

Economy and Growth Committee

Agenda

Date: Tuesday 10th September 2024

Time: 4.00 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 at the top of each report.

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

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

1. **Apologies for Absence**

To note any apologies for absence from Members.

2. **Declarations of Interest**

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

3. **Minutes of Previous Meeting** (Pages 5 - 12)

To approve as a correct record the minutes of the meeting held on 4 June 2024.

4. Public Speaking/Open Session

In accordance with the Council's Committee Procedure Rules and Appendix on Public Speaking, a total period of 15 minutes is allocated for members of the public to put questions to the committee on any matter relating to this agenda. Each member of the public will be allowed up to two minutes each to speak, and the Chair will have discretion to vary this where they consider it appropriate.

Members of the public wishing to speak are required to provide notice of this at least three clear working days' in advance of the meeting.

Petitions - To receive any petitions which have met the criteria - <u>Petitions Scheme</u> <u>Criteria</u>, and falls within the remit of the Committee. Petition organisers will be allowed up to three minutes to speak.

5. Addressing The Need for Permanent Gypsy and Traveller sites (Pages 13 - 26)

To consider the report on addressing the need for Permanent Gypsy and Traveller sites.

6. Work Programme (Pages 27 - 30)

To consider the Work Programme and determine any required amendments.

7. Affordable Housing Update (Pages 31 - 44)

To consider the report on the delivery of affordable homes.

8. **Exclusion of the Press and Public**

The reports relating to the remaining items on the agenda have been withheld from public circulation and deposit pursuant to Section 100(B)(2) of the Local Government Act 1972 on the grounds that the matters may be determined with the press and public excluded.

The Committee may decide that the press and public be excluded from the meeting during consideration of the following items pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1, 2 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and public interest would not be served in publishing the information.

PART 2 - MATTERS TO BE CONSIDERED WITHOUT THE PUBLIC AND PRESS PRESENT

9. Affordable Housing Update (Pages 45 - 50)

To consider the exempt appendix.

Membership: Councillors D Brown, L Buchanan, A Burton, J Clowes, P Coan, B Drake, M Gorman (Chair), A Heler, G Marshall, C O'Leary, P Redstone, R Vernon and F Wilson (Vice-Chair)

This page is intentionally left blank

Agenda Item 3

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Economy and Growth Committee** held on Tuesday, 4th June, 2024 in the Committee Suite 1,2 & 3, Westfields, Middlewich Road, Sandbach CW11 1HZ

PRESENT

Councillor N Mannion (Vice-Chair)

Councillors S Bennett-Wake, L Buchanan, D Edwardes, J Clowes, P Coan, A Heler, G Marshall, C O'Leary, P Redstone and J Rhodes

OFFICERS IN ATTENDANCE

Peter Skates, Acting Executive Director Place Charles Jarvis, Head of Economic Development Carole Hyde, Head of Rural and Cultural Economy Jez Goodman, Development & Regeneration Delivery Manager Joanne Jones, Property Services Manager Joanne Prophet, Team Manager, School Organisation and Capital Steve Reading, Finance Officer Adrian Leslie, Legal Services Julie Gregory, Legal Services Rachel Graves, Democratic Services Officer

1 APOLOGIES FOR ABSENCE

Apologies were received from Councillors D Brown, M Gorman, C Naismith and F Wilson. Councillors D Edwardes, J Rhodes and S Bennet-Wake attended as substitutes.

2 DECLARATIONS OF INTEREST

Item 7 Crewe Town Fund Grant Budget Reallocation: Councillor N Mannion declared in the interest of openness that he was a member of Crewe Town Board as the Cheshire East Council nominee.

Item 7 Crewe Town Fund Grant Budget Reallocation: Councillor J Rhodes declared in the interest of openness that she was a member of Crewe Town Board.

Councillor C O'Leary declared that he was involved with the campaign to Save Dane Moss.

3 MINUTES OF PREVIOUS MEETING

RESOLVED:

That the minutes of the meeting held on 12 March 2024 be approved as a correct record.

4 PUBLIC SPEAKING/OPEN SESSION

James Melling, Cheshire Wildlife Trust, attend the meeting to explain the background to the petition 'Reject the South Macclesfield Development Area and Withdraw the site from the Local Plan'. He explained that the petition called on the Council to reject the South Macclesfield Development Area and withdraw the site from the Local Plan. He outlined that over the past 10 year the Cheshire Wildlife Trust had objected to the proposed development of the site and the damage that any development would do the biodiversity and wildlife.

Simon Browne, representing the Save Dane Moss Campaign Group, stated that the Group supported the petition and that call for the site to be removed from the Local Plan. He highlighted the benefits of the site to the local community and local schools and if development went ahead the effect on the habitat and wildlife found on the site.

Simon Caporn stated that he was the Emeritus Professor in ecology and environment at Manchester Metropolitan University and had undertaken research on peat. He stated that damaged peat land could be restored and for Dane Moss this was an alternative to housing development. He outlined the benefits of peat restoration and that there were government grants available for this.

The Chair acknowledged receipt of the petition. It was stated that the main actions requested in the petition did not sit with this committee and that the public speakers would have a future opportunity to make representations to the Strategic Planning Board when the planning applications were considered.

5 **FINAL OUTTURN 2023/24**

The Committee received the report which provided an overview of the Cheshire East Council provisional outturn for the financial year 2023/24 and the financial performance of the Council relevant to the committee remit.

Reference was made to an additional consultant cost of £62,000 which could not be recharges and it was asked what this related to. In response it as stated that it was the intention when employing any expert advice what is not available within the Council to try and recover the costs through a capital budget. However sometimes this was not possible as the advice needed was not subject to a capital programme project.

It was noted that there was a overspend on responsive maintenance and it was asked what this related to. In reply it was stated that forecasting of likely expenditure was undertaken at the beginning of each budget year but there had been high inflation rates which meant that the initial forecast had been exceed due these inflationary costs.

There had been a recharge to Shared Prosperity Fund and assurance was sought that this had not been used to fund existing services. In response it was confirmed that it was not the case and that there was a 4% top slice of the money to manage the programme and this paid for the programme manager.

