cashable benefits. The annual support fee currently paid to ORACLE (the supplier) is an example of an existing budgeted commitment that will be directly affected by the project and one that has been included within the assessment of cashable savings. An example of a benefit which does not impact directly on existing budgets is the cost of future change, which is expected to be lower than that currently incurred when modifying the existing Oracle system to support business changes such as restructures, creation of new Council companies, setup of new academies, etc. Such costs are not part of the existing “business as usual” budgeted costs for supporting the existing system, and therefore are not classed as benefits which impact on existing budgets.
- 7.8. In March 2017, an updated assessment of the business case was reported to the Shared Services Joint Committee. This updated and more refined assessment had an overall cashable and non-cashable payback period of around 4.5 years, whilst the cashable alone payback was assessed at 7 years.

- 7.9. The final tender from Agilisys now provides certainty over most costs and much more detail about what the company will deliver as part of their fixed implementation price. Based on this information, the overall cashable and non-cashable payback period of around 5.2 years, whilst the cashable alone payback is assessed at 7.75 years.
- 7.10. The business case only includes business change savings from the corporate services of both Councils. Therefore, no potential savings from front line service areas have been included. It should be possible to deliver some business process savings from front line service areas, but there has not been sufficient detailed work to establish the potential scale of these savings and to include them in the business case.
- 7.11. Examples of areas where the new HR & Finance solution could contribute to savings in front line areas include:
- Significant improvements in reporting capabilities available to managers, allowing greater insight into expenditure and income
 - Improved transparency over actual cost of employees compared to approved establishment, allowing more straightforward monitoring and control
 - More streamlined and intuitive processes in relation to staff recruitment, absence management and reporting, claiming and approving expenses, management of personal details
 - Easier access to the system from a range of locations including away from Council offices, reducing the need to travel to specific locations in order to interact with the system
- 7.12. As set out in Appendix 3 above, the new solution would also provide a range of optional capabilities which are outside the scope of this business case.
- 7.13. Given the long term nature of the investment in a new HR & Finance solution, a 7.75 year payback period is regarded as acceptable.

“Do Nothing” option

- 7.14. The Councils do not have to award a contract to Agilisys, and could therefore remain with the existing Oracle technology and the related Taleo (recruitment) and CP (financial forecasting) systems.
- 7.15. Over the eight financial years relevant to the primary contract period, this approach (based primarily on actual 16/17 costs) is projected to cost an additional £5.2m compared to the net cost of the new solution and related business change savings:

	£m
“Do Nothing” costs	
Procurement costs (sunk costs)	1.4
Current solution:	
Staffing (actual)	6.4
Third party spend – Oracle (actual)	5.0
Third party spend – Taleo and CP (actual)	1.4
Hosting charges (see para 17.16)	1.5
Total revenue	14.3
Ongoing capital costs (actual)	3.2
Major upgrade (see para 17.17)	3.0
Total capital	6.2
Total spend on current solution	20.5
Total “do nothing” spend	21.9
New solution:	
Procurement costs	1.4
Purchase of licences	1.4
Supplier setup costs	6.6
Council setup costs	3.2
Supplier ongoing costs	5.7
Council ongoing costs	1.9
Cost of implementation and ongoing charges	20.2
Business case savings	-6.5
Transitional legacy solution costs	3.0
Total cost of proposal	16.7
Difference between proposal and “do nothing”	5.2

7.16. At present the Oracle system resides on hardware which the Councils previously leased, and which therefore represented a revenue cost. The hardware was purchased at the end of the leasehold period. There is therefore no ongoing revenue cost for this hardware. The hardware is reaching the end of its life, and would require replacement if the “do nothing” option was adopted. The £1.5m hosting charges represent the expected cost of entering into an arrangement to replacement the current hardware provision over the relevant period.

7.17. During the primary contract term, the Council’s current version of Oracle is due to fall out of support. At this point, to continue operation of an Oracle-based solution, the Councils would be required to undertake a major implementation project, similar to that proposed in this report, in order to move to the “Oracle Cloud” product. Market intelligence indicates that the cost of such an implementation would be significantly greater than £3m at the current time. Therefore an estimate of £3m for the implementation of an entirely new system for two Councils in four years’ time is felt to be very prudent.

- 7.18. These costs are not included in the budgeted capital programme of either Council, but represents unavoidable capital expenditure which would take place during the primary contract term of the proposed Agilisys contract. These costs are reflected in the estimated payback period including non-budgeted costs of 5.2 years.
- 7.19. As well as the negative financial impact of the "do nothing" option, a decision not to implement the modern HR and Finance system proposed in this report would result in wider disbenefits to the Councils, such as the loss of the transformational benefits of the culture change programme and process redesign activity which will accompany the implementation, and the failure to implement a modern solution which will support the Councils' ambitious change agenda for the future.
- 7.20. Therefore, the "do nothing" option is not recommended as a valid alternative to proceeding with the Agilisys product and proposal

Conclusion of value for money review

- 7.21. The Councils have put significant effort into demonstrating that overall the proposed new solution represents value for money. Although the payback period is longer than originally anticipated in respect of current budgeted expenditure, it is still a significantly better financial option than "do nothing", which would incur higher annual costs as well as requiring a costly major upgrade within the proposed contract term, and provides additional benefits that would not be available with the current Oracle e-business suite.