The report stated that there had been an increase in debts over 6 months old and an explanation was requested for this. Officers responded that since the Covid pandemic some tenants had had financial difficulties. The service was looking to recover debts as quickly as possible but, in some cases, it was difficult to recover the debt i.e., absentee tenant, or was not viable to do so.

It was asked if the Committee could be provided with more details in relation to the Countryside Stewardship Grant in relation to Tatton Park. The Head of Rural and Cultural Economy undertook to provide a written response.

It was stated that the Council had benefited from a considerable amount of Decarbonisation Grant money, and it was asked where the money had been spent. In response it was stated that the money had been used for council buildings such as Delamere House and Macclesfield Town Hall and also schools.

Reference was made to the rural aspect of the UK Shared Prosperity Fund, and it was asked if details could be provided on the projects in the rural element. The Head of Rural and Cultural Economy undertook to provide a written response.

It was noted that savings had been achieved through having vacancies across the Place Directorate and it was asked how long it was sustainable to have these vacancies. In response it was stated that it was not sustainable in the medium term. It was hoped that work as part of the Transformation Programme would help identify a structure that would enable capacity to be brought back into the department.

RESOLVED (by majority): That the Committee

1 note the factors leading to a positive Net Revenue financial outturn of £4.3m against a revised budget of £24.2m (17.8%), for Economy and Growth Committee services. 2 note the contents of Annex 1 and note that any financial mitigation decisions requiring approval will be made in line with relevant delegations.

6 SERVICE BUDGETS 2024/25

The Committee considered the report on the allocation of the approved budgets for 2024/25 to the Economy and Growth Committee.

The Medium Term Financial Strategy (MTFS) for Cheshire East Council for the four years 2024/25 to 2027/28 had been approved by full Council on 27 February 2024.

Service committees were being allocated budgets for 2024/25 in line with the approved MTFS. The financial reporting cycle would provide regular updates on progress on delivery of the budget change items, the forecast outturn position, progress on capital schemes, movement on reserves and details of any supplementary estimates and virements.

In relation to the South Macclesfield Development Area asked if the allocation in the capital programme would be spent and what would the consequences of any slippage be. In response it was stated that the allocation would this be reviewed during the year as any decision on the planning applications could affect this. Any slippage would fall into following years budget.

Reference was made to the Assets – Building and Operational figure of \pounds 3.19m and it was asked if any savings would be made from the recent reduction in utility costs. It was explained that the figure of \pounds 3.19m was not just energy costs but also included an element for maintenance, business rates and rationalisation savings.

RESOLVED (by majority): That the Committee

- 1 note the decisions of the Finance Sub Committee to allocate the approved revenue and capital budgets, related budget policy changes and earmarked reserves to the Economy and Growth Committee, as set out in Appendix A to the report.
- 2 note the financial reporting timetable for 2024/25, set out in Appendix B to the report, as approved at the Finance Sub Committee on 22 March 2024.
- 3 Note the progress on the delivery of the MTFS budget policy change items, the RAG ratings and latest forecasts, and to understand the actions to be taken to address any adverse variances from the approved budget.

7 CREWE TOWNS FUND GRANT - BUDGET REALLOCATION

The Committee considered the proposed variation to an existing funding arrangement between Crewe Town Board, the Council (as accountable body for Crewe Town Board) and the Department of Levelling Up Housing & Communities in relation to three projects – Repurposing Our High Street project, Crewe YouthZone and Pocket Parks.

In relation to the Crewe YouthZone, the Committee were concerned that the Council could in the future be asked again to provide funding due to rises in capital costs and sought assurance that this would not be the case. In response, it was stated that this had also been raised at the Crewe Town Board and the Head of Economic Development had been asked to write to OnSide YouthZones Charity to state that they could not rely upon the Towns Fund or the Council to cover any future funding gap. The project was now moving towards the construction stage with any contacts being fixed tender prices.

RESOLVED (unanimously): That the Committee

- 1 approve the submission of a Project Adjustment Request to the Department of Levelling Up, Housing & Communities to:
 - (a) reduce the Towns Fund capital grant allocation to the Repurposing Our High Streets project budget from £1,450,000 to £1,132,144 (a reduction of £317,866 or 22%).
 - (b) note the reduction in target outputs associated with the budget reduction in (a) above, detailed in Table 1 in the report.
 - (c) increase the Towns Fund capital grant allocation to the Crewe YouthZone (Onside project at Oak Street) from £2,626,497 to £2,934,997 (an increase of £308,500 or 12%).
 - (d) Increase the Towns Fund capital grant allocation for the Crewe Pocket Parks (Jubilee site) project from £17,634 to £184,000 (an increase of £9,366 or 5%).
- 2 approve adjustments to the Council's Medium Term Financial Strategy that reflect the recommendations above.
- 3 note the updated Towns Fund budgets for each project in Table 2 in the report and authorise the expenditure of grants for those projects being managed by the Council, and the payment of grants to those projects being managed by third parties in line with existing and future grant agreements.

8 WORK PROGRAMME

The Committee considered the Work Programme for the 2024/25 municipal year.

With regards to the South Macclesfield Development Area it was proposed that the same process be applied as had been used for Handforth Garden Village and that once the planning applications had been considered by the Strategic Planning Board, a report would be brought to the Committee. It was not yet possible to provide a meeting date when this would happen.

It was queried why the First Financial Review could not be brought to a meeting of the committee in July rather than September and in response it was stated that the outturn position of Quarter 1 would not be available in early July.

Reference was made to starting the budget setting process earlier and in response it was stated that this was something that the Corporate Policy Committee would consider and that the Transformation Programme would need to be incorporated into the process.

The Chair reminded the Committee that Council in February had resolved that each service committee hold a twilight meeting and sought views on when this should be held. It was agreed that the meeting on 10 September 2024 be held at 4 pm.

RESOLVED: That

- 1 the Work Programme be noted.
- 2 the meeting of the Committee on 10 September 2024 be held at 4 pm.

9 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

That the press and public be excluded from the meeting during consideration of the following item pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and public interest would not be served in publishing the information.

10 WESTFIELDS: FUTURE USE - UPDATE

The Committee considered the report on the future use of Westfields.

Page 11

RESOLVED (unanimously):

That the Committee approved the recommendations as set out in the report.

The meeting commenced at 2.00 pm and concluded at 4.05 pm

Councillor N Mannion (Vice Chair)

This page is intentionally left blank

Page 13



Economy and Growth Committee

10 September 2024

Addressing the need for permanent Gypsy and Traveller sites

Report of: Peter Skates, Acting Executive Director – Place and Director of Growth and Enterprise

Report Reference No: EG/15/24-25

Ward(s) Affected: Crewe East

Purpose of Report

1 This report provides Members of the Economy and Growth Committee with details of a site which is in the ownership of Cheshire East and has been identified within the Site Allocations and Development Policies Document (SADPD) as suitable for a Gypsy and Traveller residential site and the options to bring it forward for development.

Executive Summary

- 2 The need for adequate pitches to meet the housing need of both the Gypsy and Traveller and Travelling Showpeople has been established through the Gypsy and Traveller Accommodation Assessment (GTAA), most recently updated in 2018.
- 3 The identification of land to assist in meeting Traveller accommodation needs was undertaken through the SADPD process and, following a call for sites and a robust assessment, a number of sites which were assessed as being suitable and available for development were formally allocated for this purpose.
- 4 One of the sites allocated to provide permanent residential Gypsy and Traveller pitches is located at Coppenhall Moss, Crewe and is within the ownership of Cheshire East – Appendix one.

5 The options for the delivery of the site are set out in Appendix two and Members are asked to consider these along with the recommended option which is option two – conditional sale of the site. This would be the quickest route for disposal whilst still enabling the Council to determine the end use for the site.

RECOMMENDATIONS

The Economy and Growth Committee is recommended to:

- 1. Consider the options to bring forward the development of the Coppenhall Moss site in Crewe.
- 2. Approve the progression of option two which is to proceed with a conditional sale of the land for the provision of a permanent residential Gypsy and Traveller site.

Background

- 6 National Planning Policy for Traveller Sites says that Councils should assess the need for traveller sites and develop fair and effective strategies to meet need through the identification of sites.
- 7 The need for adequate pitches to meet the housing need of both the Gypsy and Traveller and Travelling Showpeople has been established through the Gypsy and Traveller Accommodation Assessment, which was most recently updated in 2018. The updated Assessment informed policies in the SADPD, adopted in 2022, which identifies the following level of need up to 2030 (policies HOU 5 and 6):
 - (a) 5 to 10 transit pitches for Gypsies and Travellers
 - (b) 32 permanent pitches for Gypsies and Travellers
 - (c) 5 plots for Travelling Showpeople.
- 8 The identification of land to assist in meeting Traveller accommodation needs was undertaken through the SADPD process and, following a call for sites and a robust assessment, a number of sites which would be suitable for development were formally allocated to ensure a deliverable supply of pitches.

- 9 One of the sites identified and subsequently allocated through the SADPD is land at Coppenhall Moss, Crewe (Appendix one) for seven permanent Gypsy and Traveller pitches. The site is situated on the junction of Kents Lane and Parkers Road, Crewe. Whilst the land has previously been used for grazing, there is no occupation currently shown on the land.
- 10 There is an expectation that sites allocated within the SADPD will be developed for the purposes identified within the timeframe of the plan. Therefore, a number of options have been considered to bring the site forward to provide seven residential pitches and are outlined with Appendix two.
- 11 It is also important to note that since the GTAA was updated in 2018, the government has changed the definition of Gypsies and Travellers for planning purposes. This took place in December last year and was in response to a judgement in the Court of Appeal (Smith-v- Secretary of State for levelling up, Housing and Communities and others [2021] EWHC 1650 (Admin)) that found that the previous definition, which excluded those who had ceased travelling because of their age or a disability, was discriminatory. The effect of this definition change is that the level of pitch needs is now likely to be higher than was identified in the 2018 GTAA update. This adds to the importance of bringing the sites allocated in the SADPD forward for development.

Consultation and Engagement

12 Consultation and engagement formed part of the SADPD process when selecting suitable sites to meet the needs identified within the GTAA. The SADPD was also the subject of a public examination carried out by an independent Planning Inspector. There is no further requirement to consult on the proposed use of the land at this stage. To carry out development on the site, in line with the allocation in the SADPD, planning permission would first have to be sought and granted. There would be public consultation under the requirements of the planning application process.

Reasons for Recommendations

- 13 Appendix Two outlines the options for delivery and following consideration at Cheshire East Assets Board it was agreed that option two should be the recommended option to bring forward the site.
- 14 Undertaking a conditional sale would be the quickest route to development and would enable the Council to determine the end use for the site, without undertaking a resource intensive procurement exercise or having to borrow capital funding to enable development.

15 The sale of the site would demonstrate that the site is deliverable and reduce the risk of other sites being brought forward through the planning process which are not currently allocated sites.

Other Options Considered

- 16 All other options considered are outlined within Appendix Two and include:
 - (a) Direct disposal to the market without condition.
 - (b) Open procurement Council retain ownership and develop and manage the site.
 - (c) Open procurement Council procures a partner to develop and manage the site.
 - (d) Procurement through the Housing Development Framework.

Option	Impact	Risk
Do nothing	The site remains vacant and is retained in the ownership of Cheshire East.	The Council would fail to bring forward a site which it has assessed and allocated in the SADPD to meet the identified need for permanent Gypsy and Traveller pitches.
Direct disposal to the market	No control over the end use of the site	The site could be purchased and land banked or taken forward through planning for an alternative use
Open procurement – Council develops and manages the site	Total control and management of the site	Requirement to borrow to fund the development. Revenue funding required to resource the management of the site.
Open procurement – Council procures a partner to develop and deliver the site	Control over the end use of the site.	Resource intensive process with no guarantee of any bids. Small site and there could be very low interest.

Procurement through the Housing	use of the site.	Not in the scope of the framework. Limited interest as
Development		not within area of
Framework		business.

Implications and Comments

Monitoring Officer/Legal

- 17 There is a requirement for the Council to identify sites to meet the needs identified within the Gypsy and Traveller Accommodation Assessment, which includes permanent residential pitches.
- 18 Under section 123 of the Local Government Act 1972, a local authority has the power to dispose of land. The main caveat to this power is that the Council must not do so for "a consideration less than the best that can be reasonably obtained". This is interpreted as being the best price achievable in the open market.
- 19 The duty to obtain best consideration does not require the highest offer to be accepted, but it needs to take into account other factors such as any terms or conditions attached to the disposal which may identify a special commercial benefit to the vendor for eg covenants requiring the land to be used for a particular purpose. Each transaction should be assessed on its facts.
- 20 The General Disposal Consent (England) 2003 allows the Council to dispose of land at an undervalue provided that the disposal contributes to the achievement of:-
 - The promotion or improvement of economic wellbeing
 - The promotion or improvement of social well-being.
 - The promotion or improvement of environmental well-being and
 - That the best price reasonably obtainable does not exceed £2m
- 21 A conditional sale of the Coppenhall Moss site due to restricted use of the land could be considered as a disposal at less than best consideration. It is possible for Local Authorities to dispose of land at less than best consideration where the unrestricted value of the land is less than £2million, and to do this the Council must demonstrate that value is being received in other ways that justify the monies foregone to the public purse.

- 22 The land can be sold open on the open market, but the sale would need to be subject to a number of conditions and restrictions to ensure that the land can only be used for the purpose as already set out in this report. If the land did not to sell, the Council could offer a long lease with similar constraints to ensure that the land is developed in accordance with the required use and subject to any necessary planning permissions. The Council will need to ensure that it provides sufficient restrictions to prevent the land from being purchased and not used for its intended purpose.
- 23 All disposals must comply with the Subsidy Control rules. When disposing of land at less than best consideration the Council is providing a subsidy to the occupier of the land.

Section 151 Officer/Finance

- 24 The development and management of a new residential Gypsy and Traveller site by the Council does not form part of the current Medium Term Financial Strategy and would therefore require the submission of a detailed business case. This is unlikely to be supported due to the requirement for unsupported borrowing, for example a £2 million project would require average revenue funding of £135,848 over a 25-year period to cover the borrowing. There would be the opportunity to apply for Homes England funding towards a percentage of the development costs.
- 25 There would also be the revenue required for the continued ongoing maintenance of the site and site management, which is not available within existing budget and would cost approximately £60,000 £80,000 per annum (maintenance and staff costs Grade 7 post).
- 26 There would be rental income to offset these costs for example taking an average weekly rent of £118.00 (including service charge) for seven pitches would equate to an annual income of £42,952 but this would not cover all costs.
- 27 There other options considered whilst no placing a pressure on the Medium-Term Financial Strategy would require resources from Legal, Finance, Procurement and Housing with the inability to reclaim costs against a budget to cover the services. This also does not currently form part of their work plans and could not be undertaken immediately.
- 28 The recommended option would not place a financial pressure on the Council and has the potential to bring forward a capital receipt, therefore resulting in a positive impact on the Medium-Term Financial Strategy.

Policy

- 29 The Site Allocations and Development Policies Document (SADPD) provides detailed planning policies and land allocations in line with the overall approach set out in the Local Plan Strategy (LPS) and was adopted on 22nd December 2022.
- 30 In line with LPS Policy SC7 Gypsies and Travellers and Travelling Showpeople, sites have been allocated or approved to meet the needs set out in the Gypsy and Traveller Accommodation Assessment 2018. The need for additional permanent residential pitches was identified as 32 pitches. Sites were identified both within private and Council ownership and includes Land at Coppenhall Moss, Crewe. Following assessment, it was established that this site had the capacity to provide 7 permanent pitches.
- 31 Providing opportunities for permanent residential sites for our Gypsy and Traveller community is in line with the Corporate Plan priorities to protect and support our communities and safeguard children, adults at risk and families from abuse, neglect and exploitation, reduce health inequalities across the borough, promoting fairness and providing equality for all and enable access to well designed, affordable and safe homes for all our residents.

Equality, Diversity and Inclusion

32 The Council has a duty under Section 149 of the Equalities Act 2010 to have due regard to the need to: eliminate discrimination; advance equality of opportunity between persons who share a "relevant protected characteristic" and persons who do not share it; foster good relations between persons who share a "relevant protected characteristic" and persons who do not share it.

Human Resources

33 For the recommended option, no additional human resources would be required.

Risk Management

34 If the recommended option was approved there is a risk that the sale of the land would not result in the development of the land, however this would be mitigated by a long lease, which would restrict the use of the land for the purposes outlined in the sale and the incorporation of long stop development dates, giving the Council the ability to terminate the lease. 35 The ability to be granted planning permission has been mitigated by the allocation of the site through the SADPD, however there is still the risk that the submitted plans may not be acceptable to the Planning Committee.

Rural Communities

36 No implications to rural communities have been identified.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

37 The provision of a permanent residential site will provide a safe and secure environment in which young people and children can reside. It enables other services to make contact and provide necessary services to safeguard the welfare of the young people and children who are part of the Travelling communities.

Public Health

- 38 The Office for National Statistics (ONS) commissioned Derbyshire Gypsy Liaison Group in November 2021 to collaborate on a research project into the experiences, priorities and needs of Gypsy and Traveller communities in England and Wales. The report highlighted the preference of the Travelling Community to live somewhere they felt safe, with access to basic amenities like electricity, water and showers and where these are lacking the impact that this had on their mental and physical well-being.
- 39 The report also highlighted a range of health conditions and delayed healthcare seeking and barriers to accessing healthcare, which could create vulnerability to negative health outcomes among the Gypsy and Traveller community.
- 40 The provision of a permanent residential site would provide a safe and secure environment for the Gypsy and Traveller Community and offer the ability to register with local GP's and access healthcare facilities.

Climate Change

41 The land purchaser would be required to submit a full planning application outlining any amenity building which are to be developed and the energy efficiency of these.

Page 21

Access to	Information
Contact Officer:	Karen Carsberg – Head of Housing
	Karen.carsberg@cheshireeast.gov.uk
Appendic es:	Appendix One – Site Plan
	Appendix Two - Options
Backgrou nd	Gypsy and Traveller Accommodation Assessment 2018 https://www.cheshireeast.gov.uk/planning/spatial-
Papers:	planning/research and evidence/gypsy accommodation asse ssment.aspx
	Site Allocations and Development Policies Document (SADPD) https://www.cheshireeast.gov.uk/planning/spatial-
	planning/cheshire_east_local_plan/site-allocations-and- policies/site_allocations_and_policies.aspx

This page is intentionally left blank

Appendix One – Site Plan



UNCLASSIFIED

This page is intentionally left blank

Appendix Two - Options

	Option	Advantages	Disadvantages
1.	Direct disposal to the market	 Best Value can be achieved No procurement process is required 	 The Council is unable to stipulate the end use for the land and therefore even though it is an allocated site, there is no guarantee that the site will be developed for the specified residential requirement. The site may be purchased and land banked to avoid any development.
2.	Conditional sale	 The Council can stipulate the land is sold for the purpose of a Gypsy and Traveller permanent residential site. An overage clause can protect the land for being developed for an alternative purpose. Quickest route to delivery as no procurement process is required. No investment required by the Council to develop or manage the site 	 This would constitute a disposal at less than best consideration. The Council does not have control over the scheme, however this is mitigated by the Planning process and the requirements set out in the SADPD.
3.	Open Procurement - Council retain ownership and develop and manage the sites.	 The Council has full control over the development and management of the site. Addressing the Housing need identified within the Local Plan Strategy and SADPD. There is the potential to secure Homes England funding for a percentage of the development costs. 	 The Council would have to prudentially borrow the capital funding to develop the sites. This would have to be found by the Council until the site was fully functional and rent was being paid. In the current economic climate would this be considered a priority. There is no guarantee that the rent would cover all associated costs, including management, repairs and maintenance. The Council would have to fund all pre construction costs and if the site did not

4.	Open Procurement – Council seeks a partner to develop and manage the site	 The Council has full control over the development requirements for the site. The Council will not have the management responsibility. Addressing the Housing need identified within the Local Plan Strategy and SADPD. There is the potential for a partner to secure Homes England funding. The partner will take on the full responsibility for development and management costs. 	 progress these abortive costs would have to be converted to revenue. Resource intensive (Procurement, legal, Estates, Housing) input required from a number of Council departments. The interest in managing a site is limited and therefore the Council would have to employ staff to undertake this role. Need to market test, as they is likely to be limited interest in the proposal. Resource intensive (Procurement, legal, Estates, Housing) input required from a number of Council departments.
5.	Housing Development Framework	 The Council has full control over the development requirements for the site. The process is quicker than a full procurement. The Council will not have the management responsibility. Addressing the Housing need identified within the Local Plan Strategy and SADPD. There is the potential for a partner to secure Homes England funding. The partner will take on the full responsibility for development and management costs. 	 Not currently within the scope of the Framework. Likely to be limited interest as not within the area of business. Resource intensive (Procurement, legal, Estates, Housing) input required from a number of Council departments.

Economy and Growth Committee Work Programme 2024/25

Report Reference	Committee Date	Title	Purpose of Report	Lead Officer	Consultation	Equality Impact Assessment	Corporate Plan Priority	Part of Budget and Policy Framework	Exempt Item	
EG/06/24-25	10/09/24	First Financial Review of 2024/25	To note and comment on the First Financial Review and Performance position of 2024/25, and (if necessary) approve Supplementary Estimates and Virements.	Director of Finance and Customer Service – Section 151 Officer	No	No	Open	Yes	No	
EG/15/24-25	10/09/24	Addressing the need for permanent Gypsy and Traveller sites	To outline the options for delivery and seek approval to progress with the preferred option.	Head of Housing	No	No	Green	No	твс	Page
EG/16/24-25	10/9/24	Affordable Housing Update	To provide an update on the Housing Development Framework, outline a proposal to utilise financial contributions in lieu of affordable homes and seek approval to reallocate the former Vernon Infant Primary School site for SEN provision	Head of Housing	No	No	Green	No	Yes – Appendix	N

>) 5 2) Item ດ

EG/08/24-25	12/11/24	Second Financial Review of 2024/25	To note and comment on the Second Financial Review and Performance position of 2024/25, and (if necessary) approve Supplementary Estimates and Virements.	Director of Finance and Customer Service – Section 151 Officer	No	No	Open	Yes	No	
EG/12/24-25	12/11/24	Medium Term Financial Strategy Consultation 2025/26 - 2028/29	To provide feedback in relation to their financial responsibilities as identified within the Constitution and linked to the budget alignment approved by the Finance Sub- Committee in March 2024.	Director of Finance and Customer Service – Section 151 Officer	No	No	Open	Yes	No	Page
EG/17/24-25	12/11/24	Housing Strategy 2025- 2028 Consultation	To seek approval to consult publicly on the draft 2025- 2028 Housing Strategy	Head of Housing	Yes	Yes	Green	No	No	- 28
EG/03/24-25	14/01/25	Westfields - Progress update	To provide an update on Progress on the Westfields Offices.	Acting Executive Director of Place	Yes	Yes	Open	Yes	Yes, in part.	
EG/07/24-25	14/01/25	West Park Museum Review	To brief members on the review and future options for West Park Museum	Acting Executive Director of Place	No	No	Green	No	No	

EG/04/24-25	14/1/25	Handforth Garden Village Delivery Strategy	To receive an update on the high- level business case for Handforth Garden Village and advise of options	Acting Executive Director of Place	No	Yes	Open; Green; Fair	TBC	No	
EG/09/24-25	14/01/25	Farms Review	appraisal and recommended delivery strategy To brief Members	Head of	No	ТВС	Green	No	ТВС	
			on the review and future options for CEC Farms	Rural and Cultural Economy						
EG/10/24-25	14/01/25	Third Financial Review of 2024/25	To note and comment on the Third Financial Review and Performance position of 2024/25, and (if necessary) approve Supplementary Estimates and Virements.	Director of Finance and Customer Service – Section 151 Officer	No	No	Open	Yes	No	Page 29
EG/11/24-25	14/01/25	Rural Action Plan	To update Members on progress on the Rural Action Plan 2022-2026	Head of Rural and Cultural Economy	No	No	Green	No	No	
EG/14/24-25	14/01/25	Medium Term Financial Strategy Consultation 2025/26 - 2028/29 Provisional Settlement Update	To provide feedback in relation to their financial responsibilities as identified within the Constitution and linked to the budget alignment approved by the Finance Sub- Committee in March 2024.	Director of Finance and Customer Service – Section 151 Officer	No	No	Open	Yes	No	

EG/12/24-25	11/03/25	Service Budgets 2025/26	To set out the	Director	No	No	Open	Yes	No
		_	allocation of	of					
			approved budgets	Finance					
			for 2025/26 for	and					
			services under the	Customer					
			Committee's remit,	Service –					
			as determined by	Section					
			Finance Sub	151					
			Committee	Officer					



Page 31



Report - OPEN Appendix - NOT FOR PUBLICATION

By virtue of paragraph(s) 1, 2 and 3 of Part 1 Schedule 1 of the Local Government Act 1972.

Economy and Growth Committee

10 September 2024

Affordable Housing Development – Update

Report of: Peter Skates – Acting Executive Director – Place and Director of Growth and Enterprise

Report Reference: EG/16/24-25

Ward(s) Affected: All Wards

Purpose of Report

- 1 Ensuring the delivery of affordable homes is a priority within the Corporate Plan 2021-2025 which states "enable access to well designed, affordable and safe homes for all our residents".
- 2 The Local Plan creates a vision to deliver jobs-led growth and sustainable vibrant communities. Affordable housing in Cheshire East plays a fundamental role in realising this ambition. Affordable housing creates balanced, sustainable communities whilst helping to reduce health inequalities for some of our modest-income households.
- 3 Since the inception of Cheshire East there have been a number of initiatives to incentivise and influence the growth of affordable homes across Cheshire East. This report updates Members on the options for the delivery of affordable homes, providing an update on the Housing Development Framework including the former Vernon Infant school site and seeks approval for a further affordable housing scheme.

Executive Summary

- 4 This report:
 - (a) Outlines the need for affordable homes across Cheshire East and the mechanisms currently utilised to bring forward new homes. It outlines a proposal to utilise Financial Contributions in lieu of affordable housing funding to create a housing fund to enable

Registered Housing Providers to purchase homes on the open market housing for conversion to socially rented homes.

- (b) The report provides an update on progress of the Housing Development Framework, part of which is contained within appendix one, which is a Part Two element due to commercial sensitivity.
- (c) Following approval by the Economy and Growth Committee in July 2021 to include the former Vernon Infant School, Poynton site into the Housing Development Framework to bring forward affordable homes, progress started on the Section 77 process to seek approval to dispose of the land. During this period a review of Special Educational Needs (SEN) provision has been undertaken and the former school has now been identified as a suitable site for a SEN school. This report therefore seeks approval to remove the site from the Housing Development Framework and subject to an approved business case, approve the allocation of the site for SEN provision.

RECOMMENDATIONS

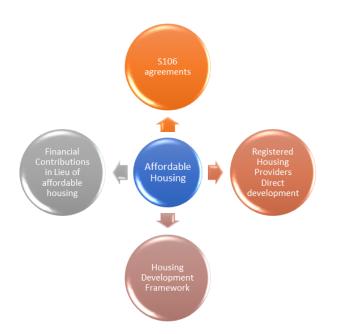
The Economy and Growth Committee is recommended to:

- 1. Note the contents of this report.
- 2. Approve the establishment of a Housing fund to enable open market properties to be purchased and converted to socially rented accommodation by Registered Housing Providers and delegate authority to the Director of Enterprise and Growth to approve the final scheme and the process for the allocation of the funds.
- 3. Approve the removal of the former Vernon Infant school site in Poynton from the Housing Development Framework and delegate authority to the Director of Growth and Enterprise to reassign the site for the provision of a SEN school, subject to an approved business case.
- 4. Note the update report on the Housing Development Framework sites.

Background

- 5 **Affordable Housing** The ability to secure a safe, affordable home in which to reside is a fundamental human need, without which can have a detrimental impact on our resident's lives. Cheshire East is an expensive place in which to reside. According to the Office for National Statistics (ONS), the median house price in Cheshire East is £255,500 which is over 8 times the median gross earnings of £31,397. The average price of a home in the lower quartile is £175,000 which is over 7 times the median gross lower quartile earnings of £23,798.
- 6 Affordability for households to access the housing market can be significantly impacted by this. First time buyers are often priced out of the market, private rented properties are in short supply and rental figures can be significantly high. Therefore, the demand for affordable and social rented properties is increasing.
- 7 There are currently over 12,000 applicants registered for social housing on Cheshire Homechoice of which just under 3,000 are in high priority banding A to C+. The level of voids and new schemes are not keeping up with increasing demand.
- 8 Over the years Cheshire East have undertaken a number of projects to increase the level of affordable homes including the Assisted Purchase Scheme, land procurement and the establishment of the Housing Development Framework as it has been recognised that we cannot rely solely on our Registered Housing Providers to finance and develop affordable homes.
- 9 We currently utilise the following mechanisms to bring forward affordable homes for both rent and purchase:

Page 34



- 10 Financial contributions in lieu of affordable homes are received when a Developer cannot accommodate affordable homes on the site and therefore pays a contribution towards the provision of additional affordable homes to be provided off site.
- 11 The Economy and Growth Committee approved the latest process for the allocation of this funding in November 2022 which included the following priorities for allocation:
 - (a) Priority 1 Funding to be allocated to Council-led developments, including those identified and progressing through the Housing Development Framework. This can include purchase of land, the provision of viability gap funding and completing relevant surveys/assessments to bring forward affordable housing.
 - (b) Priority 2 review of current planning consents and allocating funding to provide additional affordable housing on-site, and/or increase discount on properties to make them more affordable for residents, especially in areas of the borough with significant affordability issues.
 - (c) Priority 3 engagement with all town/parish councils and registered housing providers to advise of the funding and what it could be allocated to, encouraging applications for suitable projects for affordable housing across the borough.
 - (d) Priority 4 permits the Council to combine funds from multiple financial contributions on a single project. This will allow more significant funds to be allocated if required and allows smaller financial contributions to be combined with others, increasing their impact and their ability to bring forward affordable housing.

- 12 Over the last 2 years the Strategy and Development team has continued to monitor and promote the use of financial contributions including an annual notification to Registered Housing Providers and Town Council's and direct communication with Developers, but very few applications or opportunities have been received or approved from outside of Cheshire East Council. Funding has been used internally to increase temporary accommodation provision to house the homeless in an emergency situation.
- 13 We are now seeking approval to establish a Housing Fund under priority 4 of the policy. The intention is to pool a number of contributions to create a fund in the region of £1.5million, subject to the terms of the S106 agreements allowing this and available contributions. The fund will be utilised to enable Registered Housing Provider to purchase properties on the open market and let them at social rent levels.
- 14 Priority would be given to bids which meet a recognised housing need highlighted within priority band A to C on the social housing waiting list and could include:
 - (a) Larger 3 and 4 bedroomed properties
 - (b) Bungalows which can be converted to meet specialist housing needs.
 - (c) 1 bedroomed flats for single applicants.

The properties will then be let at social housing rents to applications on the Cheshire Homechoice waiting list.

- 15 Registered Housing Providers will be able to apply for funding of up to 50% of the market value of the property up to a maximum grant of £150,000 and for larger 4 bedroomed properties up to £200,000. We are hoping to bring forward between 10 to 15 social rented properties through this fund.
- 16 If Members approve the proposal, then the full scheme details will be developed further and submitted for approval to the Director of Growth and Enterprise.
- 17 **Former Vernon Infant School, Poynton** On 15th July 2021, Members of the Economy and Growth Committee received a report, advising them of the progress which had been made in the establishment of a Housing Development Framework. Members also resolved that the disposal route of the former Vernon Infant School, Poynton be approved through the Housing Development Framework.

- 18 Since approval, work has commenced on the S77 process, which is the process to seek approval from the Secretary of State to dispose of the land, however this has not yet been concluded.
- 19 In 2017 the Council published its first Sufficiency Statement for Children and Young People with Special Educational Needs and or Disabilities Joint Strategy and Sufficiency Statement for Children and Young people with Special Educational Needs (SEN). This document and its subsequent updates, the most recent of which was issued in 2023 highlighted a need to provide more specialist school placements within Cheshire East as the amount of provision does not match the need.
- 20 A review of potential sites was also undertaken, and the former Vernon Infant school was identified as a suitable site for a SEN school.
- 21 As the Strategic Commissioner of school places, Cheshire East Council has a statutory duty to ensure that there are sufficient places in our schools to meet demands of the residents which includes SEN provision.
- 22 By increasing its capacity in Borough, the Council can reduce placement and travel costs, make better use of its resources and provide more choice for families, reduce journey times and supporting pupils to be part of their local community.
- 23 Approval to remove the site from the Housing Development Framework is being sought and will be allocated for SEN provision only on the approval of a detailed business case. If the SEN proposal is not approved then the site will revert back to the Housing Development Framework.
- 24 **Housing Development Framework** In July 2023 the Economy and Growth Committee received a further update report, advising them on progress of the sites which they had previously supported for disposal through the Housing Development Framework.
- 25 Committee resolved to delegate authority to the Director of Growth and Enterprise to:
 - (a) determine and pursue the most appropriate delivery route for each Council owned site identified and appropriated for Councilinfluenced housing development (including but not limited to use of the Housing Development Framework, open market procurement, land deal or joint venture) and, subject to obtaining disposal approval in accordance with the decision making processes for land and property disposals as set out in the Constitution, enter into all necessary legal agreements to enable the site to be developed accordingly;

- (b) remove individual sites from the Housing Development Framework process should they no longer be identified and appropriated as Council owned sites for Council-influenced housing development.
- (c) manage the Housing Development Framework and, if necessary, remove any admitted organisations found not to be meeting the terms of admission onto the framework.
- 26 The appendix (in Part 2 under commercial sensitivity) provides further detail on individual sites and provides members with the background required.

Consultation and Engagement

- 27 No consultation or public engagement is required for the disposal of Council owned land assets unless there is public open space and then consultation is required. Land assets are disposed of in line with the approved Cheshire East Constitution.
- 28 Consultation is required through the planning process and residents will have the opportunity to express their views on schemes which progress to this stage through the Framework and Open tender.

Reasons for Recommendations

- 29 Financial Contributions in lieu of affordable homes The demand for affordable housing for rent and sale is increasing due to affordability issues. We are also seeing an increase in the need for larger properties as well as homes for single residents. We cannot solely rely on our Registered Housing Providers to deliver this much needed provision, without supporting them to bring forward additional homes to address housing need.
- 30 Financial contributions are often time bound (5 years) and have to be returned to Developers if they are not allocated or used. If there are no applications for funding coming forward, then we need to explore potential schemes to bring forward additional homes or risk losing the funding. Whilst the Housing Fund will not deliver significant numbers, it will be targeted at homes to address current housing need pressures.
- 31 **Former Vernon Infant School** This would provide an opportunity to deliver a 60 place SEND school and allows the opportunity to utilise an existing Council asset. Whilst not achieving a capital receipt it will provide savings against the Dedicated Schools Grant allocation by reducing the reliance on expensive out of Borough SEND placements.
- 32 **Housing Development Framework** These are outlined within the appendix of this report, which is a part two element due to commercial sensitivity.

Other Options Considered

- 33 **Financial contributions in lieu of affordable housing –** The alternative is to continue to work with Registered Housing Providers on potential schemes which they are planning to bring forward and establish if there are any opportunities to utilise the contributions.
- 34 **Former Vernon Infant School –** The alternative would be to refuse the removal of the sites from the Housing Development Framework; however this would place the Council in a position of having to try and identify an

alternative site, which may be less viable. The Council would have to continue to send children to out of area placements.

35 **Housing Development Fund -** Several alternative options have been considered which are outlined in the appendix, which is a part two element due to commercial sensitivity:

Implications and Comments

Monitoring Officer/Legal

- 36 Financial Contributions in Lieu of Affordable Housing Any funds to be allocated and used should be in compliance with this policy. Where appropriate S106 monies should be used in line with any specific requirements of the original S106 agreement, in relation to geographical area and time frame in which it is to be spent.
- 37 The UK subsidy control regime is encapsulated in the Subsidy Control Act 2022 ("the Act") and associated Statutory Guidance. When allocating financial contributions, the Council is required to comply with subsidy control provisions contained within the Act. This obligation kicks in whenever a "subsidy" (allocation) is being awarded by the Council to any organisation. Therefore, it will be important to review the policy to ensure that any funding to Registered Housing Providers complies with the rules as outlined in the Act.
- 38 **Former Vernon Infant School -** The school has been declared surplus to operational requirements and was closed in 2007, having been empty for a number of years it is now in a poor state of repair.
- 39 The site has been recommended as a parcel to be included in the Draft Site Allocations and Development Policies Document (SADPD) to deliver circa 50 dwellings and has previously had planning consent for an extra care scheme in 2010 (now expired). The site consists of the former school and a proportion of the playing field. The disposal of part of the school playing fields would not result in the adjacent Primary School having insufficient provision as they will still have in excess of the DfE guidance for playing pitch provision.
- 40 As the council owns the land is can use the land for any purpose that choses to, however, if the land is needed for another purpose than it was originally purchased for the Council would need to appropriate the land for the new purpose. The title land at the former Vernon Infant school has not been checked, legal advice will be required.
- 41 **Housing Development Framework** The development of Councilinfluenced housing is a complex area with a number of legally permissible delivery routes such as the Council's Housing Development Framework,

open market procurements or land deals. The Service will require ongoing support from Legal throughout the various projects and will need to consider advice on a wide range of legal issues (e.g., procurement rules, subsidy control, best consideration, open space advertisement).

- 42 The starting position in relation to a disposal of Council owned land under section 123 of the Local Government Act 1972, is that a local authority can dispose of land but must achieve best consideration i.e., achieve the best price for the disposal however, the council is able to dispose of land at less than best consideration if the environmental, economic and social well-being of the residents in the local area is improved as a consequence subject to the undervalue being no more than £2million.
- 43 The Councils social and wellbeing aims of achieving the development of Affordable Housing for some of these sites and for the provision of assisted care on others will be pursued and required in the specifications and conditions in the tender documentation. The build out will be in accordance with an acceptable planning permission and the council's design and completion requirements will be sought through a Development Agreement. At this stage it is envisaged the sale will be by way of a transfer of the freehold subject to any planning restrictions and covenants that may be placed upon the title to the land.

Section 151 Officer/Finance

- 44 **Financial Contributions in lieu of affordable housing** The Council currently holds £1,219,554 in contributions which have no restrictions on the area in which it can be spent and therefore could be pooled to establish a Housing Fund to enable the purchase of additional affordable homes. In addition, the Council have agreed Financial Contributions in Lieu of affordable to the value of £6,307,726 but these have not yet been received. Officers will only be able to allocate up to the value of contributions which are currently held by the Council and no forward funding of schemes will be allowed in lieu of those contributions.
- 45 **Former Vernon Infant School** If Members approve the removal of the Former Vernon School from the Housing Development Framework, it would be subject to the submission of a detailed business case which would outline the financial requirements for both capital and revenue costs.
- 46 **The Housing Development Framework** This has potential to impact on the Medium-Term Financial Strategy (MTFS). This could include a reduction in holding costs for sites currently owned by the council, a streamlining of costs for care services, as well as providing income from the council's land assets. If adjustments are required or anticipated to the MTFS, these will be implemented at the appropriate time.

Policy

- 47 Affordable housing in Cheshire East plays a fundamental role in realising the ambition to deliver jobs-led growth and sustainable vibrant communities. Through the Housing Development Framework, we are aiming to deliver more affordable housing.
- 48 The Housing Development Framework contributes towards the Corporate Plan ambitions:
- 49

An open and enabling	A council which empowers and	A thriving and sustainable place
organisation Look at opportunities to bring more income into the borough.	cares about people Vulnerable and older people live safely and maintain independence within the community – work with partners to develop appropriate accommodation and extra care housing models.	Enable access to well designed, affordable, and safe homes for all residents – deliver housing to meet the needs of all residents Making best use of our surplus building and assets to support the borough and our partners Delivery of a strategic regeneration plan for Crewe – Town Centre Housing

Equality, Diversity and Inclusion

50 An Equality Impact Assessment is not required for this stage of the process.

Human Resources

51 The Housing Development Framework mini competition process requires the collaboration of Procurement, Legal, Finance, Estates and Housing. A Project Team has been established to work on the procurement of these sites.

Risk Management

52 Failure to procure works in accordance with the Public Contracts Regulations 2015 and the Council's Finance and Contract Procedure Rules would leave the Council open to challenge and in breach of regulations, with a subsequent reputational impact.

Rural Communities

53 One of the sites identified for disposal through the Housing Development Framework is within a rural location and will provide much needed affordable housing in a high value area, providing an opportunity for those with a local connection to continue to reside in the area.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

- 54 Poor housing can have a negative impact on our children's wellbeing. Increasing affordable housing provision will ensure that families have access to appropriate housing options and reduces the risk of having to reside in temporary accommodation.
- 55 Having the right educational placement for all children and young people is key to supporting children and young people achieve their potential and to develop the range of skills and experiences they need to equip them for adulthood. Having the right education provision for SEN pupils is critical.

Public Health

56 Providing decent living accommodation will benefit some of our vulnerable residents' mental and physical wellbeing and reduce demand on health and social care services, therefore there would be a positive impact on health and wellbeing of Cheshire East residents.

Climate Change

57 The Council has committed to becoming carbon neutral by 2045 and to encourage all businesses, residents and organisations in Cheshire East to reduce their carbon footprint. Building sustainability is a consideration in the specification and design of the homes, ensuring that every opportunity to reduce building operating costs are evaluated in order to tackle fuel poverty and tackle climate change.

Access to Informa	Access to Information					
Contact Officer: Karen Carsberg						
	Karen.carsberg@cheshireeast.gov.uk					
Appendices:	Appendix – Part 2					
Background Papers:	N/A					

This page is intentionally left blank

By virtue of paragraph(s) 1,2,3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank