

# Cabinet

## Agenda

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**Date:** Tuesday, 22nd December, 2009  
**Time:** 2.00 pm  
**Venue:** Council Chamber, Municipal Buildings, Earle Street, Crewe  
CW1 2BJ

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

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

1. **Apologies for Absence**

2. **Declarations of Interest**

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

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

In accordance with Procedure Rules Nos.11 and 35 a total period of 10 minutes is allocated for members of the public to address the Committee on any matter relevant to the work of the Committee.

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

In order for an informed answer to be given, where a member of the public wishes to ask a question of a Cabinet Member three clear working days notice must be given and the question must be submitted in writing. It is not required to give notice of the intention to make use of public speaking provision but, as a matter of courtesy, a period of 24 hours notice is encouraged.

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Please contact Cherry Foreman on 01270 686463  
E-Mail: [cherry.foreman@cheshireeast.gov.uk](mailto:cherry.foreman@cheshireeast.gov.uk) with any apologies or requests for further information or to give notice of a question to be asked by a member of the public

4. **Minutes of Previous meeting** (Pages 1 - 4)

To approve the minutes of the meeting held on 1 December 2009.

5. **Key Decision CE09/10-32 Business Planning Process 2010 - 2013** (Pages 5 - 20)

To receive an overview of the current medium term financial provision following further development of policy proposals and capital schemes that will impact in the financial years 2010/2011 to 2012/2013, and to approve the outline structure for further consultation on the business planning process.

6. **Scrutiny Review - Managing the Provision of School Places: Report on Transforming Learning Communities and its implications for Cheshire East Council** (Pages 21 - 74)

To consider the findings of a scrutiny review of the Transforming Learning Communities inheritance from the former County Council.

7. **Vision and Strategy for Integrated Care** (Pages 75 - 86)

To consider a joint report of the Strategic Director People and the Chief Executive of the Central and Eastern Cheshire Primary Care Trust on a proposed programme of work being developed by the Council and its NHS Partners.

8. **Review of Housing Options and Homelessness Service** (Pages 87 - 96)

To consider the findings of a comprehensive review of the way in which services are delivered to those in need of housing, and future arrangements for the delivery of the service.

9. **Future Development of Macclesfield** (Pages 97 - 106)

To consider the development of a coherent delivery plan for Macclesfield over the next five to ten years.

10. **Mid Year Performance** (Pages 107 - 114)

To consider an overview of 2009 – 2010 mid year performance for Cheshire East Council.

11. **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 and 2 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**

12. **Managing Workforce Change** (Pages 115 - 120)

To consider the report of the Head of Human Resources and Organisational Development.

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**CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Cabinet**  
held on Tuesday, 1st December, 2009 at Committee Suite 1,2 & 3,  
Westfields, Middlewich Road, Sandbach CW11 1HZ

**PRESENT**

Councillor W Fitzgerald (Chairman)  
Councillor B Silvester (Vice-Chairman)

Councillors R Domleo, D Brickhill, D Brown, P Findlow, F Keegan, A Knowles  
and P Mason

Councillors in attendance:  
Rhoda Bailey, D Flude, O Hunter, R Menlove, L Smetham and A Thwaite.

Officers in attendance:  
Chief Executive, Borough Solicitor, Borough Treasurer and Head of Assets,  
Head of Organisational Development, Strategic Director People, Strategic  
Director Places.

**144 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Jamie Macrae.

**145 DECLARATIONS OF INTEREST**

There were no declarations of interest.

**146 PUBLIC SPEAKING TIME/OPEN SESSION**

Sylvia Dykes, having given the required notice under the Constitution,  
attended the meeting and asked a question concerning free car parking for  
volunteer workers in Cheshire East Communities.

Councillor Keegan, as the relevant Portfolio Holder, responded.

*N.B: Details of the question and response are available from Democratic  
Services.*

**147 MINUTES OF PREVIOUS MEETING****RESOLVED**

That the minutes of the meeting held on 10 November 2009 be approved  
as a correct record.

148      **KEY DECISION CE09/10-27 PROCUREMENT OF CUSTOMER RELATIONSHIP MANAGEMENT SOLUTION**

Authority was sought for the procurement of software, hardware and professional services for the implementation of a Customer Relationship Management solution, to underpin the Council's Customer Access Strategy.

RESOLVED

For the reasons set out in the report:

That approval be given to the procurement of software, hardware and professional services that will constitute the implementation of a Customer Relationship Management (CRM) solution.

149      **KEY DECISION CE09/10-36 ESTABLISHMENT OF JOINT EXTRA CARE HOUSING MANAGEMENT BOARD**

Consideration was given to an update on Extra Care Housing, to the establishment of a Joint Extra Care Housing Management Board with Cheshire West and Chester Council, and the appointment of Members to it.

RESOLVED

For the reasons set out in the report:

1. That the current position in respect of Extra Care Housing be noted.
2. That approval be given to the establishment of a Joint Extra Care Housing Management Board with the Terms of Reference set out in paragraph 23, Powers set out in Appendix 2 and Constitution set out in Appendix 1 of the report.
3. That those functions relating to Extra Care Housing that are not reserved to the Council be delegated to the Extra Care Housing Management Board using the powers under the Local Government Acts of 1972 and 2000 and other enabling powers.
4. That the Portfolio Holders for Adult Services, Resources, and Procurement, Assets and Shared Services be appointed to the Extra Care Housing Board, noting that that Constitution allows for substitutes from Cabinet to attend.
5. That delegated authority be given to the Borough Solicitor to make suitable and necessary amendments to the Terms of Reference and Constitution of the Joint Extra Care Housing Management Board as a result of any conflict between the decisions of the Cabinet and the Executive of Cheshire West and Chester Council.

150      **EXCLUSION OF THE PRESS AND PUBLIC**

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.

151      **PROCUREMENT AUDIT - CREWE**

Consideration was given to the report of the Borough Solicitor.

RESOLVED

For the reasons set out in the report:

That the Strategic Director (Places) be instructed to enter into discussions with the developers to explore future town centre redevelopment options which comply with procurement regulations and resolve the future of the current development agreement and Compulsory Purchase Order.

152      **MANAGING WORKFORCE CHANGE**

Consideration was given to the report of the Head of Resources and Organisational Development.

RESOLVED

For the reasons set out in the report:

That Cabinet supports the decision of the Chief Executive to release the employees whose roles are listed on Appendix A of the report under the terms agreed in relation to severance provisions for employees in the Council.

The meeting commenced at 2.00 pm and concluded at 2.25 pm

W Fitzgerald (Chairman)

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## **CHESHIRE EAST COUNCIL**

### **REPORT TO: CABINET**

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**Date of Meeting:** 22 December 2009  
**Report of:** Borough Treasurer and Head of Assets  
**Subject/Title:** Business Planning Process 2010-13  
**Portfolio Holder:** Councillor Keegan

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#### **1.0 Report Summary**

- 1.1 The purpose of the Cabinet report is to provide an overview of the current medium term financial position following further development of policy proposals and capital schemes that will impact in the financial years 2010/2011 to 2012/2013
- 1.2 The report also asks for approval of the outline structure for further consultation on the business planning process throughout January 2010.

#### **2.0 Decision Requested**

- 2.1 Note the current medium term financial position.
- 2.2 In relation to the Pre-Budget Report 2010 - note that the Portfolio Holder for Resources, in consultation with the Borough Treasurer, will provide the detailed analysis within the report to inform the consultation process.
- 2.3 Agree the process for working towards a balanced budget for 2010/2011.

#### **3.0 Reasons for Recommendations**

- 3.1 The Business Planning Process must develop robust revenue and capital proposals taking account of stakeholder feedback.
- 3.2 Stakeholder feedback will be enhanced with the further detail being provided by the Portfolio Holder for Resources.
- 3.3 The report provides an opportunity to share the structure of the document that will ultimately become the Budget Report.

#### **4.0 Wards Affected**

- 4.1 Not applicable

**5.0 Local Ward Members**

5.1 Not applicable

**6.0 Policy Implications including - Climate change  
- Health**

6.1 The report contains policy proposals which will impact on service delivery.

**7.0 Financial Implications for Transition Costs (Authorised by the  
Borough Treasurer)**

7.1 None

**8.0 Financial Implications 2009/10 and beyond (Authorised by the  
Borough Treasurer)**

8.1 The report includes details of policy proposals which will affect service budgets from 2010-11 onwards.

**9.0 Legal Implications (Authorised by the Borough Solicitor)**

9.1 The Medium Term Financial Strategy must be underpinned by robust estimates and the level of reserves maintained by the Authority must be adequate.

9.2 The Council must have a robust process for budget setting in order to fulfil its fiduciary duties.

**10.0 Risk Management**

10.1 The steps outlined in this report will significantly mitigate the main legal and financial risks to the council's financial management:

- a. The council must set a balanced Budget
- b. The council must set a legal Council Tax for 2010-11
- c. The council should provide high quality evidence to support submissions for external assessment. This can have the affect of reducing scrutiny, and audit charges that can be related to risk.
- d. That council borrowing will comply with the Treasury Management Strategy

10.2 A risk assessment for all individual proposals being put forward over £100,000 has been carried out by each Directorate.

## **11.0 Background and Options**

### **The Process**

- 11.1. The Business Planning Process was approved at Cabinet on 14<sup>th</sup> July 2009 and set out the need to ensure limited resources are used in the most effective way to meet priorities and service delivery targets.
- 11.2. The process included the ideas that:
  - a. Strategic & Service planning would be integrated with Financial Planning
  - b. A link would exist from overarching objectives through to service plans and development of the Corporate Plan
  - c. Services, in consultation with cabinet members, should take the lead in generating proposals in line with such aims.
- 11.3. The report acknowledged that it will take time to fully align and evolve all these strands into a single Business Planning Process and to then further develop elements such as enhanced Budget Consultation.

### **Financial Constraints**

- 11.4. The November Cabinet report updated Members on the financial position facing the authority noting that:
  - a. Cheshire East receives the lowest percentage in terms of government grant funding per head compared to our 15 'nearest neighbours'.  
**Appendix A** graphically illustrates the low levels of funding received by Cheshire East in comparison to our nearest neighbours as defined by CIPFA.
  - b. The Council collects an average level of fees and charges.
  - c. There are significant cost pressures from:
    - Inflationary increases in costs of services
    - Demographic changes leading to increased service requirements
    - Legislative and best practice impacts on service delivery
    - Costs associated with aggregation of services
    - Falling income from the impact of recession
    - In year spending pressures

### **Addressing External Assessment Criteria**

- 11.5. The Business Planning Process provides evidence that the Council is addressing the criteria set out in the Audit Commission's Comprehensive Area Assessment – Use of Resources Assessment in relation to Managing Finances.

- 11.6. At this stage, the key challenge for the Authority is to clearly demonstrate how it will invest in priority areas and will continue to operate services within the funding available.

### **Development of Revenue Options**

- 11.7. The July Cabinet Report set out the high level financial scenario and a series of financial targets were agreed for each Directorate.
- 11.8. Directorate responses were subject to challenge by a panel chaired by Cllr Keegan. The outcome of this was that the variance remained at £13.8m in 2010/2011 due to significant growth pressures, particularly in Children and Families, Adults Services and Waste. Further work was required by Directors and Portfolio Holders to close the net funding 'gap'.
- 11.9. The net funding gap of £13.8m was reported to Cabinet on 3<sup>rd</sup> November and 5 measures were identified to address this position:

11.10. **Measure 1 ~ Challenge Funding Assumptions**

The July Cabinet report set out a number of key planning assumptions including central financial adjustments such as repayment of reserves; inflation; Contingency; and Capital Financing.

These assumptions were challenged by the Portfolio Holder and Borough Treasurer, with key adjustments proposed as follows:

**Pay Inflation** in 2009-10 is less than the original assumption and therefore reduces the base budget going forward.

- The provision for pay inflation made as part of the 2009-10 budget setting process was 2.5%. But the 2009-10 pay award was settled at 1%.
- This reduces the expected base budget for 2010-11, in each Directorate, and therefore reduces the funding gap by £1.4m in 2010-11.

**Capital Financing** provides for the necessary repayments of Capital and interest.

- The provision for Capital Financing was based on calculations made during the development of the 2009-12 Capital Programme.
- Given issues with affordability, current slippage and capacity it is proposed to reduce the 2010-11 Capital Financing provision to achieve a saving of circa £2m.

**Revenue Support Grant** - a grant provided annually by Central Government.

- The original assumption was a freeze at 2010-11 levels as they had been previously confirmed and the expectation that later years funding would not increase in real terms.
- Given the current messages regarding public sector expenditure it is proposed to reduce the amount of grant for years 2 and 3 by 2.5% per annum. This equates to a further £0.4m shortfall over the three year period.

11.11. This review has therefore enabled a further £3.4m reduction in the net funding gap in 2010-11

**11.12. Measure 2 ~ Increase Council Tax**

No change in council tax is currently factored into the financial position. A 1% increase in Council Tax increases funding by £1.7m. Guidelines announced on 9<sup>th</sup> December 2009, by Barbara Follett MP, set out the expectation that the average increase in Council Tax should be below the 3.0% achieved for the current year. Cheshire East Council receives low funding from Central Government and is expected to rely on tax raising powers in the local area.

**11.13. Measure 3 ~ Use General Reserves**

The Council's reserves strategy uses risk assessment to inform the prudent level of reserves. This complies with the requirement to maintain adequate reserves (see 9.0 Legal Implications, above).

The current financial position includes a commitment to repay transitional costs from the LGR process (contained within the Central Adjustments figure in Table 3 – below). The key risk from using reserves to support the revenue budget is sustainability. This relates not only to the clear fact it is an approach that cannot be repeated in the medium term, but also to the risks from poor external assessment of the council's financial standing.

**11.14. Measure 4 ~ Reduce Expenditure & Measure 5 ~ Increase Income**

Revised service related responses were produced by Directors & Portfolio Holders following the initial Challenge Phase. These revised responses reduced the net funding gap by £5.6m for 2010/2011. The proposals were challenged again in late November with the following impact:

- a. **People:** Additional £1.8m savings in the main through bringing forward and making additional efficiencies.
- b. **Places:** No additional impact in 2010-11, but an additional £0.5m savings from Waste over 2011-12 and 2012-13.

**c. Performance and Capacity:** Additional £0.3m savings mainly from removal of a transitional funding item.

11.15. The overall impact of this additional challenge was therefore to reduce the net funding gap for 2010-11 by a further £2.1m.

### **Development of the Capital Programme**

11.16 The draft Capital Programme reported to Cabinet on 3<sup>rd</sup> November identified schemes for inclusion in the 2010-11 Programme amounting to £53.1m of which £31.7m was directly funded.

11.17 Several measures were identified to bridge the affordability gap, including:

**Measure 1:** Downsizing the programme by deferring schemes until a later year or deleting schemes from the programme.

Following the Challenge sessions an exercise has been completed to prioritise schemes against the following criteria.

- Transformation (how does the scheme contribute towards the corporate transformation goals)
- Infrastructure (how does the scheme support the ICT infrastructure and asset base)
- Compliance (what is the level of risk of non-compliance with statutory, legislative and health and safety requirements)

In addition work has been completed to identify schemes as Core Programme, these are schemes which are necessary for the day to day delivery and operation of the Council and in the main relate to the maintenance and development of the ICT infrastructure and the asset base.

The ICT Strategy department have carried out an assessment of the ICT bids against the ICT Strategy and these have now be assessed and prioritised in accordance with the Strategy.

### **Measure 2:** Use of Capital Receipts

Further work has been carried out to identify available and anticipated Capital Receipts in 2010/11 these are summarised in the following table. In addition a range of assets have been identified on the Surplus and Vacant Properties list for future disposals and work is ongoing to quantify future receipts.

**Table 1 - Available and anticipated Capital Receipts 2010/11**

	<b>2010/11 £000</b>
Inherited Position from predecessor authorities	11,000
Anticipated Right to buy receipts from former transfers of housing stock to RSLs	378
Anticipated receipts from Farms Estates (net of costs)	1,000
Asset Disposals – Received to date and anticipated in year	821
Less Capital Receipts included in Core Programme funding	-600
	<b>12,599</b>

**Measure 3:** Prudential Borrowing in accordance with the Council's Treasury Management Strategy.

Given the proposal identified in paragraph 11.10 to reduce the Capital Financing budget in 2010/11 and future years there are currently no plans to fund schemes from Prudential Borrowing.

The level of Supported and Prudential Borrowing undertaken in 2009/10 has led to an increase in the level of debt repayment in 2010/11 and future years, therefore a review of the current programme is underway to reprofile spending and to re-assess schemes that have not yet commenced. Where possible schemes which no longer meet the objectives of Cheshire East Council will be deleted from the programme, depending on the means of funding this will enable capital receipts to be released to fund other projects or reduce the level of required borrowing.

### Summary of Current Position

11.18 The table below sets out the impact of the measures considered in paragraphs 11.10 to 11.115 above:

**Table 2: Challenging the original Gap has reduced it to £2.7m**

Revenue	2010-11 Impact £m	2010-11 Totals £m
<b>Potential Budget Gap reported at 3<sup>rd</sup> November 2009</b>		<b>13.8</b>
<b>Reductions identified from September Challenge meetings</b>		
People	(0.7)	
Places	(3.2)	
P&C	(1.7)	
Impact of September Challenge		(5.6)
<b>Revised Potential Budget Gap after September Challenge</b>		<b>8.2</b>
<b>Reduction identified from November Challenge meetings</b>		
People	(1.8)	
P&C	(0.3)	
Impact of November Challenge		(2.1)
<b>Revised Potential Budget Gap after November Challenge</b>		<b>6.1</b>
Impact of Challenge to Funding Assumptions (Central Adjustments)		(3.4)
<b>Revised Current Net Funding Gap</b>		<b>2.7</b>

Source: Cheshire East Finance

11.19 The current financial scenario is detailed below and a summary of the Directorate variations to the Base Budget is provided at **Appendix B**.



**Table 3 : Current Revenue Position**

	2010-11 £m	£m	2011-12 £m	£m	2012-13 £m	£m
<b>INCOME</b>						
Council Tax	173.7		174.2		174.7	
Less Deficit on Collection Fund	-0.5		0.0		0.0	
Grant Funding (RSG and NNDR)	63.5		63.3		63.1	
Less: Central Adjustments (see note 1)	<u>-29.0</u>		<u>-30.9</u>		<u>-31.6</u>	
<b>TOTAL INCOME</b>		<b>207.7</b>		<b>206.6</b>		<b>206.2</b>
<b>EXPENDITURE</b>						
<b>People</b>						
Base Budget	124.5		123.3		123.9	
Current Proposals	<u>-2.6</u>		<u>-4.8</u>		<u>-3.8</u>	
Total		121.9		118.5		120.1
<b>Places</b>						
Base Budget	50.8		52.0		52.6	
Current Proposals	<u>0.5</u>		<u>-1.6</u>		<u>-0.1</u>	
Total		51.3		50.4		52.5
<b>P&amp;C</b>						
Base Budget	36.6		37.6		36.2	
Current Proposals	<u>0.6</u>		<u>-3.1</u>		<u>-1.1</u>	
Total		37.2		34.5		35.1
<b>TOTAL EXPENDITURE</b>		<b>210.4</b>		<b>203.4</b>		<b>207.7</b>
<b>FUNDING GAP</b>		<b>2.7</b>		<b>-3.2</b>		<b>1.5</b>
<b>FUNDING GAP - THREE YEAR TOTAL</b>						<b>1.0</b>

Note 1 - Adjusted for Exceptional Inflation and Corporate Budgets

Source : Cheshire East Council Financial Scenario and Business Planning Responses

11.20 The current financial scenario is not balanced and the funding gap remains at £2.7m for 2010/2011. In keeping with the 5 Measures identified point 11.10 (above) the council will reconsider each measure, whilst also consulting stakeholders on the current position.

### **Update on Capital Position**

11.21 The table below sets out the impact of the measures identified in paragraph 11.17 on the draft capital programme.

**Table 4 : Draft Capital Programme 2010-11**

<b>New Bids 2010-11</b>	<b>2010-11 Expenditure £000</b>	<b>2010-11 Funding £000</b>	<b>2010-11 Gap £000</b>
Fully funded schemes	26,204	26,204	0
Core Programme	10,697	6,575	4,122
Invest to Save	247	247	0
High Priority Schemes	7,160	750	6,410
Remaining Schemes	2,244	125	2,119
	<b>46,552</b>	<b>33,901</b>	<b>12,651</b>

The funding gap remains at £4.1m for Core Programme schemes and £6.4m for schemes identified as high priority. Further meetings of the Capital Asset Group are timetabled to consider the funding of the programme in keeping with the measures identified in paragraph 11.17.

### **Budget Consultation**

11.22 The July Cabinet set out a two stage approach to Budget Consultation:

Round 1 – to be held in November  
Round 2 – to be held in January

11.23 The strap line of **‘Shaping Our Services’** was chosen for the events.

11.24 The first round of the Shaping Our Services Consultation exercise was held in November at the following venues:

23rd November      Knutsford High School  
24th November      Congleton Town Hall  
26th November      Nantwich Civic Hall

11.25 Stakeholders were presented with a list of 24 service areas and asked to collectively select:

3 service areas where we could “Do more”  
7 service areas where we could “Do less”  
4 service areas where we could “Stay the same”

11.26 The events were well attended and prompted some lively debates when opposing view points came together.

11.27 Initial feedback from these events is provided at **Appendix C** and Cabinet will be able to use the data to help their deliberations on the Budget.

11.28 The second round to the **Shaping Our Services** Consultation will take place in January 2010 as follows:

Thursday 7th January pm – Trades Unions via Staffing Committee.

Tuesday 12th January pm – Schools Forum.

Wednesday 13th January am – Business Breakfast

Monday 18th January evening – Town and Parish Councils

Wednesday 20th January pm – General People & Places event

11.29 The meetings will be used to brief stakeholders and receive comments on the Cheshire East Pre-Budget Report.

### **Outline format of the Pre-Budget Report 2010**

11.30 Producing the first budget since the formation of Cheshire East Council presents an opportunity to review and revise the format and approach to presenting budget data. The aim is to combine the essential elements of:

- a. Setting out the policy proposals and capital schemes in a clear format, promoting engagement and openness for the budget setting and business planning process.
- b. Addressing the aim of the Business Planning Process, by setting out what the council is intending to deliver and how this will be funded.
- c. Publishing a comprehensive Medium Term Financial Strategy incorporating the next year Budget Setting report.
- d. Following Best Practice guidance / templates that clearly meet external assessment criteria.

11.31 The draft pre Budget Report will be developed throughout December to become a statement on, and comprehensive supporting document to, next year's Budget.

11.32 The expected format will be :

1. Foreword from Cllr Frank Keegan
2. Overview
3. Financial Stability
4. Local People
5. Local Places
6. Supporting Service Delivery
7. Budget Impact
8. Detailed Appendices

## **Timetable**

11.33 The next key steps in the business planning process are to:

1. Provide detailed budget information following the format of the Pre-Budget Report 2010, as contained within this report.
2. Undertake detailed Budget Consultation in January 2010.
3. Use consultation feedback and further challenge meetings to balance the 2010/2011 position.
4. Report to Cabinet in February.
5. Set the Budget and Council Tax at Council in February.

## **12.0 Overview of Year One and Term One Issues**

12.1 The MTFS and the associated planning assumptions will impact on the first Term by setting a framework for the development of budgetary and policy options and Capital Schemes which will impact on service delivery and Council Tax levels.

## **13.0 Access to Information**

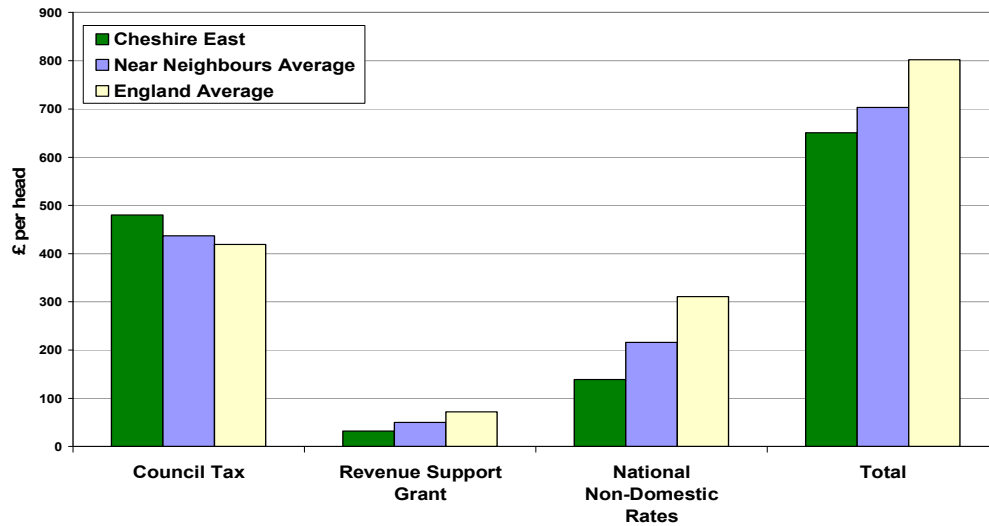
The background papers relating to this report can be inspected by contacting the report writer:

Name:	Lisa Quinn
Designation:	Borough Treasurer and Head of Assets
Tel No:	01270 686628
Email:	<a href="mailto:lisa.quinn@cheshireeast.gov.uk">lisa.quinn@cheshireeast.gov.uk</a>

## Appendix A

- a) **Funding Council Expenditure**  
Cheshire East is a relatively low funded authority

**Chart 1: The Government funding for local services is low in Cheshire East**



Source: CIPFA Stats 2009-10

## Appendix B

## Summary of Budget Proposals for 2010-13

	Financial Impact			
	2010-11	2011-12	2012-13	TOTAL
	£m	£m	£m	£m
<b>Original Target</b>	<b>7.6</b>	<b>6.1</b>	<b>6.4</b>	<b>20.1</b>
<b>Directorate / Service Responses</b>				
<b>People Directorate</b>				
Children & Families	1.0	-1.6	-2.0	-2.6
Adults Services	-3.0	-1.6	-1.4	-6.0
Health & Wellbeing	-0.6	-1.5	-0.5	-2.6
Sub total	-2.6	-4.7	-3.9	-11.2
<b>Places Directorate</b>				
Environmental Services	0.6	-0.8	0.4	0.2
Safer & Stronger Communities	-0.5	-0.2	-0.3	-1.0
Planning & Policy	0.8	-0.4	-0.2	0.2
Regeneration	-0.4	-0.3	0.0	-0.7
Sub total	0.5	-1.7	-0.1	-1.3
<b>Performance and Capacity</b>				
Borough Treasurer & Head of Assets	-0.2	-2.6	-0.6	-3.4
HR & Organisational Development	0.1	-0.1	-0.1	-0.1
Borough Solicitor	0.4	-0.2	-0.2	0.0
Policy & Performance	0.3	-0.2	-0.2	-0.1
Sub total	0.6	-3.1	-1.1	-3.6
<b>Total - All Directorates</b>	<b>-1.5</b>	<b>-9.5</b>	<b>-5.1</b>	<b>-16.1</b>
<b>Remaining Gap</b>	<b>6.1</b>	<b>-3.4</b>	<b>1.3</b>	<b>4.0</b>
<b>Scenario Adjustments</b>				
Base Budget	-1.4			-1.4
Capital Financing	-2.0			-2.0
Formula Grant		0.2	0.2	0.4
<b>Revised Target</b>	<b>2.7</b>	<b>-3.2</b>	<b>1.5</b>	<b>1.0</b>

## Appendix C

### Summary of Feedback Forms – 2010-11 Budget Consultation

In all 100 feedback forms were collected, 50 from the event in Nantwich, 26 from the event in Congleton and 24 from the event in Knutsford.

#### **Council Spending**

The three top services that respondents felt the Council should contribute more spending to, were:

1. Supporting people to maintain independence, 65%
2. Helping carers, 59%
3. Maintaining and improving highways, 54%

The top seven services that respondents felt the Council should contribute less spending to, were:

1. Controlling car parking, 68%
2. Providing one-stop service access for customers, 62%
3. Providing reading and learning resources through libraries, 55%
4. Supporting lifelong learning, 43%
5. Improving housing conditions, 41%
6. Protecting our towns and markets, 41%
7. Maintaining and improving parks and open spaces, 38%

The top four services that respondents felt the Council should contribute the same amount of spending to, were:

1. Collecting, recycling and disposing of waste, 76%
2. Educating our children and young people, 60%
3. Providing activities for young people, 54%
4. Providing sports and leisure opportunities, 50%

#### **Council Tax**

Over two thirds of respondents (68%) would be prepared to pay an increase in Council tax to protect or improve high priority services. Just over half of respondents (51%) would be prepared to pay an increase of 1-2%.

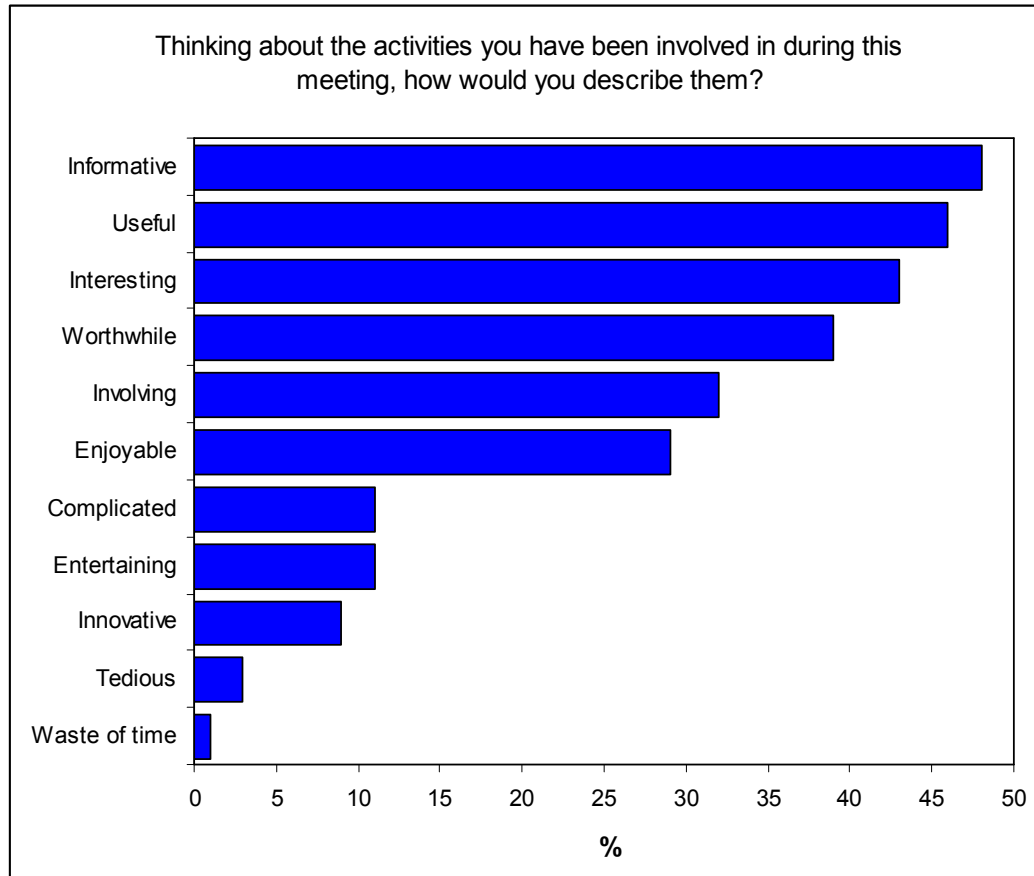
Comments from those who would not be prepared to pay any increase in council tax (23 respondents) included those who felt that they could not afford it, they pay too much already or that the money would just go to waste.

#### **What participants thought about the events**

When asked their views on the events, 74% thought it showed the difficulty of making decisions, 51% thought it helped them show their priorities and views about Council spending and 45% felt they had improved knowledge of Council spending.

**What participants thought about the activities involved during the events**

Just under half of respondents described the activities as informative (48%), useful (46%), and interesting (43%). Just 1 respondent felt they were a waste of time and 3 respondents that it was Tedious, 10 respondents found the activities complicated.

**Venue and Facilities**

Overall, participants at the events agreed that the venue was easy to get to (77% agreed) and that the event was easy to understand (73%). 53% agreed that the refreshments were satisfactory and 76% disagreed that the venue was too small.



## CHESHIRE EAST COUNCIL

### REPORT TO: CABINET

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<b>Date of Meeting:</b>	22 December 2009
<b>Report of:</b>	Task and Finish Group of Children and Families Scrutiny Committee
<b>Subject/Title:</b>	Managing the Provision of School Places: Report on “Transforming Learning Communities” (TLC) and its implications for Cheshire East Council
<b>Portfolio Holder:</b>	Councillor J P Findlow

---

#### 1.0 Report Summary

- 1.1 A Task & Finish Group was established by the Cheshire East Council’s Children and Families Scrutiny Committee. Its remit was to review the TLC inheritance from the former County Council, and consider the needs of Cheshire East in relation to future changes to the schools system. The Group’s work has been informed by the thorough review of TLC by a former County Council Scrutiny Panel, first-hand information from Education Improvement Partnership (EIP) members and Headteachers, and their own considerations of the evidence available with regard to supply and demand for school places.
- 1.2 This document provides an executive summary of the Report produced by the Group. That Executive Summary is included in Appendix One.

#### 2.0 Decision Requested

The Cabinet of Cheshire East Council is recommended to decide to:-

- 2.1 Agree the development of a comprehensive commissioning strategy for children’s learning in Cheshire East, in the context of the Children and Young People’s Plan.
- 2.2 Agree that any programme of work to address the issue of school places should sit squarely within that strategic commissioning context.
- 2.3 Note the report of the Task and Finish Group set up by the Children and Young People’s Scrutiny Committee.
- 2.4 Request the Lead Member for Children’s Services and the Director of Children’s Services to consider how the advice of the Task and Finish Group about the desirable attributes of such a programme (Section 7 of

the Task and Finish Group report) should be taken on board in designing that programme.

- 2.5 Request the Lead Member for Children's Services and the Director of Children's Services to consider how the advice of the Task and Finish Group about the management of such a programme should be taken on board in managing it, particularly in relation to:-

- engagement and consultation.
- managing relationships with the Church of England Diocese of Chester and the Catholic Diocese of Shrewsbury.
- ensuring that the programme is flexible enough to be able to respond to projected "waves" in demand.
- managing the issues on a locality basis, which is sensitive to local differences and demographics.

### **3.0 Reasons for Recommendations**

- 3.1 Cheshire East Council urgently requires an appropriate future investment strategy. This is needed before we can re-submit our Strategy for Change to the Primary Capital Programme (PCP), and submit our statement of 'Readiness to Deliver' to the Building Schools for the Future (BSF) programme. Both are potential major sources of investment for the next ten years and provide an opportunity we cannot afford to miss.

### **4.0 Wards Affected**

- 4.1 All Wards

### **5.0 Local Ward Members**

- 5.1 All Members

### **6.0 Policy Implications including - Climate change - Health**

- 6.1 N/A

### **7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)**

- 7.1 N/A

### **8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)**

- 8.1 N/A

**9.0 Legal Implications (Authorised by the Borough Solicitor)**

- 9.1 Most school reorganisation proposals have to comply with a statutory process which is laid down in regulations and guidance. Any new policies and procedures set up by Cheshire East Council will need to be compatible with these statutory requirements.

**10.0 Risk Management**

- 10.1 N/A

**11.0 Background and Options**

- 11.1 The Cheshire East Children & Families Scrutiny Committee noted that the new Council would need to consider how to manage the gap between supply and demand of school places. The Committee therefore commissioned a Transforming Learning Communities Task & Finish Group to take this matter forward and consider how the processes should be managed across East Cheshire.
- 11.2 Appendix One summarises the Task and Finish Group's Report. A full copy of the document is available from Peter Davies contact details below.

**12.0 Overview of Year One and Term One Issues**

- 12.1 N/A

**13.0 Access to Information**

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

Name: Peter Davies  
Designation: Interim Manager – School Organisation and Development  
Tel No: 01244 972081  
Email: [peter.davies@cheshireeast.gov.uk](mailto:peter.davies@cheshireeast.gov.uk)

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**MANAGING THE PROVISION OF SCHOOL PLACES:  
REPORT ON TLC AND ITS IMPLICATIONS FOR  
CHESHIRE EAST COUNCIL  
BY THE TASK & FINISH GROUP**

**Lead Officer: Peter Davies**

**October 2009**

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## **Acknowledgements**

This review of the TLC inheritance from the former County Council, and the needs of Cheshire East in relation to future changes to the schools system, has been conducted by a Task & Finish Group drawn from Cheshire East Council's Children and Families Scrutiny Committee.

I would like to thank Cllrs Flude, Kolker, Merry, Neilson, Smetham and Thompson for all their hard work and diligence in carrying out the work.

To carry out the work we relied partly on the very thorough review by a former County Council Scrutiny Panel earlier this year and partly on our own considerations which were informed and guided by Peter Davies and Bryan Slater. We would like to thank them for passing on their expertise and giving their advice in such a patient and thorough manner. Most of us were fairly inexperienced in education matters and they guided us through the learning curve extremely skillfully.

Similarly we would like to thank the EIP members and the Headteachers who gave us first hand the benefit of their views on TLC and their views on the improvements which could be made. In particular we would like to thank Andy Robinson the Chairman of the Macclesfield EIP and his colleagues for giving us an insight into how that particular partnership has developed.

Thanks are also due to Denise French and Sarah Baxter for their excellent administrative support.

We commend our work to the Cheshire East Cabinet and request they give it full and fair consideration.

***Councillor Ray Westwood***  
***Chairman, Children and Families Scrutiny Committee***

## REPORT OVERVIEW

**Section 1** describes the origins of this report in the work of the Task & Finish Group which was set up by Cheshire East Council to consider the implications of findings from the TLC process. It outlines the Group's terms of reference, membership and methodology.

**Section 2** explains the policy context and social demographic context which led to the establishment of the Transforming Learning Communities (TLC) process.

**Section 3** outlines the main conclusions and recommendations from Cheshire County Council's TLC Scrutiny Review Panel.

**Section 4** presents evidence gathered by the Task & Finish Group on local perceptions (at EIP and ECAPH level) of the TLC process.

**Section 5** presents data illustrating the challenges Cheshire East Council faces in matching the demand for school places with provision. It provides long-term data on national demographic change followed by the emerging picture on live births for Cheshire East. This helps us understand the relationship between demographic change over time and its outcome in surplus or insufficient school places at both primary and secondary schools. This section also highlights issues relating to the large number of small and rural schools within the catchment of Cheshire East.

**Section 6** describes the current position with regard to surplus places across EIPs. This section also highlights the relationship between the provision of school places and other key factors such as cost-effectiveness, academic performance and local popularity. It uses a small number of schools as 'cases' which exemplify the complexity of the overall picture.

**Section 7** outlines the Group's deliberations on key attributes for a new system of managing the provision of school places, one which incorporates appropriate safeguards. The section also highlights key sets of data that need to be collected – and presented together - in order to ensure an accurate and clear picture.

**Section 8** presents the main conclusions from the Task & Finish Group.

**Section 9** presents the Group's recommendations.



## **EAST CHESHIRE PROVISION OF SCHOOL PLACES: FINDINGS ON TLC FROM THE TASK & FINISH GROUP AND IMPLICATIONS FOR CHESHIRE EAST COUNCIL**

### **PURPOSE OF REPORT:**

The purpose of this report is:

- To report on the work of the Task & Finish Group in reviewing the recommendations of the Cheshire County Council TLC Report and considering the implications for Cheshire East.
- To describe the current position in Cheshire East with regard to surplus places and the challenges of managing the provision of school places in future.
- To outline the attributes of a new system for managing school places, taking into consideration key factors such as schools' cost-effectiveness, academic performance and local popularity.
- To present the Group's conclusions, from which flow a set of recommendations to Cheshire East Council.

## **1. INTRODUCTION**

### **1.1 Origins of this Report**

It is understood that the present Government wishes to see an educational management system in which weak schools that need to be closed are closed quickly and replaced by new ones where necessary, whilst the best schools should be enabled to expand and spread their ethos and success. The origins of this report lie in Cheshire East Council's need to develop such a system.

At a meeting of the Cheshire East Children & Families Scrutiny Committee, held on 23rd September 2008, it was noted that the new Council would need to consider how to manage the gap between supply and demand of school places. The Committee resolved that a task group should be formed to take this matter forward and consider how the processes should be managed. The Committee therefore commissioned a Transforming Learning Communities Task & Finish Group.

### **1.2 Terms of Reference of the Task & Finish Group**

The Terms of Reference of the Task & Finish Group were:

- To review the conclusions and recommendations made by the former County Council's Scrutiny Committee report on Transforming Learning Communities (TLC).
- To determine the relevance of the former County Council Scrutiny Committee's conclusions and recommendations to the operating context of Cheshire East Council.
- To take stock of the current position with regard to surplus places within Cheshire East.
- To decide which conclusions and recommendations should be commended to the Portfolio Holder for Children & Families and to the Cabinet, in the context of the development of Cheshire East's Children's Plan.

### **1.3 Membership**

The following Councillors were members of the Task & Finish Group:

- Cllr Ray Westwood (Chairman) (Conservative, Rope)
- Cllr Dorothy Flude (Labour, Crewe South)
- Cllr Andrew Kolker (Conservative, Congleton Rural)
- Cllr Gillian Merry (Conservative, Sandbach)
- Cllr David Neilson (Liberal Democrat, Macclesfield Town)
- Cllr Lesley Smetham (Conservative, Macclesfield Forest)
- Cllr Diana Thompson (Conservative, Bollington and Disley).

Cllr Paul Findlow, the Portfolio Holder for Children and Families and Cllr Rhoda Bailey, Cabinet Support Member, attended meetings on occasions when briefings were provided.

### **1.4 Methodology**

The Task & Finish Group met on six occasions between April and September 2009. The Group received a series of briefings prepared by Officers of the Council and considered findings from the former County Council Scrutiny Review Panel's report on TLC, and the implications for Cheshire East Council. The Task & Finish Group noted the comprehensive nature of the TLC Scrutiny Panel Review. The Group was impressed with the methodology used and the evidence obtained. The Group also noted comments in the report relating to the effectiveness of the TLC process and sought to hear comments first hand by meeting with representatives of Headteachers and EIP Chairmen.

In its considerations the Group also considered the present Government's wishes to see an educational management system in which weak schools that need to be closed are closed quickly and replaced by new ones where necessary, whilst the best schools should be enabled to expand and spread their ethos and success. The origins

of this report lie in Cheshire East Council's need to develop such a system. The report seeks to provide some insight into the complex task facing Cheshire East in matching its provision of school places with local demand over the short and longer-term, in a context where the effectiveness, efficiency and equity of resource distribution will be increasingly important, as will local popularity of schools.

## 2. TRANSFORMING LEARNING COMMUNITIES (TLC)

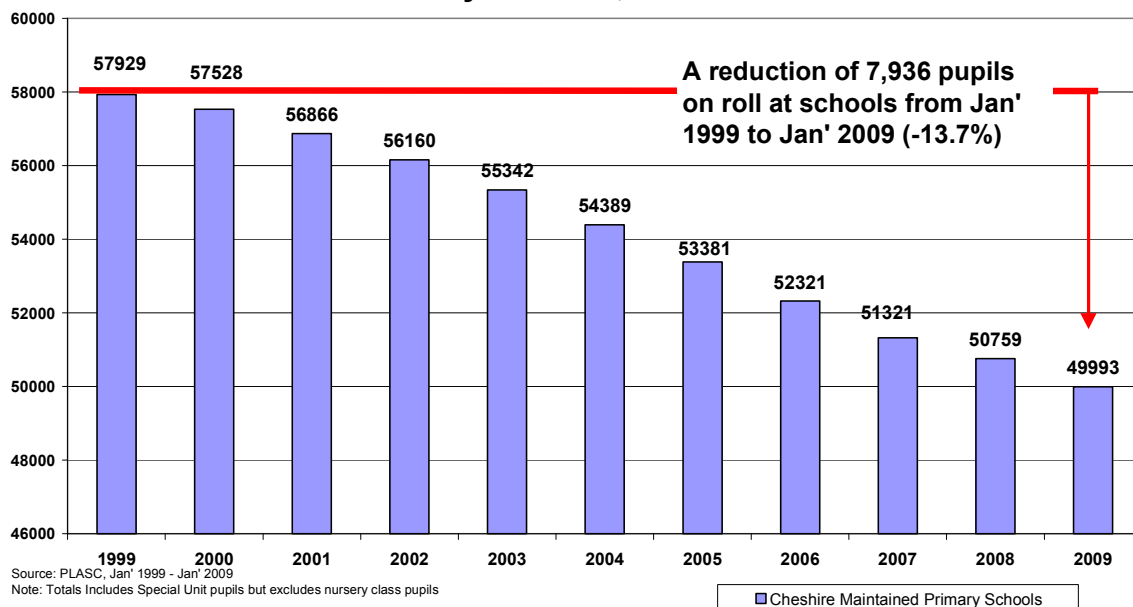
### 2.1 Origins of TLC

It is understood that two different but related challenges underpinned the establishment of Transforming Learning Communities (TLC). The first of these was a forecast decrease in Cheshire of numbers of children aged 0-15, resulting in surplus school places in both primary and, ultimately, secondary schools (see Figure 1 below).

Figures 1 and 2 below are taken from the TLC Review<sup>1</sup>. Figure 1 shows the data on historical trends in pupils on roll across Cheshire available at the time of the Review. Figure 2 shows the forecast of surplus places, in percentage terms, for both primary and secondary education sectors across the whole of Cheshire.

Figure 1

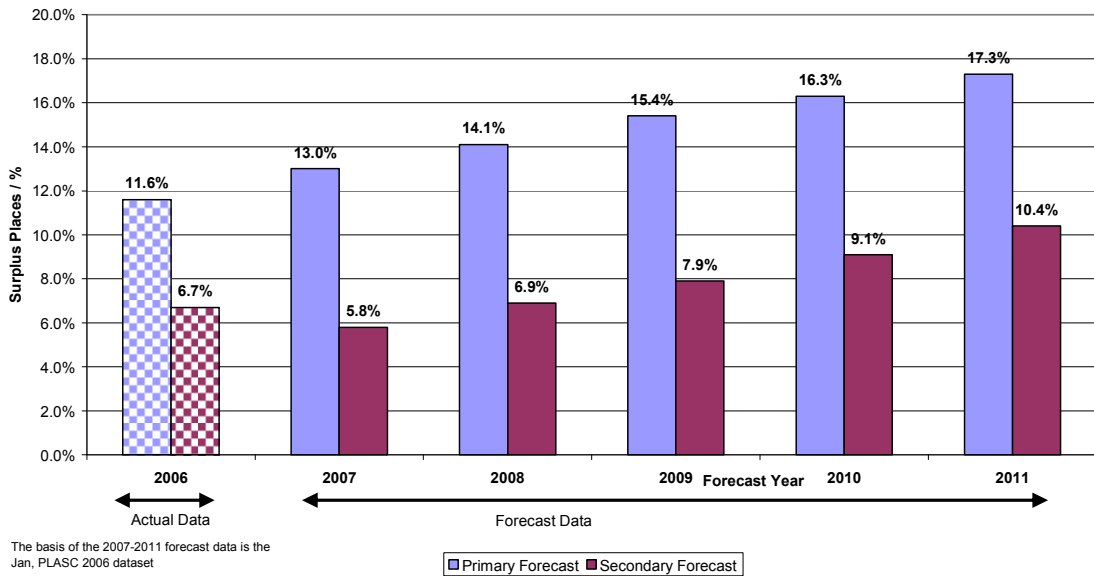
#### Historic Trend in Pupils on Roll at Cheshire Maintained Primary Schools, 1999 - 2008



<sup>1</sup> 'Transforming Learning Communities in Cheshire: A Case for Change'

**Figure 2**

**Forecast of Cheshire Surplus Places % for Primary and Secondary Education Sectors,  
2007 - 2011**



The second challenge was the Government's new policy agenda for education known as 'Every Child Matters' (ECM).

In September 2004 Cheshire County Council organised a conference for key stakeholders to discuss how to respond to both the ECM requirement to integrate children's services delivery and the issue of surplus school places. Transforming Learning Communities (TLC) was an outcome of this conference, where seven key principles were drawn up to underpin the TLC process:

1. Deliver better integration of Children's Services under the 'Every Child Matters' agenda.
2. Raise and sustain high educational standards.
3. Provide more social inclusion and equality of opportunity.
4. Provide better choice and access to learning for learners, through increased collaboration between schools, colleges and other providers.
5. Give special protection and support to vulnerable communities.
6. Offer longer-term stability and greater certainty for the foreseeable future.
7. Develop lifelong and community learning.

## **2.2 TLC outcomes**

TLC was expected to deliver a number of important outcomes:

- By 2011, have no schools with more than 25% (or 30) unfilled places
- By 2011, have no more than 10% unfilled places overall
- Ensure that schools be of an appropriate and sustainable size
- Encourage the move towards all-through schools
- Match Net Capacity (NC) with Published Admission Number (PAN)
- Identify alternative uses for accommodation
- Facilitate the development of Extended Services
- Facilitate the development of collaborative 14–19 arrangements
- Establish federation arrangements
- Be consistent with Every Child Matters and key principles underpinning TLC itself.

## **3. THE CHESHIRE COUNTY COUNCIL SCRUTINY REVIEW OF TLC**

The TLC process was reviewed by a Scrutiny Review Panel from the former Cheshire County Council over the period 2007-2008. The Terms of Reference for the Review (given its limited resources) were to assess whether the TLC process was addressing the issue of surplus school places, and to review the consultation process which flowed from TLC proposals to tackle surplus places, so that lessons could be learned for the future. The Scrutiny Review Panel's report commended TLC for achieving some valuable outcomes but concluded that some key changes had not been made and significant opportunities had been missed. The Panel suggested that the transformational aspirations of TLC had been overshadowed by the issue of surplus school places.

### **3.1 Methodology**

The TLC process was led by senior consultants such as former head teachers and Directors of Education. TLC reviewed and evaluated schools on a phased basis across Cheshire over a three year period.

### **3.2 Main Findings/Recommendations from the Review**

The following sub-sections briefly outline relevant and significant findings, conclusions and recommendations from the Panel's review of TLC. These relate to: the management of school places; consultation, option generation and decision making processes for targeted schools; the role of federation in addressing surplus places;

issues around small and rural schools, particularly the LMS Funding Formula; and opportunities missed under TLC.

### **3.2.1 Managing surplus school places**

The Panel found that TLC had removed many surplus places. Nevertheless, this reduction was considered insufficient and too slow to keep place with falling school rolls or the changing demographic profile of Cheshire.

#### **Panel recommendation:**

The Panel recommended an ongoing programme to manage school places, reducing these by about 800 per year across the former County Council area.

### **3.2.2 Consultation, option generation and decision making processes**

The Panel noted considerable problems with all the processes involved, which were generally viewed as over-long and complex. Schools not subject to an 'option' curtailed their involvement in further local discussions. The relationship between consultation and subsequent decisions was unclear. Despite the emphasis on transformation of learning, stakeholders perceived TLC to be primarily focused on school closure rather than the transformation of learning.

The decision making process involved a number of separate stages and was judged to be overly drawn out. The Review Panel regularly questioned the openness of the process and found inconsistencies in the call-in procedure. The Panel concluded that a much clearer system was required.

#### **Panel recommendations:**

The panel made specific suggestions around future governance arrangements for the consultation and decision making processes, suggesting that the Lead Member and Directors of Children's Services should adopt a four-stage process:

- ❖ Share the problem and invite local solutions, then consult the public whilst still at an early stage.
- ❖ Develop a strategic vision and plan then go through a formal process of consultation.
- ❖ Issue public notices and take final decisions, based on the whole set of proposals. Call-ins should only be permitted at two stages of the decision-making process, such as when formal consultation is approved and when public notices are approved for issue. Referrals should always go to the Children and Families Scrutiny Panel
- ❖ Take the final decision on the whole set of proposals for the locality.

### **3.2.3 The role of federation in tackling surplus places**

Although the formation of federations was an intended outcome of TLC the Scrutiny Review Panel questioned its level of acceptance by schools. The Panel suggest that federation became a method for avoiding difficult school closure decisions.

#### **Panel recommendations:**

The Panel noted that, whilst evidence suggests federation plays no direct role in removing surplus places, it can enable future changes to be made. For example, federation can reduce barriers to future amalgamation, provide an opportunity to improve school leadership, and can improve staff capability. Forming a federation between two schools could be the first step towards school amalgamation, or the closure of the less successful or needed school.

Directors of Children's Services should be asked to develop a guidance note for Members on the role of federation in achieving structural transformation of education and reducing surplus places as a first step in leading towards the amalgamation of two schools or the closure of one.

### **3.2.4 Small and Rural Schools**

The Scrutiny Review Panel noted that parents are aware that small schools attract a proportionally greater level of resource than larger schools: parents tend to choose such schools for their children because of expectations that educational standards will be higher in such an environment. However, the Panel raised an important issue of equity under the present Funding Formula. As the Audit Commission states, primary schools with fewer than 90 children are less cost effective. Such schools cost more per pupil and also receive additional allowances via the Schools Funding Formula (LMS). The Scrutiny Review Panel observed that funding is thus diverted from the majority of pupils to a minority, which is considered questionable in those cases where a school may not be serving its local community.

#### **Panel recommendations:**

In terms of potential for closure, current Government guidance involves a presumption against this. Recommendations to close rural schools therefore require particularly careful consideration. The Panel's view was that a clearer policy on rural schools would enable Members to make decisions more easily and remove some of the controversy associated with TLC processes.

The Panel concluded that the LMS Funding Formula required a fundamental review, to consider whether small school allowances deliver educational benefits appropriate to local needs. The Panel recommended the development of a small and rural schools policy, to include criteria to assess the local value of a small school. For

example, if fewer than 50% of a school's pupils are drawn from its immediate community, that school should not be considered 'local'. A minimum viable size, in educational terms, should therefore be specified. As a related issue, the Panel noted the prevalence of mixed age teaching in rural schools and recommended that this be minimised.

#### **4. PERCEPTIONS OF TLC BY EIP REPRESENTATIVES**

Whilst the TLC Scrutiny Panel had received a great deal of evidence, the Task & Finish Group felt the need to hear, at first hand, the views of some of the people involved. At a meeting held on 21 May 2009 at Macclesfield Town Hall, the Group interviewed a group of ten individuals, representing the EIPs and the East Cheshire Association of Primary Heads (ECAPH), about their own perceptions of TLC. The purpose of the meeting was to seek the views of representatives of schools in Cheshire East on the TLC programme, and on various school organisation issues. The following points were raised by participants:

- The name Transforming Learning Communities was seen as misleading. Most participants thought TLC had been solely about removing surplus places and was therefore fundamentally dishonest. Participants felt that TLC became a wasted opportunity in that it failed to respond to the aim of transforming learning communities.
- Once decisions had been made around school closure, very little support for the school and its community appeared to be provided during the period up to closure. On learning of the decision, some parents withdrew children from the affected school. The impact on communities of closing schools was not taken into account;
- The process was sold as being transformational with a 'blank sheet' approach however this did not appear to match the reality.
- The TLC process was viewed as a missed opportunity to have an in-depth look at learning provision within localities, especially in the light of changes at Key Stages 3 and 4 and the introduction of diplomas.
- The process was not clear and transparent and did not accord with that of other Councils known to be using good practice in this area.
- Out of date information was used, indicating the need for more accurate information.
- Options were seen as proposals and it was unclear how these were generated, so the process was non-transparent. One participant commented that schools did not feel they had been adequately consulted or their views heard.



- Queries were raised as to whether it was appropriate to consult a school or community about its own closure, and whether it would be more appropriately for the Council to take strategic decisions on school reorganisation.
- Timescales were experienced as too lengthy: once a decision had been made to close a school the process was drawn-out, leading to low morale.
- The decision making process, including the political process, was also believed overly long. Participants believed the process should have enabled swift decisions to be made, thereby reducing uncertainty.
- Queries were raised about whether the process took account of Special Educational Needs.
- Where schools worked together to amalgamate or federate, they were given little support in the process of achieving this and little support once the new arrangements were up and running.
- Participants suggested that there was a role for Education Improvement Partnerships in any future school reorganisation, as partners would work for the good of the area rather than their own individual school. The point was made that, if local issues were raised, the EIP could take action to address this as a first step, requiring local Authority intervention only if this was not successful.
- Some commented that the LAP could play a more significant role in future.
- The group felt that Federation needed to be clearly understood as an option, with issues relating to leadership and governing bodies being considered and understood. Again, this was perceived as a role for the EIP in future, drawing on examples of good practice in other areas. One commented that Federation could be a more organic way of moving forward.
- It was suggested that the issue of Academies should be discussed with headteachers prior to any public consideration.
- It was noted there was a role for the Local Authority to share the experience of schools which had become Trusts.
- Queries were raised about the role of Headteachers in extended schools provision. Participants asked whether it might be appropriate for other agencies to take on the role and responsibility for extended schools provision rather than the school itself.

## 5. THE CHANGING PICTURE OF PROVISION OF SCHOOL PLACES IN CHESHIRE EAST

Section 5.1 provides long-term data on national demographic change followed by the emerging picture on live births for Cheshire East. This helps us understand the strong relationship between demographic change over time and its outcome in surplus or insufficient school places at both primary and secondary schools.

Section 5.2 highlights issues relating to the large number of small and rural schools within the catchment of Cheshire East.

### 5.1 Demographic change and school places

Demographic data from ONS reveal a changing picture, depending on the timescale under consideration. For example, when we look at numbers of live births over the last 100 years in England and Wales (Figure 3 below) we see a number of peaks and troughs across the decades. However, these occur in the context of a steady, long-term national decline in the overall number of live births:

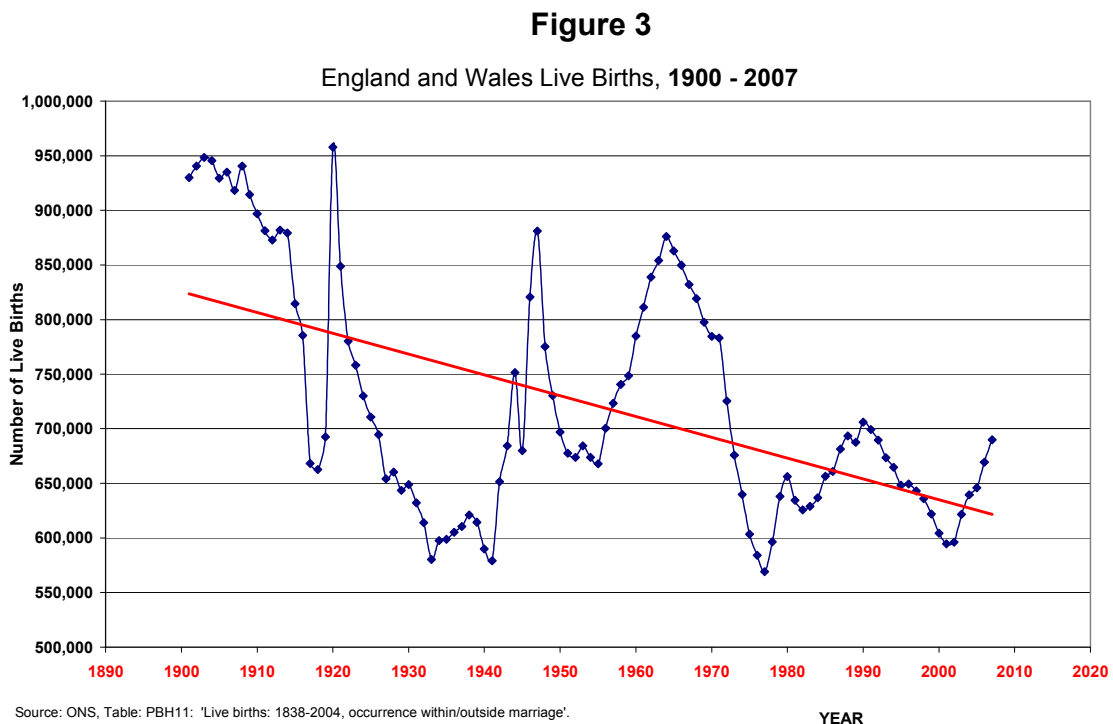
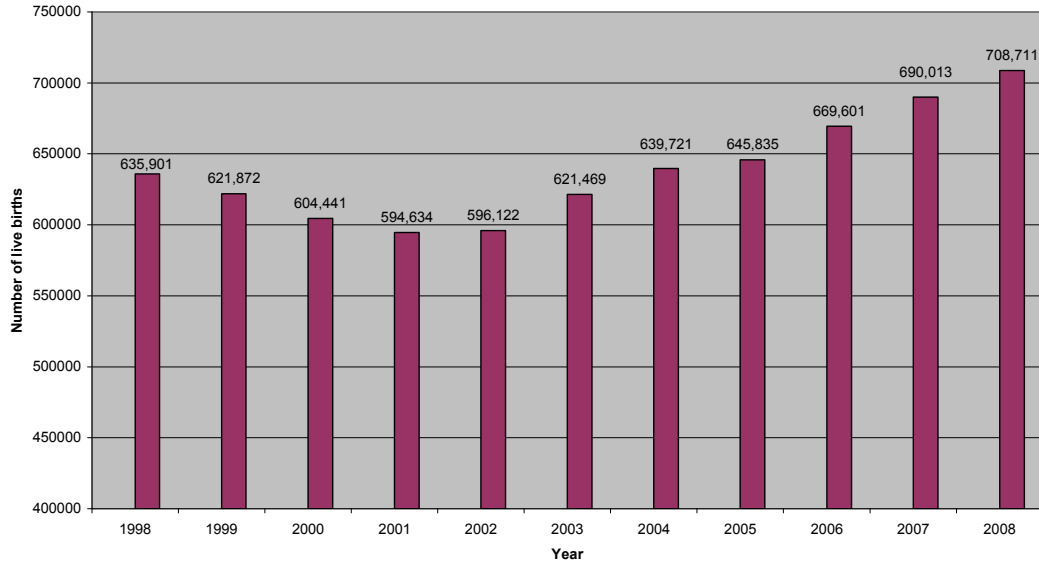
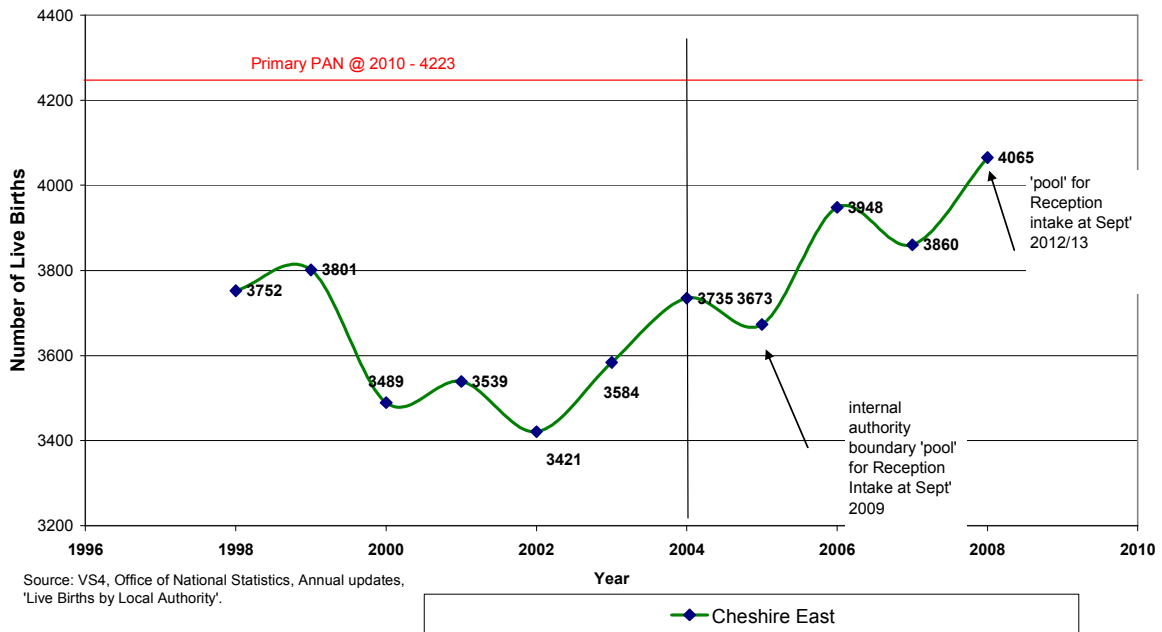


Figure 4 below demonstrates that a different picture emerges when we look at data on recent decades. This suggests that population numbers are increasing, at least in the short term. These data obviously mask regional and smaller-scale differences across England and Wales.

**Figure 4****Number of Live Births in England & Wales (1998-2008)****Figure 5****Recent Historical Trends in Live Births in Cheshire East**

(by aggregation of Pre-LGR District level data)

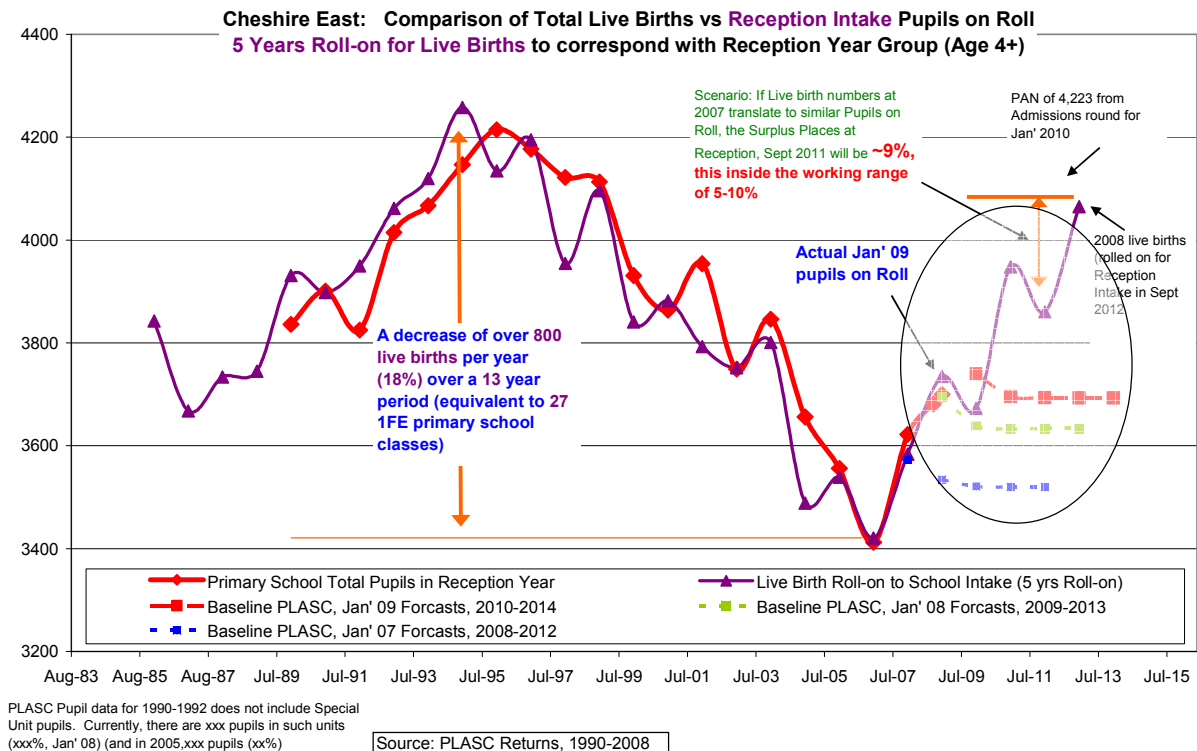


Data show that live births have actually increased in recent years across Cheshire East (see Figure 5 above). Because of the strong positive relationship between increasing numbers of live births and demand for school places, the current rate of fall

in pupil numbers used by the TLC Review (Figures 1 and 2 above) may not be sustained and may, in fact, be in the process of longer-term reversal. Nevertheless, there are differences in projections across the Council area, with live births increasing more in some localities (e.g. Crewe, Alsager, Congleton) than in others (e.g. Nantwich, Middlewich, Macclesfield, Holmes Chapel). The data also differ depending on whether they relate to the population of a town or whether they include its outlying area(s).

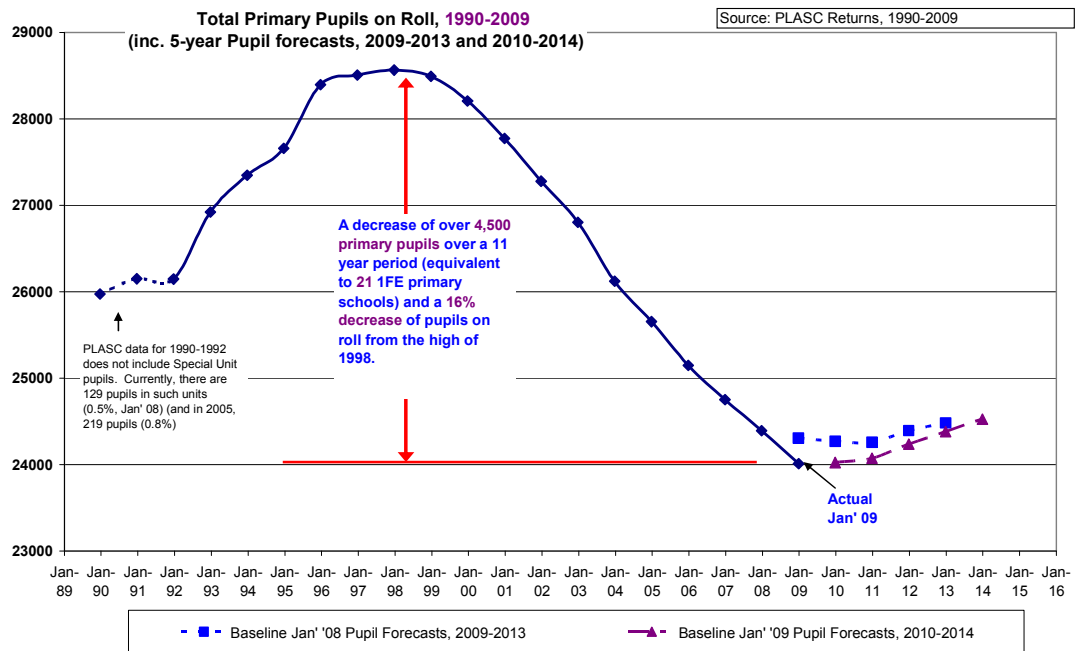
The graph below (Figure 6) demonstrates the relationship between live births and reception class intake for Cheshire East. This relates to the period 1983 to 2009, with a projection through to 2015. Figures peaked in 1995 and fell steadily year on year until 2007. For 2008 and 2009 both the birth rate and the entry to reception class increased significantly on previous years and the projection is for further rise.

Figure 6



The graph below (Figure 7) demonstrates the rapid increase in primary school numbers in the period 1985 to 1998 followed by an equally rapid decline in the following period from 1998 to 2007. That decline appears to have reached a plateau and may be reversed in coming years.

Figure 7



However, it is also important to look at the data on specific age cohorts in order to plausibly predict future demand (Figure 8 below).

Figure 8

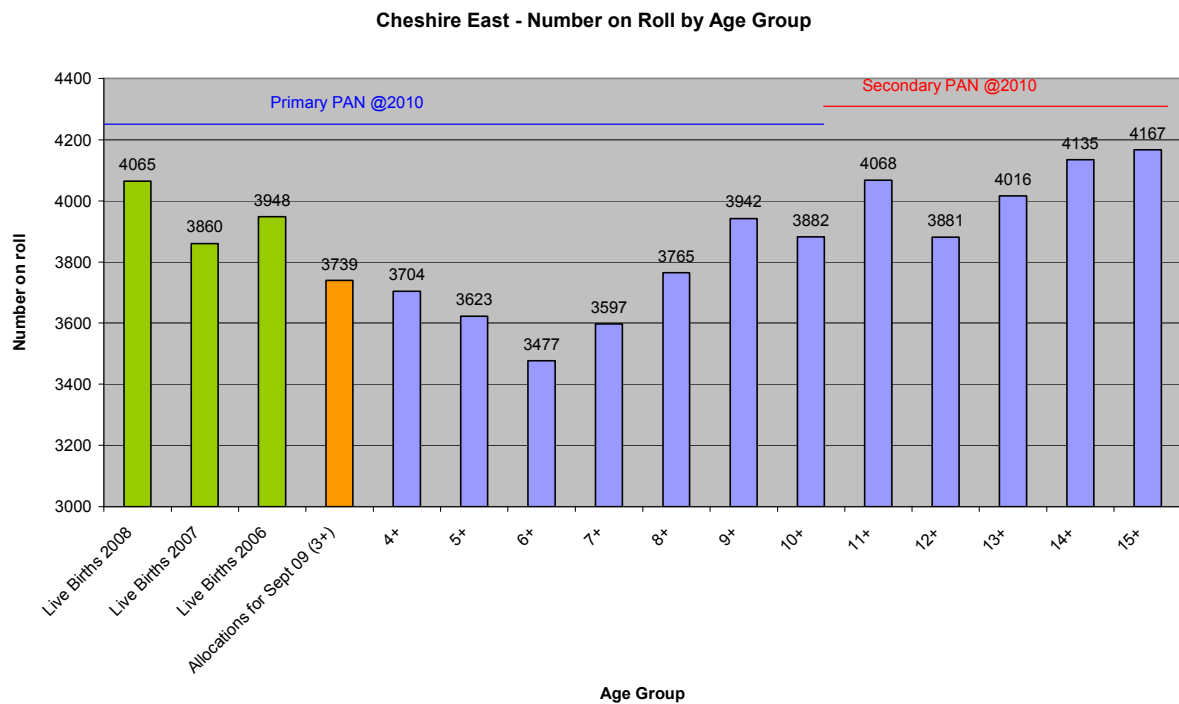
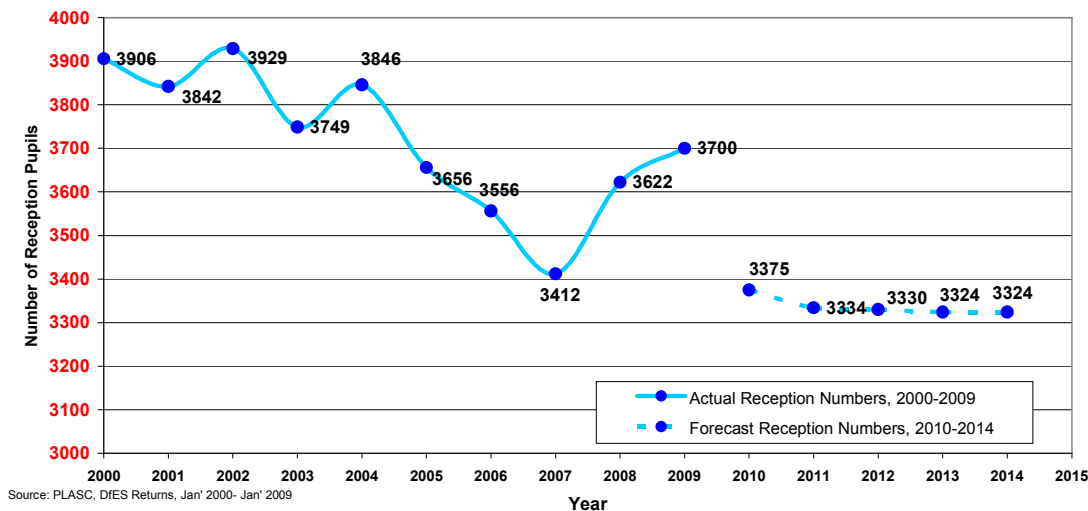


Figure 8 above shows the number of children on roll in Cheshire East in 2009, by age group. It also shows a clear dip in the number of children presently aged round about six years of age, with implications for the number of school places this age cohort will require during the course of their primary and secondary education.

Figure 9 below demonstrates how remarkably flawed projections can be: the projection was based on figures up to 2007 and thus predicted a continued fall in reception pupil numbers. However, since 2007 there has been an increase in the birth rate, as shown in the graph. A revised projection is therefore needed for the next five years, based on this revised data.

**Figure 9**

**Cheshire East - Reception Pupils 2000 - 2014**



Our data indicate an overall downward trend in demand for secondary school places in Cheshire East. Figure 10 below shows the trend from 2004, projected to 2015:

Figure 10

**Cheshire East:**  
**Change in Secondary School Pupils on Roll, 2004 to 2016**

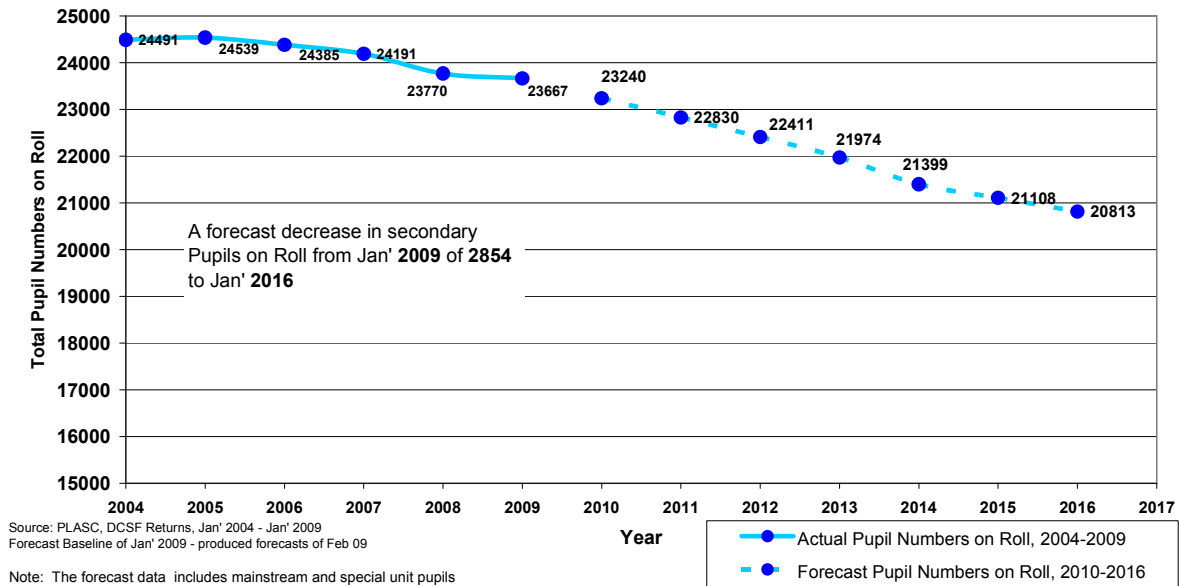


Figure 11 below shows the projected rise in surplus places in secondary schools across Cheshire East. Data refer to the period between 2005 and 2015. (Appendix A of this report shows the projected rise in surplus secondary school places across specific localities such as towns.)

Figure 11

**East:**  
**Change in Secondary School Surplus Places, 2004 to 2016**

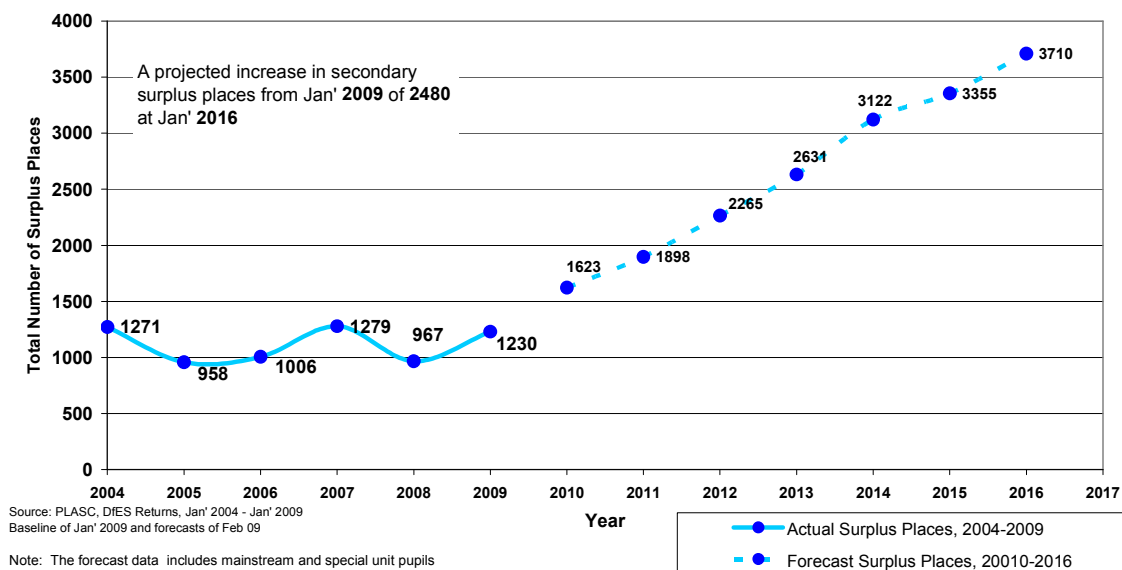
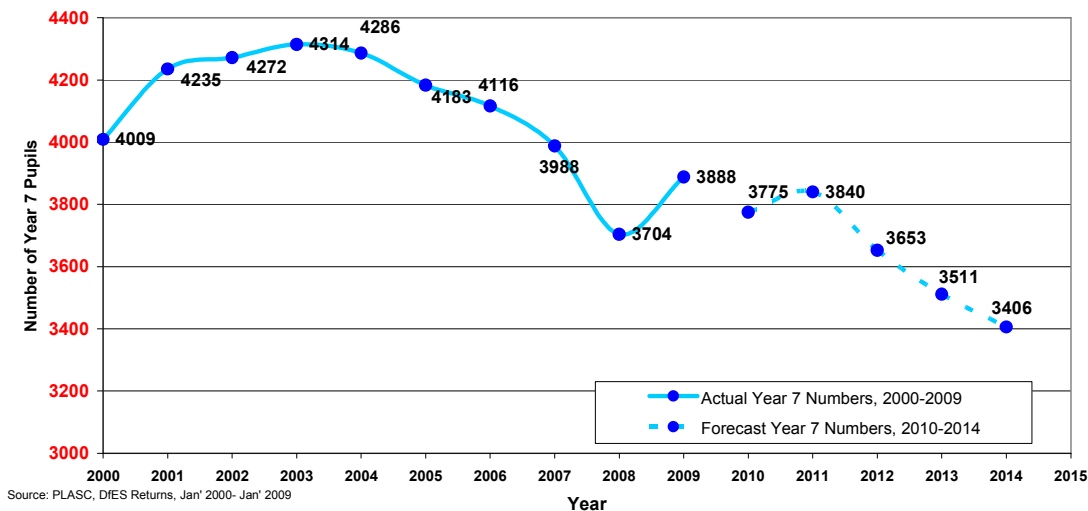


Figure 12 below shows the Year 7 cohort. Between 2008 and 2009 there has been a clear increase in pupils on roll. From 2009 onwards numbers are projected to fall quite rapidly for this cohort, with knock-on effects for subsequent school years.

**Figure 12**

**Cheshire East - Year 7 Pupils 2000 - 2014**



Taken together, these data present a complex picture. The implications of the TLC review for Cheshire East were that some 400 school places would need to be removed each year in order to keep pace with currently falling rolls and not exceed the target of 10% surplus places by 2011. This is probably correct, given that this target applies to the near future.

However, data projections also indicate the shifting nature of the trends in live births, which will impact on the demand for primary and secondary school places over the longer term. This phenomenon can be thought of as a 'wave' of demand which fluctuates over time and across specific age cohorts, sometimes quite sharply. The conclusion here must be that Cheshire East will need to build into its system of school provision the capacity to accommodate such marked rises and dips in demand.

## 5.2 Small and rural schools in Cheshire East

The fact that the new Council has a large number of small primary schools is highly pertinent to its management of school places provision. With an average size of 190 pupils, these primary schools are smaller than those in comparable Authorities. The Task & Finish Group believes the Council need to consider three key issues here:



1. The community importance of schools be considered when proposals for closure are made;
2. The additional costs involved in running small schools;
3. The difference between strong demand for places at a particular school and the evidence of usage by pupils living in a school's designated catchment area.

## **6. THE CURRENT POSITION BY EIP**

Since their inception the purpose of Education Improvement Partnerships (EIPs) has been to promote collaboration and best practice between groups of schools on a local basis. A number of the EIPs in Cheshire East are now well established and consideration could be given as to how they could better support and progress the ECM agenda. For example, small schools may have difficulty in delivering the extended services remit so could benefit by working collaboratively with their nearest neighbour(s) to meet such needs. And, whilst the commissioning of school places falls within the remit of a local authority, EIPs may also increasingly need to manage their resources to match supply of places with demand.

Section **6.1** provides data on surplus places, current and projected, across the twelve EIP families of schools. This section also highlights the relationship between the appropriate provision of school places and other key factors such as popularity, academic performance and cost effectiveness. A small number of schools are used as 'case studies'.

Section **6.2** applies the above approach to the issue of secondary schools.

### **6.1 Primary Schools across EIPs**

This sub-section drills down further into the data we have available, to present information on surplus places in Cheshire East's EIPs. Appendix B to this report provides Tables on each of the EIPs which will enable the reader to identify those primary schools with over 20% surplus places. Appendix B also provides data relating to each school's capacity/surplus places; numbers on roll; cost effectiveness (compared with each EIP average); academic success; and popularity with local parents.

Contextual Value Added (CVA) analysis provides a quantitative method of estimating pupil and school performance that can be used when making this judgement. The value added concept is based on the assumption that teachers and schools add 'value' to the achievement of their students. CVAs measure student progress in academic outcomes such as reading or mathematics attainment over a given period of time.

Local popularity is indicated by the percentage of children living in a school's catchment area who actually attend that school, rather than any other alternative. This could also be taken as a plausible indicator of parental preference and choice.

For each EIP below we give examples of schools in order to illustrate what the data can tell us about the context within which the school operates. The short case studies which follow each EIP draw on information from the Tables in Appendix B to demonstrate important contrasts between schools in terms of their **cost effectiveness, academic performance, and local popularity**. In some cases, postcode analysis provides a further tool which can help us understand the relationship between supply and demand of school places.

### 1. Alsager EIP

Within this group of six schools there is capacity for 1,493 pupils. Currently this EIP has 10% surplus places which are projected to rise to nearly 20% over the next five years. In overall terms it can be seen from the projections for this EIP that, by 2014, there will be nearly 300 surplus places. This equates to two schools too many.

**School A** has a capacity of 233 pupils, yet has 278 currently on roll. This is clearly a popular and over-subscribed school, with 45 pupils more than its capacity. It is cost effective at £2,794 per pupil, which is well below the average of £3,057. Its academic success is well above average, with a CVA of 101.7 and nearly 100% pass rate at Maths and English L4+. However, only 51% of parents living within the school catchment choose to send their children to the school. Some parents appear to be opting for a faith-based education whilst other parents prefer alternative schools within the area. A nearby school, **School B**, has a capacity of 105 pupils but only 46 on roll – a 56% surplus capacity. The cost per pupil is well above average, at £4,336. Only 13% of parents within the catchment choose to send their children to this school, suggesting that this school is not popular with its local community. We know that most parents in this catchment area choose **School A** for their children. These data suggest that **School A** should be expanded to accommodate two forms of entry. The data also raise questions about the longer-term sustainability of **School B**.

**Schools E** and **F** both appear to be popular with parents living within the catchment areas, in that 73% and 77% respectively send their children to these schools. The data show that they are both academically successful and cost effective schools. However, **School F** has a high level of surplus places, at 24% whereas **School E** is over-subscribed. Postcode analysis (not included within this report but data are available on request) for **School F** tells us that there are only 137 eligible children

living within the catchment although the school has a capacity of 210 pupils. Even if every child within the catchment attended this school, there would still be a very significant surplus. Bearing in mind its local popularity, our data suggest that either the school is too large for its catchment, or that the catchment should be increased to match the capacity of the school.

## 2. Crewe and Shavington EIPs

There are nineteen primary schools within the Crewe and Shavington EIPs, with a total capacity of 6,627 pupils. **Appendix B** shows that the roll at January 2009 was 5,868, which indicates that the EIP has 11% surplus places overall. A small increase in pupil numbers is also projected which will reduce the number of surplus places to 655, or just less than 10%. There are nine schools with greater than 10% surplus places. Five schools in particular have higher than 25% surplus places. There are seven schools within the EIP family that do not appear to be very popular with their local parents in that less than 50% of the pupils living within the school's catchment actually attend the school.

**School B** currently has 40% capacity and a very high cost per pupil: £4,080 compared with the average of £3,115 for this group. Only 18% of children living in its catchment area attend the school, suggesting that it is not popular with local parents. This school's academic performance is below average with a CVA of 99.9 and pass rates of 77% in English and 72% in Maths. **School P** is clearly popular with parents in that 78% of those eligible to send their children to the school do so. It is a very cost effective school in that its cost per pupil at £2,724 is well below the average for the group of schools. It also has a higher than average CVA score and excellent exam results. Surprisingly it still shows 10% surplus places, which may be attributable to parents choosing a faith based education nearby.

## 3. Congleton EIP

This group of schools currently has capacity for 2,806 pupils with 2,404 on roll, giving 14% surplus places. However it should be noted that four schools have 25% or more surplus places and for most the position is set to worsen over the next five years. There has been very little variation in the birth rate within this part of Cheshire East that might change this situation. Whilst three of these schools are well above average in terms of cost, one is only slightly above. The two examples below illustrate the contrast

**School E** has a capacity of 390 but only 224 pupils on roll, giving 43% surplus places. This will probably rise still further because of a projected fall in number to 160 on roll (which would mean over 50% surplus places). Only 37% of parents in the catchment send their children to this school, suggesting that it is not popular within the community. Its cost, at £3,284 is above the Council average but a little below this EIP's average of £3,375. **School M** attracts 76% of local children, is academically very successful (CVA of 100 and pass rates of 97% for English and 100% for Maths) and is extremely cost effective at £2,605 per pupil.

#### 4. Holmes Chapel EIP

This group of primary schools has a net capacity of 1,156 with 1,004 pupils currently on roll, resulting in 13% surplus places overall. It should be noted that two schools have greater than 25% surplus places and also higher than average costs on a per pupil basis. The position at one in particular is projected to worsen over the next five years, with surplus places increasing to 60%. This case is particularly instructive: the school was rebuilt within the last five years but demonstrates how changing demographics plus parental choice to send children elsewhere can frustrate investment decisions.

**School A** currently has 28% surplus places. However, over the next five years numbers are projected to increase from the current number on roll (108) to 149, reducing surplus capacity at this school to zero. Although the school is academically successful, with a CVA of 100.9 and an 89% pass rate at English and Maths, only 40% of local children attend it, suggesting that it is not locally popular. **School C**, however, is subscribed by 83% of local children, suggesting considerable popularity. This school has no surplus places. Its educational standards are good, with a CVA of 101 and pass rates of 94% and 97% in English and Maths, well above the average of 84% for Cheshire East. **School E** is the most cost effective school within the EIP, at £2,715 per pupil, which is well below this EIP's average of £3,428. The school appears popular with parents in that 79% living in the catchment area send their children here. Standards are good, with a CVA of 99.1 and exam pass rates of 92% and 84% for English and Maths.

#### 5. Knutsford EIP

This group of seven primary schools has a capacity for 1,412 pupils. The number on roll at January 2009 was 1,288: this is predicted to rise to 1,299 by 2013. The average of surplus places is only 9%. Numbers are set to rise over the next five years to 1,363, reducing the surplus capacity to 3%.

This figure of 3% masks the case of **School D** which currently has 33% surplus places. CVA performance is below average at 99.8%, but exam results are good, with above average performance in English and Maths (91%). At £4,729 per pupil per year this is also the most expensive school in the area, well above the EIP average of £3,399. The school is apparently popular with local parents in that 83% of them choose to send their children there. Only six children live within the catchment area, five of whom attend the school. However, postcode data tell us that the majority of pupils at this faith school travel large distances to attend: 27 travel from Warrington; 23 travel from Trafford; others travel from Stockport and Manchester. This begs the question, perhaps, of whether this school is meeting a truly local demand.

## 6. Macclesfield and Bollington EIP

There are 26 primary schools within this group, with a capacity of 5,923. There are currently 4,826 pupils on roll, giving a surplus of 19% in school places. Amalgamation between **Schools V** and **Y** will remove 315 places, reducing the surplus to 13%. Although a small increase in numbers is projected over the next five years, the surplus capacity will remain at 18%.

**School A** has the capacity for 149 pupils: 94 pupils are currently on roll, giving 37% surplus places. The school has a high resource cost at £4,603 per pupil per year. Only 86 (20%) of the 420 pupils living in the catchment area attend this school: 90 local children attend a joint faith school, 72 go to another local school, and the remaining 172 are spread across 16 other local schools, all within a radius of less than 2 miles. This school is evidently not popular with most local parents. Nor is it particularly successful in educational terms, with a CVA of 98.9 (well below average) and poor L4+ results for Maths and English. This school was proposed for closure under TLC but given a three year reprieve, subject to delivery against an action plan.

**School S**, with a capacity of 210 but only 81 on roll, has 61% surplus places. The cost per pupil is £5,098, which is amongst the highest across Cheshire East. As only 32% of local children attend the school it appears to lack popularity with local parents. Its CVA is above average, at 100.5, but the pass rate for English and Maths is well below average at 57% and 74% respectively.

**School N** currently receives £5,627 per pupil per year, the highest level of resource across Cheshire East (including secondary schools). There are 38 children on roll. Out of only nine potential pupils from the local community, three attend this school. It is not a 'local' school as the majority of pupils are drawn from outside its catchment area. It is, however, popular with parents from other areas who are willing to drive their children to this school (as no public transport exists). This school received only a 'satisfactory' rating from Ofsted in 2007 whereas other schools in the surrounding area (of which there are six within a two mile radius) have better ratings.

To avoid closure, **School N** formed a 'hard' federation with another primary school, **School D**. **School D** currently has 60% surplus places, one of the highest in the Council area. This school also has one of the highest costs per pupil, at £4,686 per head; only 10% of pupils living in the catchment attend the school. It has a 'good' Ofsted rating.

**School F**, within a two mile radius of both the above schools, has a capacity of 210 and currently runs with 14% surplus places, which is sufficient to incorporate children from both **Schools N and D**. **School F** has an 'outstanding' rating from Ofsted. The cost per pupil is £2,915 per year and 94% of children in the school live in the school's catchment area. This is a cost-effective school, popular with its local community.

## 7. Middlewich EIP

This family of four schools with capacity of 1,136 currently has 1,054 on roll, giving 7% surplus places. Numbers of pupils are projected to fall to 938 by 2014, rising surplus places to 17%.

**School D** can be seen to have 63 on roll, with a capacity of 56. This faith school is over-subscribed, with costs per pupil of £4,090, which makes it the highest in this EIP and well above the EIP average of £3,250. Although academic standards are good, with a CVA of 100.6 and 82% pass rates in English and Maths, the school does not appear to be very popular. Only 48% of parents in the catchment area choose to send their children to this school. Postcode analysis reveals that the majority of children attending the school travel significant distances.

## 8. Nantwich EIP

This family of 14 schools has capacity of 2,404 children with 2,184 currently on roll, giving 9% surplus places. Over the next five years this is set to drop to 6%.

Popularity of schools varies widely, from a low of 37% local attendance for **School N** to a high of 84% local attendance for **School B**.

**School N** currently has 18% surplus places, and has the highest cost per pupil at £4,149 compared with the group average of £3,236. Although CVA is above average at 100.5, English and Maths results (68% and 74%) are below average. Postcode analysis tells us that there are 264 children within the catchment of this school: as only 98 of these attend this school (37%) it seems unpopular with local parents.

## 9. Poynton and Disley EIPs

This family of seven schools has capacity for 1,387 pupils with 1,311 currently on roll, giving 5% surplus places. Numbers on roll are projected to fall to 1,261 in the next five years, giving 9% surplus places.

Within this group we have one school (**School F**) that is over-subscribed, with 330 on roll compared with a capacity of 315. The school appears to be relatively popular, with 55% of parents choosing to send their children to this school. Both CVA (98.2) and pass rates in English and Maths (77% and 75%) are below average. **School B** appears to be the most popular in the group, with 95% of local parents choosing to send their children here. However, the current level of surplus places (13%) is set to increase as projected numbers on roll in five years time drop from the current level of 182 to 144, giving 31% surplus places. Postcode analysis tells us that there are currently 178 pupils within the catchment area: 171 of these attend this school. This suggests that the school is too large, with a capacity of 210, for the community it serves.

## 10. Sandbach EIP

This group of eight schools has a capacity of 2,158 pupils and 1,845 are currently on roll, giving 15% surplus places. The birth rate in this part of Cheshire East is near static and the predicted number on roll is set to decline, over the next five years, to 1,796, increasing surplus places to 17%. In overall terms, the data suggest that there is one too many schools within this EIP family.

**School E** currently has 38% surplus places which are projected to rise to 50% in five years. The school is the most expensive in the EIP, at £4,021 per pupil, compared with the average of £3,117. The school appears to lack popularity in that only 34% of local parents choose to send their children here. Its CVA (99.1) and pass rate in English and Maths (72% and 68%) are below average. Taken together, these points raise questions about the longer-term viability of the school.

### 11. Wilmslow and Alderley Edge EIP

This family of eleven schools has 2,553 pupil capacity, with 2,429 currently on roll, giving 5% surplus places. Over the next five years projections indicate that a small increase in numbers on roll, to 2,433, will result in 4% surplus places. Popularity of schools within the EIP ranges from a low of 28% (**School F**) to a high of 81% for **School D**.

**School F** has only 28% of local parents choosing to send their children here. It has the highest cost, at £4,392, well above this EIP's average of £3,196. Although CVA is well above average, at 101.3, performance at English and Maths are well below the EIP average of 84%, at 75% and 67%. The majority of parents in this school's catchment opt to send their children to **School B**. This school is the most cost effective in the group, at £2,536, well below the EIP average. 75% of local parents send their children to this school. Its CVA is 100 and pass rates in English and Maths are 98% - well above the EIP average. Taken together, these data may raise questions about the longer-term future of **School F**.

## 6.2 Surplus Places in Secondary Schools across Cheshire East

We have a capacity of 24,287 places in secondary schools. On roll we currently have 23,565 pupils: this number is set to fall quite rapidly over the next five years to a level below 21,000 pupils. Figure 10 (page 18 above) shows that the numbers of children currently within the 11-16 age-group are at a peak and are projected to decline over the next five years, on the basis of birth rate data, by 15%. However, after reaching this low point rolls will then start to increase again over the next six years, although projections indicate that they will not rise to the current high levels. In other words, we are facing 15% surplus places within the next eight years; thereafter, the need for places will increase but to a level significantly below current demand. Cheshire East faces the challenge of responding to this changing wave of demand.

We also need to consider the related issues of popularity, equity, efficiency and effectiveness. The average cost per pupil in secondary schools is £3,976; the range is



from £3,583 to £4,606. As with primary schools, this raises the question of inequitable resource distribution between secondary schools. Here too we require further information on each school, in addition to information on surplus places and cost, in order to judge whether or not a school is providing efficient and effective provision. The case studies below use information given in Table 12 of Appendix B of this report.

**School J** has a capacity of 1,100 with 817 pupils currently on roll (i.e. 26% surplus places). The roll is projected to fall significantly by 2013. Its cost per pupil, at £4,435, is third highest for Cheshire East secondary schools. Academic performance is very poor, with fewer than 30% of young people achieving five or more A\* to C (including English and Maths) grades at GCSE level. The school serves a large community, with nearly 2000 pupils living within its catchment: 655 of these attend the school. A further 600 children attend a Catholic College; 602 attend a second high school in the area; and 71 pupils go to a third. This suggests that the school is not popular with parents in its catchment area. The CVA is 981.3.

Conversely, **School F** has a capacity for 1,238 but has 1,500 currently on roll, so is over-subscribed. This is both a successful and popular school with 74% of pupils achieving 5+A\*-C including Maths and English GCSEs. This ranks the school second best within Cheshire East with an average of 53%: the average across England is 47%. Educationally it is within the top four performing schools across Cheshire East with a CVA score of 1005.1, which compares favourably with the Cheshire average of 997.9. Within the school's catchment area there are 716 pupils: 564 of these (nearly 80%) attend the school. Nearly half of pupils attending this school are drawn from the catchment area of **School J**. It can be concluded that parental choice has led to the over-subscription to the second school and the decline of numbers attending the case High School. The second high school is also far more cost effective, at £3,849 per pupil per year.

**School I** has a capacity of 1,606 and 1,419 pupils on roll, which equates to 12% surplus places. Over the next five years this is projected to rise to over 20%. Only 47% of pupils that attend the school live within its catchment; conversely 82% of pupils that live within the town attend the school. In other words this school is twice the size needed to satisfy the needs of its local community. The total number of young people within the 11 to 18 age range living within the town is 725 and 680 of these attend the school. There are 558 pupils attending the school who live within another Council area and 69 from a city outside our boundaries. This school is currently running with a significant budgetary deficit which in part is no doubt due to its operation over two sites.

## **7. DEVELOPING A NEW SYSTEM TO MANAGE THE PROVISION OF SCHOOL PLACES WITHIN CHESHIRE EAST**

The weight of evidence provided above indicates the need for a new system of managing the provision of school places within Cheshire East Council. The Task & Finish Group consider that the main attributes of any new system should involve the following:

- A new name should be given to the process, to indicate a clear break with TLC.
- A sound evidence base, with accurate and timely data, must be developed. The new concept of school popularity (measured by the percentage of pupils within a school's designated catchment area actually attending that school) should be included. However, should a school be identified as requiring further scrutiny on the basis of lack of local popularity, then catchment data should be checked for their accuracy and validity.
- The new system should be as objective as possible but should also recognise that factors such as the impact of school closure on the local community will need to be taken into account.
- There needs to be a continuous management of changing circumstances rather than a large catch-up programme. There needs to be an early warning system in place which will alert the Council, for example, when surplus places at a school exceed a certain number or when costs exceed a certain sum.
- The new system should be as transparent as possible and should involve swift and decisive decision-making. Adequate support should be provided to schools, particularly those directly involved, as this could influence the pace of change.
- The issue of surplus places should not be managed on a Council-wide basis but approached from a more local perspective, such as Locality or EIP.
- There needs to be a clear policy framework for small and rural schools.
- There needs to be close and early working with EIPs, Diocese and others.
- A clear policy needs to be developed for the role of Federations.
- There needs to be an immediate update of the Schools Funding Formula.
- This new system needs to be interfaced with both the Primary Capital and Building Schools for the Future Programmes.

In developing any new system, experience from TLC suggests that attention needs to be given to business continuity, as the Council takes forward its work on the provision of school places, so that experience and learning are consolidated and not lost.

## 7.1 Presentation of data

The Task & Finish Group believe it essential that up to date and accurate data is provided, which demonstrate the effectiveness or otherwise of the Council's strategy for the management of surplus places. The time taken to assemble this report is one indication that, in future, certain pieces of key information need to be available for presentation together, to ensure clarity.

The Group considers that the following key data sets must be established:

- Current Published Admission Number (PAN)
- Current Net Capacity
- Current Number on Roll (NOR)
- Current percentage of surplus places
- Projected NOR in five, ten and fifteen years time
- Current cost per pupil
- Popularity of school expressed as percentage of pupils within the school catchment attending the school
- Academic achievement of school expressed in terms of Contextual Value Added (CVA) and exam performance

## 8. CONCLUSIONS

- 8.1 The former Cheshire County Council's 'Transforming Learning Communities' was an ambitious programme designed to examine educational provision within the County in the light of 'Every Child Matters' (ECM) agenda, and at the same time reduce the number of surplus places in Cheshire Schools. The need for a reduction in surplus places was particularly acute in primary schools where, as a result of a long term fall in the birth rate, the number on roll was forecast to fall and surplus places to rise from 12% to 20% over the period 2005 to 2010. However, although there were many positive outcomes from TLC, its multiple requirements seem to have stretched the authority's resources and overshadowed transformational aspects of the programme.
- 8.2 The TLC process was received unfavourably by both the Church of England Diocese of Chester and the Catholic Diocese of Shrewsbury. In view of the numbers of church schools within Cheshire East, this suggests that attention should be paid to improving future relations with both Dioceses.
- 8.3 Cheshire East Council inherits a different position than that forecast at the start of the former County TLC programme in two respects. Firstly the fall in rolls is not as great as was forecast, due to a reversal of the birth rate from 2003 onwards. Secondly, the number of surplus places removed under TLC has fallen short of forecast. Although the two factors tend to counteract each other

Cheshire East is still required to remove significant numbers of surplus places if it is to ensure that the authority is making best use of its resources.

- 8.4** Whilst it is difficult to comment on some of the conclusions drawn in the body of the former Cheshire County Council Scrutiny Report it is clear that recommendations relative to process and the need for policy and Funding Formula reviews are sound. The lessons from TLC are that Cheshire East needs better tools in terms of policies and information systems, and a better process for the review, consultation and decision phases of any change to school arrangements. The review of the Funding Formula is urgent and should be adequately resourced.
- 8.5** Given the large number of small and rural schools across East Cheshire, many of which fall below the minimum size recommended by the Audit Commission, the Council needs a clear policy framework for small and rural schools.
- 8.6** The Group considers there is also a need to review other aspects of the Funding Formula, in particular the way that additional funding is allocated in deprived areas through the number of free school meals served. The Group believes that there are now sufficient data on individual children to reallocate the money involved on a different basis.
- 8.7** Whilst evidence suggests federation plays no direct role in removing surplus places, it can enable future changes to be made, reducing barriers to future amalgamation, providing an opportunity to improve school leadership, and improving staff capability. Forming a federation between two schools could be the first step towards school amalgamation, or the closure of the less successful or needed school. Federation should be understood as one of several options for school governance. .
- 8.8** With regard to the match between supply and demand, data projections indicate the shifting nature of the trends in live births. This will impact on the demand for primary and secondary school places over the longer term. This phenomenon can be thought of as a 'wave' of demand which fluctuates over time and across specific age cohorts, sometimes quite sharply. Cheshire East will therefore need to consider how to build into its system of school provision the capacity to accommodate such marked rises and dips in demand.
- 8.9** Any future strategy needs to recognise the requirement to manage surplus places on an area basis and in line with changing demographics. In addition, parental choice with regard to school places is a policy imperative with which the Council must comply. Future strategy therefore needs to reward success by making appropriate investment in popular and successful schools and take decisive action relative to unpopular and academically weak schools.

- 8.10** One of the problems we face in understanding current and probable future trends is the lack of sufficiently robust and up to date information: this report has drawn on much data from 2008 as 2009 is, in many cases, unavailable. We will need such data to be more readily available and in user-friendly format.
- 8.11** Cheshire East Council urgently requires an appropriate future investment strategy. This is needed before we can re-submit our Strategy for Change to the Primary Capital Programme (PCP), and submit our statement of 'Readiness to Deliver' to the Building Schools for the Future (BSF) Programme. Both are potential major sources of investment for the next ten years and provide an opportunity we cannot afford to miss.

## **9. RECOMMENDATIONS**

- 9.1** Cheshire East Council should review its commissioning of school places in accordance with the needs of the communities served by the Council and build upon the evidence base considered by this Task & Finish Group. The review should be conducted transparently and include all stakeholders.
- 9.2** The recommended review should include commissioning arrangements for the provision of learning for all children and young people, including those with SEN and additional needs, and gifted and talented children. Comments made by witnesses to the former County Council Scrutiny Group relative to special needs were also noted by the Group. The County Council had conducted a separate review of special needs in parallel with TLC. In view of the lack of special schools in Cheshire East the conclusion is that special needs considerations should be fully integrated into any system for the management of surplus places in main stream schools.
- 9.3** The recommended review should cover all geographical areas and be phased according to priority needs.
- 9.4** The review of the Funding Formula for schools should be prioritised and should clearly be driven by the need to improve outcomes for children and young people. The review should be conducted swiftly. The Council should consider what resources are required to enable this to be prioritised.
- 9.5** There needs to be a clear policy framework for small and rural schools.
- 9.6** The Council should develop a guidance note for Members on the role of federation and other forms of school governance in achieving structural transformation of education and reducing surplus places.
- 9.7** The role of the Educational Improvement Partnership (EIP) is growing and they are becoming key stakeholders in service delivery. Any new system should

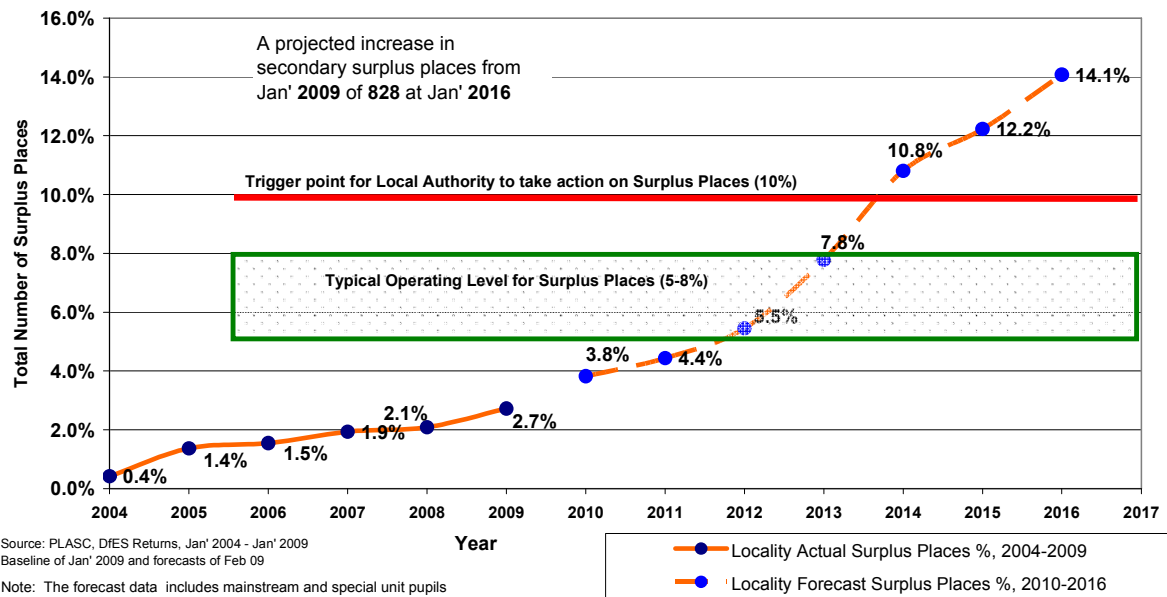
ensure that the EIPs play a significant role in formulating any any school reorganisation proposals.

- 9.8** Future changes to school organisation may well require full cooperation of the respective Dioceses. It is recommended that more attention is paid to these relationships and that full account is taken of the special circumstances of church schools, during both the consideration and consultation stages of the process.
- 9.9** The quality of existing information systems was not commented on in the former Cheshire County Council Report but it is clear that the quality of available data does need to be improved and the range of data extended to accommodate the needs of the strategy referred to in 9.1 above. PLASC data are released for each school term so adequate resource must be allocated to ensuring that such up-to-date information is readily available, in user-friendly form, to Members and Officers.
- 9.10** The Group recommends that Cheshire East Council develop a sound future investment strategy for its schools estate. The investment strategy needs to be based upon robust and up to date information which in turn leads to timely conclusions and firm decisive action after appropriate consultation. In terms of any actions initiated the Council needs to be aware of the 'capacity trap'. Any proposed actions need to be adequately supported. The schools involved need to be fully supported but there also needs to be sufficient resources to manage the communications/public relations process.
- 9.11** The Council also needs to develop a strategic vision for its future investment in schools in order to access vital sources of longer term external funding (via PCP and BSF) which will help address some of the issues raised in this report. The investment strategy must be informed by a robust and defensible methodology, which should now be developed.

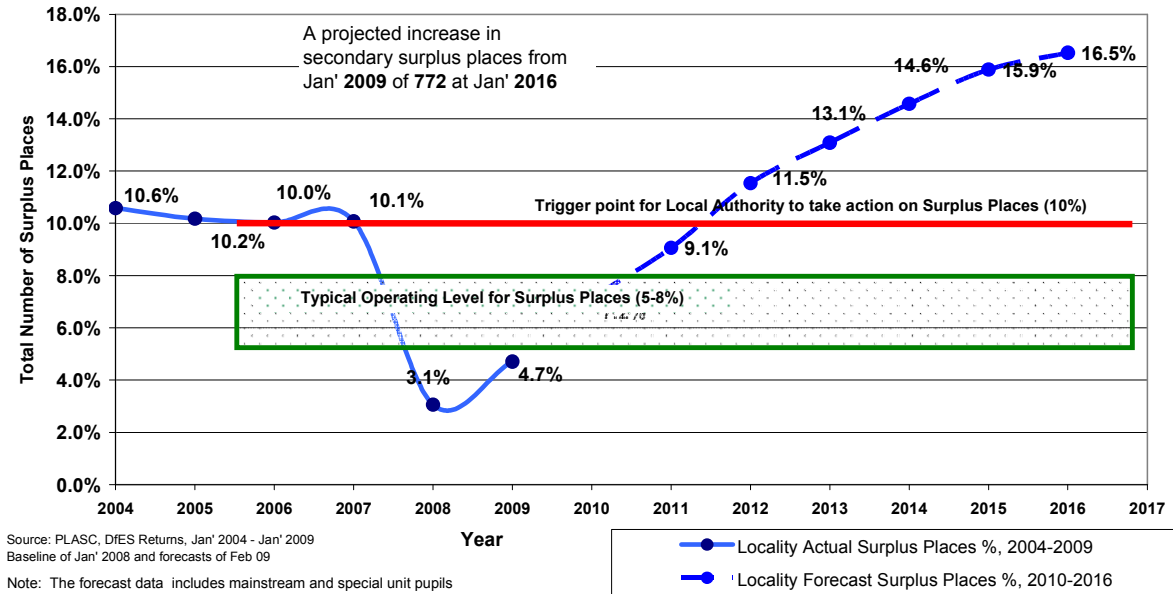
## Appendix A

## Projected Change in ECC Secondary School Surplus Places 2004-2015

**Alsager, Congleton, Sandbach & Holmes Chapel Locality:  
Change in Secondary School Surplus Places %, 2004 to 2016**

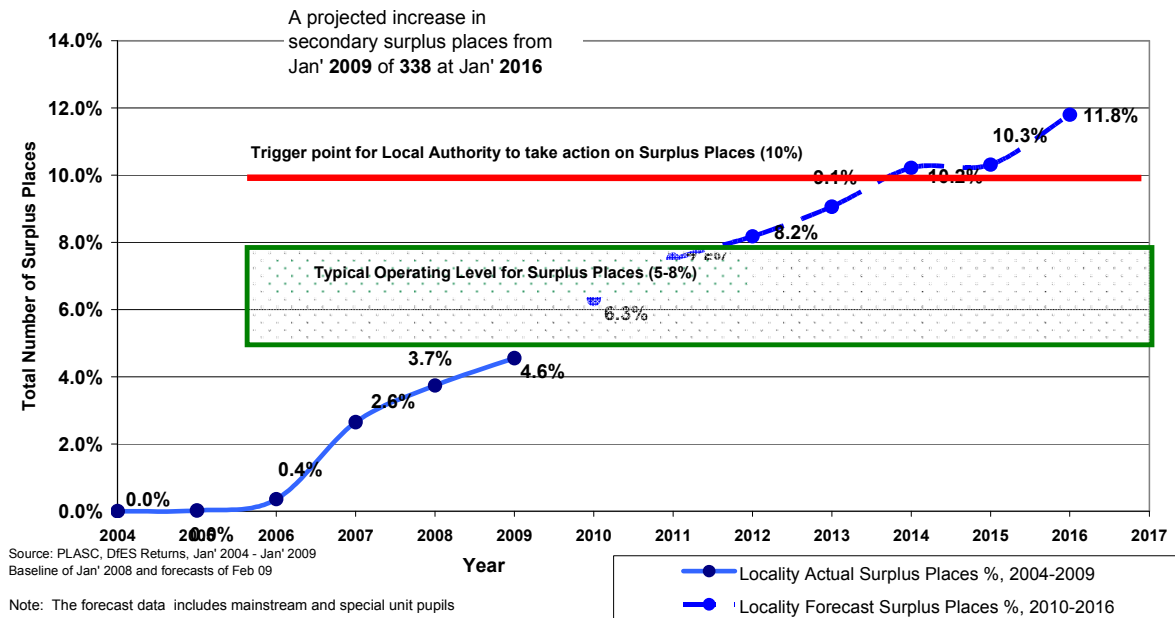


**Crewe & Nantwich Locality:  
Change in Secondary School Surplus Places %, 2004 to 2016**

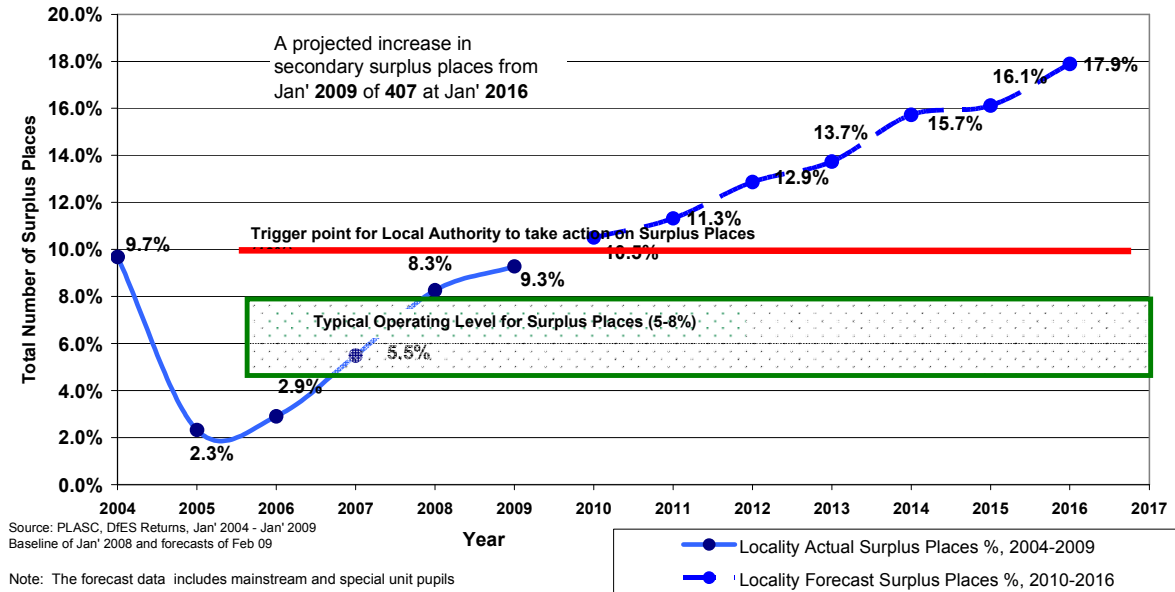




### Knutsford, Wilmslow & Poynton Locality: Change in Secondary School Surplus Places %, 2004 to 2016



**Macclesfield Locality:  
Change in Secondary School Surplus Places %, 2004 to 2016**



## Appendix B

### Surplus Primary School Places within EIPs

**Table 1**  
**Primary Schools within the Alsager EIP**

School	PAN @ Jan 09	Net Capacity @ Jan 09	NOR @ Jan 09	Forecast NOR @ Jan 2014	% Surplus Places @ Jan 09	Cost Per Pupil @ 2009/10	Popularity (%age pupils living in catchment & attending school)	CVA Score	English pass rate L4+	Maths pass rate L4+
School A	40	233	278	271	0%	£2,794	51%	101.7	98%	100%
School B	N/A	105	46	N/A	56%	£4,336	13%	101	100%	73%
School C	45	315	237	178	25%	£2,797	51%	100	84%	93%
School D	30	210	203	194	3%	£2,874	53%	100.3	96%	92%
School E	30	210	214	207	0%	£2,834	73%	100.2	100%	97%
School F	30	210	160	173	24%	£3,101	77%	100.4	95%	100%
School G	30	210	206	193	2%	£2,662	N/A	101.5	100%	96%
<b>TOTAL</b>	<b>205</b>	<b>1,493</b>	<b>1,344</b>	<b>1,216</b>	<b>10%</b>	<b>£3,057</b>				

EIP = Education Improvement Partnership  
 NOR = Number of children on the school roll  
 CVA = Contextual Value Added

**Table 2**  
**Primary Schools within the Congleton EIP**

School	PAN @ Jan 09	Net Capacity @ Jan 09	NOR @ Jan 09	Forecast NOR @ Jan 2014	% Surplus Places @ Jan 09	Cost Per Pupil @ 2009/10	Popularity (%age pupils living in catchment & attending school)	CVA Score	English pass rate L4+	Maths pass rate L4+
School A	16	112	127	128	0%	£3,213	44%	100.5	83%	92%
School B	40	240	237	260	1%	£2,761	57%	101.8	97%	89%
School C	9	55	45	55	18%	£4,159	79%	100	92%	69%
School D	30	178	159	175	11%	£3,669	40%	102	100%	83%
School E	60	390	224	160	43%	£3,284	37%	98.2	89%	73%
School F	25	150	150	169	0%	£3,515	49%	101.3	94%	89%
School G	30	180	191	174	0%	£4,672	18%	100.2	80%	80%
School H	30	210	178	199	15%	£2,810	67%	99.4	93%	97%
School I	50	350	322	355	8%	£2,889	79%	99.1	93%	91%
School J	30	230	153	143	27%	£2,844	61%	100	76%	79%
School K	16	112	121	125	0%	£3,354	54%	100.7	89%	100%
School L	27	180	127	158	29%	£3,470	N/A	101.6	82%	82%
School M	50	330	303	318	8%	£2,605	76%	100	97%	100%
School N	15	89	67	97	25%	£3,999	43%	99.5	75%	75%
<b>TOTAL</b>	<b>428</b>	<b>2,806</b>	<b>2,404</b>	<b>2,516</b>	<b>14%</b>	<b>£3,375</b>				

EIP = Education Improvement Partnership  
 NOR = Number of children on the school roll  
 CVA = Contextual Value Added

**Table 3**  
**Primary Schools Crewe and Shavington EIPs**

School	PAN @ Jan 09	Net Capacity @ Jan 09	NOR @ Jan 09	Forecast NOR @ Jan 2014	% Surplus Places @ Jan 09	Cost Per Pupil @ 2009/10	Popularity (%age pupils living in catchment & attending school)	CVA Score	English pass rate L4+	Maths pass rate L4+
School A	40	280	252	256	10%	£3,543	76%	99.9	77%	72%
School B	30	210	127	178	40%	£4,080	18%	99.7	60%	72%
School C	30	210	219	189	0%	£2,939	37%	99.3	71%	77%
School D	60	420	420	418	0%	£2,986	53%	98.3	73%	72%
School E	60	420	386	421	8%	£3,204	66%	102.1	88%	94%
School F	60	420	403	401	4%	£2,985	48%	101.5	96%	96%
School G	81	567	485	475	15%	£2,630	65%	99.1	83%	83%
School H	60	420	317	353	25%	£3,148	50%	100.9	80%	85%
School I	45	315	277	312	12%	£3,663	37%	98.9	43%	50%
School J	30	210	181	198	14%	£3,522	34%	100.5	88%	88%
School K	70	490	544	545	0%	£2,620	N/A	99.9	71%	65%
School L	60	442	417	422	6%	£4,047	44%	96.6	47%	41%
School M	30	210	210	200	0%	£2,883	38%	99.2	84%	84%
School N	60	390	282	280	28%	£3,358	33%	96.9	58%	58%
School O	30	378	245	203	35%	£2,788	65%	100	85%	85%
School P	50	351	316	301	10%	£2,661	71%	99.8	95%	78%
School Q	38	266	198	233	26%	£2,833	80%	100.7	96%	96%
School R	60	420	404	420	4%	£2,577	63%	n/a	97%	93%
School S	30	208	185	167	11%	£2,724	78%	101	97%	97%
<b>TOTAL</b>	<b>924</b>	<b>6,627</b>	<b>5,868</b>	<b>5,972</b>	<b>11%</b>	<b>£3,115</b>				

**Table 4**  
**Holmes Chapel EIP**

School	PAN @ Jan 09	Net Capacity @ Jan 09	NOR @ Jan 09	Forecast NOR @ Jan 2014	% Surplus Places @ Jan 09	Cost Per Pupil @ 2009/10	Popularity (%age pupils living in catchment & attending school)	CVA Score	English pass rate L4+	Maths pass rate L4+
School A	30	150	108	149	28%	£3,418	40%	100.9	89%	89%
School B	15	90	47	38	48%	£4,190	50%	98.9	100%	100%
School C	30	209	209	198	0%	£3,055	83%	101	94%	97%
School D	30	210	202	204	4%	£3,276	52%	100.9	88%	84%
School E	60	420	370	367	12%	£2,715	79%	99.1	92%	84%
School F	11	77	68	63	12%	£3,912	40%	100.5	90%	100%
<b>TOTAL</b>	<b>176</b>	<b>1,156</b>	<b>1,004</b>	<b>1,019</b>	<b>13%</b>	<b>£3,428</b>				

EIP = Education Improvement Partnership  
 NOR = Number of children on the school roll  
 CVA = Contextual Value Added

**Table 5**  
**Primary Schools in the Knutsford EIP**

School	PAN @ Jan 09	Net Capacity @ Jan 09	NOR @ Jan 09	Forecast NOR @ Jan 2014	% Surplus Places @ Jan 09	Cost Per Pupil @ 2009/10	Popularity (%age pupils living in catchment & attending school)	CVA Score	English pass rate L4+	Maths pass rate L4+
School A	60	420	406	402	3%	£3,225	75%	99	86%	78%
School B	30	210	197	210	6%	£2,911	54%	99.2	100%	93%
School C	21	147	126	133	14%	£3,290	76%	100.2	92%	100%
School D	15	105	70	85	33%	£4,729	83%	99.8	91%	91%
School E	30	210	167	176	21%	£3,589	37%	99.3	81%	70%
School F	20	140	128	143	9%	£3,207	62%	100.1	81%	56%
School G	30	180	194	214	0%	£2,839	N/A	99.2	100%	97%
<b>TOTAL</b>	<b>206</b>	<b>1,412</b>	<b>1,288</b>	<b>1,363</b>	<b>9%</b>	<b>£3,399</b>				

EIP = Education Improvement Partnership  
 NOR = Number of children on the school roll  
 CVA = Contextual Value Added

**Table 6**  
**Primary Schools within the Macclesfield and Bollington EIP**

School	PAN @ Jan 09	Net Capacity @ Jan 09	NOR @ Jan 09	Forecast NOR @ Jan 2014	% Surplus Places @ Jan 09	Cost Per Pupil @ 2009/10	Popularity (%age pupils living in catchment & attending school)	CVA Score	English pass rate L4+	Maths pass rate L4+
School A	25	149	94	97	37%	£4,603	20%	98.9	58%	33%
School B	30	209	179	188	14%	£2,873	63%	99.6	80%	77%
School C	22	150	96	150	36%	£4,025	16% **	101.1	82%	82%
School D	17	119	49	36	59%	£4,686	10% **	100.5	100%	82%
School E	30	210	108	95	49%	£5,281	14% *	97.8	63%	71%
School F	30	210	181	173	14%	£2,915	34% **	100.6	97%	100%
School G	30	210	200	204	5%	£3,011	85%	100.1	93%	89%
School H	30	210	173	199	18%	£2,926	72%	101	100%	91%
School I	25	158	100	77	37%	£4,143	24%	101.7	83%	75%
School J	54	378	299	323	21%	£3,846	29% *	100.6	78%	63%
School K	9	63	47	63	25%	£3,964	94%	100.1	100%	82%
School L	24	163	161	164	1%	£3,258	77%	100.8	81%	81%
School M	60	420	402	419	4%	£2,783	50%	100.6	79%	80%
School N	6	42	38	29	10%	£5,627	33%	100.1	100%	100%
School O	40	280	289	298	0%	£2,663	81%	100.9	100%	98%
School P	60	420	303	253	28%	£3,693	57%	98.7	81%	79%
School Q	25	175	158	178	10%	£3,074	78%	100.4	100%	100%
School R	60	418	369	348	12%	£2,653	N/A	101.2	98%	96%
School S	30	210	81	84	61%	£5,098	32%	100.5	57%	74%
School T	30	210	134	128	36%	£3,605	N/A	99.2	78%	74%
School U	15	105	90	73	14%	£3,335	N/A	98.9	89%	89%
School V	45	315	316	318	0%	£2,875	N/A	98.9	84%	76%
School W	60	420	378	348	10%	£2,768	58%	100.3	82%	85%
School X	60	420	326	352	22%	£3,215	41%	n/a	91%	87%
School Y	30	210	201	221	4%	£3,047	45%	100	97%	90%
School Z	7	49	54	48	0%	£3,680	82%	100.6	100%	100%
<b>TOTAL</b>	<b>854</b>	<b>5,923</b>	<b>4,826</b>	<b>4,866</b>	<b>19%</b>	<b>£3,602</b>				

\* Indicates choice of catchment

\*\* Indicates shared catchment



**Table 7**  
**Primary Schools within the Middlewich EIP**

School	PAN @ Jan 09	Net Capacity @ Jan 09	NOR @ Jan 09	Forecast NOR @ Jan 2014	% Surplus Places @ Jan 09	Cost Per Pupil @ 2009/10	Popularity (%age pupils living in catchment & attending school)	CVA Score	English pass rate L4+	Maths pass rate L4+
School A	60	420	389	304	7%	£2,828	61%	N/A	#N/A	#N/A
School B	60	420	376	350	11%	£3,261	38%	98.5	80%	84%
School C	35	240	226	224	6%	£2,822	N/A	100.6	97%	97%
School D	8	56	63	60	0%	£4,090	48%	100.6	82%	82%
<b>TOTAL</b>	<b>163</b>	<b>1,136</b>	<b>1,054</b>	<b>938</b>	<b>7%</b>	<b>£3,250</b>				

EIP = Education Improvement Partnership  
 NOR = Number of children on the school roll  
 CVA = Contextual Value Added

**Table 8**  
**Primary Schools within the Nantwich EIP**

School	PAN @ Jan 09	Net Capacity @ Jan 09	NOR @ Jan 09	Forecast NOR @ Jan 2014	% Surplus Places @ Jan 09	Cost Per Pupil @ 2009/10	Popularity (%age pupils living in catchment & attending school)	CVA Score	English pass rate L4+	Maths pass rate L4+
School A	20	140	110	123	21%	£3,264	55%	99.7	82%	73%
School B	30	208	183	168	12%	£3,011	84%	99.6	86%	79%
School C	12	84	76	64	10%	£3,907	76%	99.6	92%	92%
School D	30	210	192	190	9%	£2,882	55%	100.9	97%	93%
School E	30	210	195	200	7%	£2,921	57%	99.7	72%	76%
School F	30	210	198	204	6%	£3,103	46%	99.3	91%	88%
School G	17	119	112	118	6%	£3,003	54%	100.5	100%	100%
School H	30	210	191	205	9%	£2,793	N/A	101	86%	90%
School I	7	49	43	51	12%	£4,927	57%	99.5	83%	67%
School J	30	204	188	198	8%	£2,747	60%	101.1	83%	83%
School K	30	210	211	210	0%	£2,792	55%	100	94%	83%
School L	30	210	199	206	5%	£2,790	61%	100.5	100%	100%
School M	20	140	121	123	14%	£3,022	71%	100.5	100%	100%
School N	30	200	165	193	18%	£4,149	37%	100.5	68%	74%
<b>TOTAL</b>	<b>346</b>	<b>2,404</b>	<b>2,184</b>	<b>2,253</b>	<b>9%</b>	<b>£3,236</b>				

**Table 9**  
**Primary Schools with the Poynton and Disley EIP**

School	PAN @ Jan 09	Net Capacity @ Jan 09	NOR @ Jan 09	Forecast NOR @ Jan 2014	% Surplus Places @ Jan 09	Cost Per Pupil @ 2009/10	Popularity (%age pupils living in catchment & attending school)	CVA Score	English pass rate L4+	Maths pass rate L4+
School A	15	105	93	108	11%	£3,639	51%	100.6	100%	100%
School B	30	210	182	144	13%	£3,130	95%	99.5	83%	86%
School C	21	147	122	120	17%	£3,287	59%	101.3	100%	94%
School D	40	280	279	278	0%	£2,778	69%	100.1	98%	90%
School E	20	120	100	84	17%	£3,538	N/A	99.1	88%	94%
School F	45	315	330	344	0%	£2,944	55%	98.2	77%	75%
School G	30	210	205	183	2%	£2,729	66%	100.2	100%	100%
<b>TOTAL</b>	<b>201</b>	<b>1,387</b>	<b>1,311</b>	<b>1,261</b>	<b>5%</b>	<b>£3,149</b>				

EIP = Education Improvement Partnership  
 NOR = Number of children on the school roll  
 CVA = Contextual Value Added

**Table 10**  
**Primary Schools with the Sandbach EIP**

School	PAN @ Jan 09	Net Capacity @ Jan 09	NOR @ Jan 09	Forecast NOR @ Jan 2014	% Surplus Places @ Jan 09	Cost Per Pupil @ 2009/10	Popularity (%age pupils living in catchment & attending school)	CVA Score	English pass rate L4+	Maths pass rate L4+
School A	40	280	279	280	0%	£2,798	57%	98.9	85%	85%
School B	30	209	171	191	18%	£3,591	50%	100.1	91%	88%
School C	50	329	266	229	19%	£2,825	62%	99.8	98%	82%
School D	60	420	328	326	22%	£2,839	77%	99.2	67%	78%
School E	30	210	131	106	38%	£4,021	34%	99.1	72%	68%
School F	30	150	133	114	11%	£3,253	83%	98.3	93%	93%
School G	50	350	326	341	7%	£2,589	75%	99.4	80%	81%
School H	30	210	211	209	0%	£3,018	50%	100.5	93%	87%
<b>TOTAL</b>	<b>320</b>	<b>2,158</b>	<b>1,845</b>	<b>1,796</b>	<b>15%</b>	<b>£3,117</b>				

EIP = Education Improvement Partnership  
 NOR = Number of children on the school roll  
 CVA = Contextual Value Added

**Table 11**  
**Primary Schools with the Wilmslow & Alderley Edge EIP**

School	PAN @ Jan 09	Net Capacity @ Jan 09	NOR @ Jan 09	Forecast NOR @ Jan 2014	% Surplus Places @ Jan 09	Cost Per Pupil @ 2009/10	Popularity (%age pupils living in catchment & attending school)	CVA Score	English pass rate L4+	Maths pass rate L4+
School A	30	210	219	212	0%	£2,869	72%	100	90%	93%
School B	60	420	420	406	2%	£2,536	75%	102	100%	98%
School C	45	378	301	310	20%	£3,052	47% *	n/a	89%	89%
School D	60	420	403	393	4%	£2,686	81% *	100.3	98%	94%
School E	30	210	220	237	0%	£2,965	57%	101.3	90%	85%
School F	21	150	140	159	7%	£4,392	28%	101.3	75%	67%
School G	15	105	102	100	3%	£3,303	45%	100.2	77%	77%
School H	19	133	117	119	12%	£3,680	34% *	100.2	94%	69%
School I	26	182	186	186	0%	£2,921	N/A	100.4	91%	87%
School J	15	105	107	105	0%	£3,443	63%	99.2	73%	60%
School K	34	240	214	216	11%	£3,307	60%	100.3	71%	68%
<b>TOTAL</b>	<b>355</b>	<b>2,553</b>	<b>2,429</b>	<b>2,443</b>	<b>5%</b>	<b>£3,196</b>				

\* Indicates choice of catchment

\*\* Indicates shared catchment

**Table 12**  
**Summary data for Secondary Schools within Cheshire East**

School	PAN @ Jan 09	Net Capacity @ Jan 09	NOR @ Jan 09	Forecast NOR @ Jan 2013	Cost Per Pupil @ 2009/10	% Surplus Places @ Jan 09	Popularity (%age pupils living in catchment & attending school)	CVA Score	% of pupils achieving 5+ A* to C inc. A* to C GCSE Eng & Maths
School A	210	1,258	1,120	1,009	£3,767	11%	N/A	983.8	61%
School B	225	1,362	1,354	1,251	£3,770	1%	95%	998.6	61%
School C	210	1,050	1,058	952	£3,583	0%	79%	1022	64%
School D	180	1,134	1,064	941	£4,019	6%	67%	983.6	52%
School E	180	1,143	1,009	948	£4,133	12%	70%	987	53%
School F	240	1,238	1,504	1,400	£3,849	0%	79%	1005	74%
School G	200	1,180	1,174	1,085	£3,732	1%	85%	1004	70%
School H	156	780	773	720	£4,074	1%	31%	970.8	28%
School I	260	1,606	1,419	1,263	£3,979	12%	82%	988.3	51%
School J	180	1,100	817	665	£4,435	26%	33% *	981.3	42%
School K	210	1,384	1,324	1,217	£3,707	4%	69%	983.2	53%
School L	140	700	655	590	£4,379	6%	55%	993.8	49%
School M	246	1,529	1,587	1,475	£3,756	0%	95%	1005	68%
School N	140	666	694	690	£4,007	0%	53%	986.8	33%
School O	210	1,285	1,366	1,194	£3,713	0%	49% **	1017	79%
School P	195	1,167	1,117	1,066	£4,606	4%	45%	N/A	68%
School Q	197	970	814	609	£3,759	16%	50%	989.2	46%
School R	210	1,050	993	756	£4,538	5%	37%	1005	25%
School S	127	635	619	636	£3,928	3%	N/A	1000	61%
School T	210	1,214	1,158	1,055	£3,911	5%	67% *	991.4	56%
School U	300	1,836	1,946	1,878	£3,855	0%	89%	989.2	67%
<b>TOTAL</b>	<b>4,226</b>	<b>24,287</b>	<b>23,565</b>	<b>21,400</b>	<b>£3,910</b>	<b>5%</b>			

\* Indicates choice of catchment

\*\* Indicates shared catchment

## CHESHIRE EAST COUNCIL

### REPORT TO: CABINET

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<b>Date of Meeting:</b>	22 December, 2009
<b>Report of:</b>	John Weeks, Strategic Director – People and Mike Pyrah, Chief Executive, Central and Eastern Cheshire Primary Care Trust
<b>Subject/Title:</b>	Vision and Strategy for Integrated Care
<b>Portfolio Holder:</b>	Cllr Roland Domleo, Services for Adults Cllr Paul Findlow, Services for Children and Families Cllr Andrew Knowles, Health and Wellbeing Services

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#### 1.0 Report Summary

- 1.1 This report contains information about a proposed programme of work which is being developed by the Council and its NHS partners.
- 1.2 The report contains recommendations that the Cabinet and the relevant Boards of the NHS organisations should agree those proposals and require further work to be done to develop them and to pursue their implementation.

#### 2.0 Decision Requested

The Cabinet of Cheshire East Council and NHS Boards are recommended to:-

- 2.1 Agree the Executive Summary (Appendix One of this report) which sets out the vision and the outcomes of the proposed programme.
- 2.2 Agree that a programme of work should be taken forward to achieve greater and closer integration between the Council and its NHS partners in order to achieve improved outcomes for people who use services and the development of financially sustainable services.
- 2.3 Agree the Compact which describes the sort of behaviours which are most likely to foster the achievement of those outcomes. That Compact is Appendix Two of this report.
- 2.4 Request their officers to negotiate further about the arrangements for the joint governance of this programme, and come back with recommendations about that.

#### 3.0 Reasons for Recommendations

- 3.1 One of the aspirations which underpinned the creation of the two new Unitary

Councils in Cheshire was a commitment to contributing to the development of a “Virtual Public Sector”. That was seen to involve a coming together of Public Sector agencies so that those using them would experience them as coherent and co-ordinated.

- 3.2 The prospects for the funding of Public Sector Services over the next five years look bleak. In that situation, it will be essential for those services to pull together, to reduce costs and to get themselves into financially sustainable shape.
- 3.3 On 14<sup>th</sup> July 2009 the Cabinet considered and approved a report on “Jointness Between the Council and the Primary Care Trust”, which had been written by the Strategic Director (People) and the Chief Executive of the Primary Care Trust. In response to the recommendations in that report it was agreed *“that the Council should seek to achieve greater jointness between itself and Central and Eastern Cheshire Primary Care Trust (PCT) and other players within the local NHS, where such jointness seems likely to be in the best interests of Cheshire East People”*. The Strategic Director and the Chief Executive were asked to come back in due course with specific recommendations for taking that agenda forward.
- 3.4 The initial priorities for attention suggested through the early thinking about the development of the programme are around services for children and families, Urgent Care services and households which use care and health services frequently. Those suggestions align very positively with the strategic priorities both of the Council and the NHS.

#### **4.0 Wards Affected**

- 4.1 The recommendations in this report are relevant to the whole of Cheshire East.

#### **5.0 Local Ward Members**

- 5.1 Not applicable.

#### **6.0 Policy Implications including - Climate change - Health**

- 6.1 One of the anticipated outcomes from the implementation of this programme is some rationalisation of the land and buildings held by the various organisations. Certainly there is a commitment between the Health and Social Care parts of the whole system to integrate teams and to achieve co-location. To the extent that that is done there can be expected to be some positive reduction in the overall carbon footprint.
- 6.2 This programme is very specifically aimed at improving the health, care and welfare of people in Cheshire East. Some particular outcomes are set out below in paragraph 11.4 of this report.



**7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)**

7.1 Not applicable

**8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)**

8.1 There are no specific implications financially for 2009/10.

8.2 Clearly, as work on the programme progresses savings opportunities will be identified. It will also become increasingly important to think and act on a whole system basis about the ways in which money flows around that system.

8.3 The Council's Borough Treasurer, Lisa Quinn, and the PCT Director of Finance, Simon Holden, now meet together on a regular basis.

**9.0 Legal Implications (Authorised by the Borough Solicitor)**

9.1 There are no immediate legal implications, but as new joint governance arrangements are considered, and as the potential is identified for pooling and aligning budgets, those developments will obviously have to be subjected to the appropriate legal and constitutional scrutiny.

**10.0 Risk Management**

10.1 If work is not taken forward to explore and pursue integration there is a risk that members of the public and service users will perceive the two largest parts of the Public Sector within Cheshire East as being insufficiently joined up.

10.2 The financial outlook for the Public Sector as a whole in coming years suggests that organisations will face serious risks to their viability if they do not now set about the challenging task of reforming themselves to become sustainable.

**11.0 Background and Options**

11.1 This proposed programme has both general and particular origins:-

- **General.** Over time Local Authorities and their NHS partners have been coming closer together around health improvement and around the interface between Health and Social Care, for both children and adults.
- **Particular.** A "Summit" conducted by the North-West Strategic Health Authority in the summer of 2009 concluded that NHS organisations needed to work with their Council partners to improve outcomes for people and to get the whole system into a shape and size which will be financially sustainable in the anticipated resource context. A second, follow-up "summit" meeting took place in Blackpool at the end of November, 2009 and the Council's Chief Executive, Erika Wenzel, participated in that together with local NHS Chief Executives.

11.2 Discussions have taken place involving officers of the Council, Councillors, NHS staff and NHS Board Members. On 28<sup>th</sup> September, 2009 a “Think Tank” meeting was held which involved the Chairpersons of NHS Boards, NHS Chief Executives and Councillors Fitzgerald, Domleo, Findlow and Knowles. That “Think Tank” meeting agreed on the need to develop:-

- A Compact, by means of which each participating organisation might be held to account.
- A Vision for the programme and a definition of it.
- Some further proposals about possible joint governance arrangements

11.3 We have a Shared Vision, which is to improve the Health, Care and Wellbeing of all Cheshire East’s people.

The objectives of this programme are twofold:-

- To improve the experience and outcomes for people who use services.
- To reduce costs and improve efficiency.

11.4 In particular, the outcomes wanted for people are that they should:-

- Find it easier to get the help they need
- Have more choices available to them
- Gain greater control of the resources made available to address their needs
- Get quicker and more effective results

11.5 As for a definition, the programme is an initiative to bring Commissioners of Services and Providers of Services together from across the local Health and Council system in order to transform that local “landscape”, particularly by using the methodology of Care Pathways.

11.6 Care Pathways is a short-hand piece of jargon. It refers to a process of analysing and understanding the journeys experienced by people as they move along a number of defined pathways through what is a complex system. It is not just about analysis. The understanding gained is then used to redesign those Pathways so that they become shorter, have fewer stages and are altogether easier to negotiate.

11.7 The objective of reducing costs and improving efficiency ought always to underpin Public Sector activity, but it gains enhanced potency and urgency from our current situation of rising expectations, increasing demand and shrinking resources. Doing ever more of the same will not be an option. It will be imperative to extract the greatest value from every pound that is available, and to pull together to prevent and divert demand.

## **12.0 Overview of Year One and Term One Issues**

12.1 It can be anticipated that this programme will extend beyond Term One.

### **13.0 Access to Information**

Background papers relating to this report can be obtained from:-

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**VISION AND STRATEGY FOR INTEGRATED CARE IN EAST AND CENTRAL  
CHESHIRE\***  
**(East & Mid Cheshire Caring Together (E=MC<sup>2</sup>gether))**

*“You are all very nice, but I don’t know what you all do and why do you all have to ask me the same questions?” – A frequent service user comment*

**EXECUTIVE SUMMARY**

The primary aim of the programme is to deliver services that are responsive to the needs of users by being integrated across health and social care. These services will be for individuals and the population within East & Central Cheshire’s boundaries<sup>+</sup> and will be simple to access and use. The objectives are to improve the experience and outcomes of care and to increase the productivity and efficiency of them. We will do this by organisations working more closely together, initially on a small number of priority areas of work. We expect that the results of this process will be that more services will be closer to service users (i.e. in GP surgeries, health centres, community hospitals etc). This should mean that significant inpatient services will be retained in the Macclesfield and Crewe areas, but that a few services may need to be centralised organisationally or geographically. There is evidence that integrated care can improve quality of care and the efficiency of its delivery.

We propose an incremental approach to change based on a service by service, area by area basis that may eventually lead to organisational change. Interim steps may be needed to enable urgent (“tactical”) decisions to be made that will only later fit in with the overall strategy. We also suggest that variation between different geographical areas will be accepted (and is necessary in areas where the hospital or council are not the majority provider from the economy), where these do not run counter to the overall approach.

We propose an initial focus on integrating pathways from within Urgent Care, Services for sick children, young children and families, and households that use care services frequently. We will also use this as an opportunity to review the balance of expenditure between service and geographical areas. These pathways will be looked at in terms of (but not confined to): keeping people well, helping people with life events, enabling them to manage with chronic illness and limiting conditions.

We also propose that boards sign off a compact to agree certain behaviours that can foster integration. The governance arrangements and more detailed workplans will be covered in a separate paper to be presented to all boards in January 2010.

The programme will be organised around a number of workstreams that are divided into professional led “service” workstreams (e.g. Children’s Services, Cardiac, etc.) and “enabling” workstreams (e.g. Workforce, Estates, Information etc.); some of

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\* Key Stakeholder organisations are: ECT, MCHT, CWP, CECH, CEC, CECPCCT  
 Associate Organisations: WC&CC, 3XPBC clusters, NNAS, OO hours providers/GP Cos/LLPs, 3<sup>rd</sup> Sector/IS Providers, 3ry referral hospitals, Specialised commissioning, Clinical/professional networks.

<sup>+</sup> Western Cheshire and Chester Council based service users will also be covered where they fall within the CECPCCT boundaries.

which already exist, some will need adjustment and some will be new. All stakeholders will be invited to provide representation in all workstreams, maximising the realignment of existing work to the integration agenda.

The programme offers significant opportunities to improve quality (improved outcomes, reduced errors and improved service user and carer experience) and decrease costs. However, there will be significant barriers to change caused by our existing cultures, financial structures and payment systems, estates, workforce and creative solutions will need to be found to overcome these barriers.

Boards are asked to agree this vision and the compact (attached) but not at this stage asked to commit new resources, but rather to align and consolidate existing work towards the integration aim. As savings are achieved, some of these should be committed to the programme so this could increase the speed of implementation of more cost effective care. Regular progress on the three initial work programmes will be reported to the boards.

## The Compact for Integrated Care in East and Central Cheshire

We:

Cheshire & Wirral Partnership NHS Foundation Trust  
 Central & Eastern Cheshire PCT  
 Cheshire East Council  
 East Cheshire Hospitals Trust  
 Cheshire East Community Healthcare  
 Mid Cheshire Hospital NHS Foundation Trust

hereby agree to enter into a compact with the organisations mentioned above to use our best endeavours for the next 24 months to:

1. Develop and implement integrated cost effective services for the patient/service users of the area. In order to achieve this we hereby agree to work together to develop:
  - Patterns of behaviour:
    - To seek to understand the behaviour of others partners and to not ascribe (nor imply) motivations to the behaviours for which there is no evidence.
    - To openly recognise both good performance and areas for development in all participants.
    - To ensure that all staff are updated on progress and to contribute to and proactively share briefing notes/newsletters etc. from the programme office.
    - To encourage a culture of innovation and change and to seek and promote the behaviours of appreciative enquiry.
  - Improved service design to enable people to live longer, better lives with:
    - Improved outcomes
    - More services to be provided closer to users
    - Some services to be provided through networks that may require users and carers to travel further
    - Specialist services to be developed to ensure safe and effective outcomes
    - Staying well for longer
    - Better coping with life events
    - Improved management of chronic conditions
  - Clear priorities of service.
    - Put the interests of the whole service, system and its users above those of any individual organisation
  - Reductions in conflicts of interest
    - To openly declare conflicts of interest/direction whether from:
      - Other commercial arrangements
      - Directions from professional/representative bodies
      - Directions from regulators (e.g. SHA, Monitor, etc.)
      - Directions from other networks (e.g. Clinical/professional networks, networks to support particular parts of the care systems, etc.)
      - Political direction whether personal, or organisational e.g. local councillor/MP/appropriate minister
  - Greater cost effectiveness

- Put the cost effectiveness of the whole service ahead of the cost effectiveness of one part of the pathway (but to openly seek the understanding and help of others where individual interests are adversely affected) by redistribution resources to where they are most effective
- To seek to understand, share and mitigate any risks of negative effects on other individual parts of the integrated network
- To promote technical efficiency of all individual parts of a pathway, as well as the allocative efficiency of the optimum investment at different stages of the pathway and between different agencies
- To fairly share the rewards for success such that they offset risks and all are incentivised for the benefit to the whole system
- Develop transparent financial arrangements:
  - To use “open book accounting” and to enter into risk, gain and loss sharing arrangements
  - To seek to understand and suggest ways to achieve savings to the whole system and to share in the benefits of the same
- Improve Information Sharing:
  - To share information that has already been produced internally
  - Provide additional information as requested (where the cost of its provision is covered by the requestor).
  - To hold information shared for this integrated project as confidential to the project and its members
  - To help to produce a shared document showing performance of the constituent parts of the health economy fairly against local, regional, national and (programme budget/like cluster) similar areas.
- Optimisation use of estates/infrastructure:
  - To share accurate and up to date information on estates
  - To allow access to estates to member of the project with reasonable notice.
  - To share details of data systems, definitions and protocols to promote integration.
  - Services to be provided wherever possible in colocated shared environments
  - The integrated system will work towards the Commissioner management of the health and social care estate.
- Effective use of workforce:
  - To share information on competencies and skills required or various jobs
  - To support staff in improving their skills, flexibility and sharing existing knowledge.
- Organisation development, design and structure:
  - To encourage staff (with due notice) to engage in collaborative meetings and to share concerns with ones that are not seen to be adding value (rather than unilaterally withdraw)
  - To support staff in their change management
- Users/Carer Patient Involvement:
  - To ensure user/carers/patient involvement in all decision making, such that we should seek to delight, empower, protect and improve the well being of them.
  - To agree any lines or statements to the press outside/agencies in advance.



- Holistic Care
  - Mental health will be considered as part of all physical health
  - Physical health of mental health service users will be considered at the same time as their presenting condition.
- Choice and Competition
  - Patient/service users will be encouraged to choose between different models of care
  - In the provision of additional health services, or new specification the option of the use of existing NHS providers will be considered first but the use non-NHS Providers will not be ruled out.
- Robust contracts such that
  - Providers will not receive guaranteed open-ended contracts but will be offered contracts of sufficient duration that they can make a reasonable return. Regular reviews of contracts will be made to ensure due benchmarking of quality, value for money and user responsiveness are ensured.
  - Prime contractors will be the preferred model of contracting
  - Contracts will normally be signed between the commissioner and a joint venture (prior to the formation of any new organisations)
  - Prime contractors will be expected to regularly review subcontracting arrangements and choose those services that offer best value and quality.

Organisation	Signed	Date
Cheshire & Wirral Partnership NHS Foundation Trust	.....	.....
Central & Eastern Cheshire PCT	.....	.....
Cheshire East Council	.....	.....
East Cheshire Hospitals Trust	.....	.....
Cheshire East Community Healthcare	.....	.....
Mid Cheshire Hospital NHS Foundation Trust	.....	.....

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## CHESHIRE EAST COUNCIL

### REPORT TO: CABINET

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**Date of the meeting: 22 December 2009**

**Report of: Places**

**Title: Review of the Housing Options and Homelessness Service**

**Portfolio Holder: Councillor Jamie Macrae**

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#### **1.0 Report Summary**

- 1.1 A comprehensive review has been carried out of the way in which services are delivered to those in need of housing, in order to ensure that a high quality and consistent service is available to residents throughout Cheshire East.
- 1.2 This report provides a summary of the review, outlining the opinions and recommendations put forward by Andy Gale Housing Consultancy, who carried out an independent assessment on behalf of the three former District Borough Councils.

#### **2.0 Decision Requested**

- 2.1 To consider the service review options outlined within the report.
- 2.2 To give approval for the contracted Homelessness and Housing Options Service to be delivered in house.

#### **3.0 Reasons for Recommendations**

- 3.1 The Homelessness and Housing Options Service is currently administered by three organisations across Cheshire East. These are: Wulvern Housing (former Crewe and Nantwich district); Cheshire Peaks and Plains Housing Trust (former Macclesfield district) and Cheshire East Authority (former Congleton district).
- 3.2 The contracts with both Wulvern and Cheshire Peaks and Plains Housing Trust are due to end March 2010 and to ensure that the residents of Cheshire East receive a consistent standard of service

in the most cost effective way an independent review of the service was carried out to determine options available to the authority.

- 3.3 Andy Gale Housing Consultancy recommended that the best option for Cheshire East is to provide the Homelessness and Housing Options functions in house from 1 April 2010. An alternative option made by the consultant was to extend current contracts and include the former district of Congleton within these arrangements. This option cannot be pursued due to procurement regulations.

#### **4.0 Wards Affected**

- 4.1 All Wards

#### **5.0 Local Ward Members**

- 5.1 All Ward Members

#### **6.0 Policy Implications including - Climate change - Health**

#### **7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)**

- 7.1 None

#### **8.0 Financial Implications 2010/11 and beyond (Authorised by the Borough Treasurer)**

- 8.1 The financial implications of each of the options being considered for delivering the Homelessness and Housing Options service are presented in the table below.
- 8.2 The three options which were considered are as follows:
- i. Option One – To provide a Homelessness Policy, Housing Register and Central Housing Options Team within the Cheshire East Authority;
  - ii. Option Two – To provide a Homelessness Policy, Housing Register, North and South Housing Options Team within the Cheshire East Authority or

Cheshire East Homelessness and Housing Options						
	Option One		Option Two		Option Three	
	£	FTE	£	FTE	£	FTE
Employee	691,470	24.6	701,477	24.6	338,009	12.6
Premises	50,000		50,000		25,200	
Transport	38,208		37,930		15,394	
Supplies & Services	236,260		236,260		174,810	
Third Party Payments	25,680		25,680		702,297	
<b>Total Expenditure</b>	<b>1,041,618</b>		<b>1,051,347</b>		<b>1,255,710</b>	
Income	171,573		171,573		162,500	
<b>Total Net Expend</b>	<b>870,045</b>	<b>24.6</b>	<b>879,774</b>	<b>24.6</b>	<b>1,093,210</b>	<b>12.6</b>
2009-10 Forecast	904,341		904,341		904,341	
<b>Potential (Savings)/costs</b>	<b>(34,296)</b>		<b>(24,567)</b>		<b>188,869</b>	
<b>Start Up Costs</b>	<b>15,000</b>		<b>15,000</b>		nil	

- iii. Option Three – To provide a Homelessness Policy and Housing Register Team within the Cheshire East Authority and contract out the Housing Options and Advice Service to an external service provider.

- 8.2 From the table above Options One and Two in purely financial terms demonstrate the best value for money in comparison to option three in contracting out the Housing Options element of the Homelessness and Housing function, based on an estimate of a contract value for the Cheshire East Authority. There will however be start up costs in 2010-11 estimated to be approximately £15,000 for the additional twelve staff involved with either options one or two in relation to ICT and office equipment.
- 8.3 Whichever option is preferred there are operational possible operational costs relating to the Transfer of Undertakings Protection of Employment Regulations 2006 (TUPE) as staff currently working for the external organisations delivering the Homelessness and Housing functions in the East may have right to transfer their employment to the Authority on their existing terms and conditions. In addition if as a result of the transfer the Council has an excess for staff for the proposed structure there are likely to be severance costs, which will need to be funded by Cheshire East in 2010-11.

With options one and two, the remaining 12 FTE's will be responsible for the delivering the Housing Options service. The current staffing numbers from all three organisations involved with delivering the Housing Options service are estimated to be 21 FTE (Wulvern 8 FTE; CPP 6.5 FTE and CE 6.5 FTE). Therefore, with all three options there are likely to be severance costs for up to nine staff but at this stage it is only possible to estimate these costs until the exact numbers and terms and conditions of the staff involved are known. In addition

there may be costs in relation to the transferring out of the Housing option to an external provider in option 3 as the Council will have to ensure the pension provisions for any transferring staff is fully funded.

- 8.4 As shown on the table above, based on the current 2009-10 estimates of providing the service with a mix of in house and external contracts by financial appraisal of the three options being considered the Authority are likely to realise potential savings in the region of between £34,000 to £25,000 to the Authority under options one and two, whereas under option three there will be additional costs of approximately £189,000.
- 8.5 In addition, under option 3 to procure a contract with an external service provider under option three it is likely to take in the region of nine months to complete the procurement process. This will take the authority past the contract expiry date (31<sup>st</sup> March 2010), which would involve renegotiating contract extensions for up to a further six months with the two existing Housing Associations.
- 8.6 Wulvern has expressed a desire to extend the contract for a further 12 months until 31<sup>st</sup> March 2011, which they would be prepared to do at the same level of funding. However, if the authority are only willing to offer a further six months (to 30 September 2010), then they have advised that an additional cost for this period would be incurred. With regards to Cheshire Peaks and Plains Housing Trust within the terms and conditions of the contract we have to increase the level of funding by RPI plus 0.5 percent.

## **9.0 Legal Implications (Authorised by the Borough Solicitor)**

- 9.1 Under Part VI and Part VII of the Housing Act 1996 (as amended by the Homelessness Act 2002) the authority has a statutory duty to deal with homelessness and allocations as outlined further within the report.

## **10.0 Risk Management**

- 10.1 The contracts, which are currently in place with Cheshire Peaks and Plains Housing Trust and Wulvern, will have to be renegotiated if a decision is taken to tender the service out, as the procurement process will take in the region of nine months and contracts expire on 31 March 2010.
- 10.2 If Members take the decision to tender the service this could result in the contract being awarded to an organisation that has no local presence and could potentially damage the relationship with existing partners.
- 10.3 Choice Based Letting is due to be implemented early in the New Year. This has been a partnership approach between Cheshire East and the three local RSL's (Wulvern, Cheshire Peaks and Plains and Plus Dane Group) The administration of

the waiting list forms part of the contracts with Wulvern and Cheshire Peaks and Plains and if this element of the service was included within the tender process there is a risk that this could jeopardise the existing partnership, as a third party outside of the partnership could potentially administer the waiting list. Having discussed the potential risks with the partnership they have agreed that the waiting list should not be tendered out and should form part of a central CBL team, located within Cheshire East.

- 10.4 Whilst a Local Authority can contract out its functions in administering the homelessness process, it retains the statutory responsibility and accountability for the decisions made by the organisation to whom the contract has been awarded. To ensure compliance with the legislation the authority would have to monitor decisions made and take responsibility for the review of those decisions. In the case of a judicial review, it is the local authority who would be accountable.
- 10.5 If a decision is taken to bring the service in-house there are TUPE arrangements that have to be adhered to. This includes consultation and giving reasonable notice of our intention. The date of the decision will determine if there is sufficient time to bring the service back before 31 March 2010.

## **11.0 Background and Options**

- 11.1 The Housing Options and Homelessness Service is currently provided by three organisations across the authority. Wulvern and Cheshire Peaks and Plains Housing Trust are contracted to provide the service within the former districts of Crewe and Nantwich and Macclesfield. The former district of Congleton is covered by an in house service provided by Cheshire East.
- 11.2 The contracts that are currently in place with Wulvern and Cheshire Peaks and Plains Housing Trust are due to end in March 2010. Wulvern were issued with a twelve-month notice to terminate their contract in accordance with the transfer agreement and Cheshire Peaks and Plains contract has been extended to ensure that both contracts expire together. Legal advice is that it is feasible to extend both the notice period and contract for a further six months if required. However, to exceed this further could be challenged.
- 11.3 In September 2008, Andy Gale Housing Consultancy was commissioned to undertake a review of the Housing Options and Homelessness Service across Cheshire East, in preparation for 'Vesting Day'. The project was undertaken in two stages, the first stage was to produce an action plan which the three district authorities could use in preparation for 'Vesting Day' to ensure that the services provided were fully operational. This stage of the project has now been implemented.

- 11.4 The second stage of the project was to produce a report which gave clear recommendations in relation to the delivery of the service, the location of the service and who should provide the service.
- 11.5 Following the review process, which consisted of a combined desktop analysis of documents, performance data and on-site interviews with officers, the consultant has put forward his opinions and recommendations.

## **12.0 Statutory Obligations**

- 12.1 Part VII of the Housing Act 1996 (as amended by Homelessness Act 2002) places a general duty on Local Authorities to ensure that advice on homelessness and homeless prevention is provided free of charge to all residents and that the authority assists those that are homeless or threatened with homelessness, providing temporary and settled accommodation where appropriate. The Homelessness Act 2002 placed additional duties on local authorities, which also included the production of a homelessness strategy, which has to be reviewed at least every 5 years and the requirement to assist 16 to 17 year olds and other vulnerable groups.
- 12.2 Part VI of the Housing Act 1996 relates to allocations and lettings Legislative requirements. Cheshire East Council is required to:
- Maintain a scheme for the letting of social housing to those in housing need (the housing register)
  - Hold and operate a lettings policy that complies with the Housing Act 1996 Part VI, including the assessment of those in housing need
  - Fulfil its duties to the homeless under the Housing Act 1996 Part VII (as amended by the Homelessness Act 2002)
  - Hold information about its lettings scheme at its offices
  - Provide housing advisory services

In carrying out these functions the Council must:

- Consider both the objectives of central Government and local priorities as determined by the housing strategy, corporate plan and other key documents.
- 12.3 Services should be delivered in a way that reflects identified need within the area in terms of access, service priorities and the priorities of the customers. To do this, the day to day operation of these services may be



carried out by third party contractors. However, the Local Authority must retain responsibility for:

- The formulation and amendment of lettings policies
- Monitoring of the discharge of statutory duties
- The Homeless review and the production of the Homelessness Strategy

12.4 In all cases, the Local Authority remains liable in law for the discharge of its housing functions irrespective of whether they have been contracted out or not. It must therefore ensure that these duties are discharged appropriately. This relates not just to the housing legislation directly but also:

- Equality and Diversity
- Human rights
- Data protection and freedom of Information

12.5 One of the most important elements is that if the authority contracted out the service they are judged by Communities and Local Government (CLG) on the performance of the contracted organisation.

13.0 **“Cheshire Homechoice” – The implications.** The introduction of a single housing register as part of the Cheshire Homechoice project will change the way that customers can access housing, putting them at the centre of the process and requiring them to be proactive in the selection of a new home. The new scheme and the technology that will be used to run it mean that there will be significant changes required to the way in which lettings and the housing register are administered.

13.1 The Cheshire Homechoice partnership consists of Cheshire East, Wulvern, Cheshire Peaks and Plains and Plus Dane Group. Each organisation has contributed to the procurement of a specialist ICT system to deliver the service and the employment of a Project Manager and Assistant. A Common Allocations Policy has been adopted by the all the partners.

13.2 The administration of the housing register forms part of the contracted out service and is carried out by Wulvern and Cheshire Peaks and Plains Housing Trust. However, if a decision was taken to contract out all operational homelessness and housing register functions (within the parameters set by legislation) there is a risk of a negative impact on the partnership.

13.3 In the event that a third party, from either the private or the Registered Social Landlord sector would be successful, this contractor would operate outside of the existing partnership agreement. This would remove much

of the inter-agency flexibility on co-operation currently built into the partnership agreement and restrict future development of the scheme.

- 13.4 It is considered that such a contractor would have a detrimental effect on customer understanding and experience of the service. Potential third party contractors have no current presence or infrastructure in the area and importantly, no local knowledge, relying heavily on information and services from the existing partners.
- 13.5 Partners of Cheshire Homechoice have therefore requested that the housing register function be excluded from any procurement exercise and that it forms part of choice based lettings central functions located with Cheshire East.
- 13.6 If this was to be agreed by Members then potentially the Homelessness function could be carried out by a third party whilst the housing register would still be retained, causing confusion for customers.

#### **14.0 Temporary Accommodation**

- 14.1 Part of the review looked at the provision of temporary accommodation which it was felt is currently provided on an ad hoc basis, at varying costs. Whilst these arrangements may have worked in the previous district authorities, it is felt by the consultant that this would not work within a new unitary authority.
- 14.2 Cheshire East owns direct access temporary accommodation which is no longer fit for purpose and requires a considerable level of investment. Whilst this can be utilised in the short term, a full review of temporary accommodation is required.

#### **15.0 Performance**

- 15.1 Andy Gale Housing Consultancy highlighted problems with the existing service delivery

*The report states that "There is a strong performance on Homelessness and Housing Options from both Congleton Council and Macclesfield through Cheshire Peaks and Plains Housing Trust. The service provided by Wulvern has not been fully effective in terms of the administration of statutory Homelessness, Prevention and Housing Options. This is a long standing position though the appointment of an experienced Housing Options Manager is beginning to bring about improvements in administration of the service. There must however still be a question as to whether the service has the potential to improve and operate to the*

*highest standard set by the top 25% of Councils in the country and currently met by Macclesfield and Congleton”.*

Since the publication of Andy Gale’s report, there has been a marked improvement on performance from Wulvern.

- 15.2 Since LGR, the amalgamation of the three Councils has resulted in service delivery which is:

- Inconsistent across the area in terms of quality and access
- Confusing in terms of access for the customer
- Confusing for other stakeholders such as social services, probation etc
- Difficult to manage and monitor

## **16.0 Best Practice**

- 16.1 Highlighted within the independent review is the experience of other local authorities who have contracted out their services. Statistics provided within the report show that 50 Councils took the decision to contract out their homeless function, 25 of those (50%) are known by CLG to have taken them back in house and a number of others are considering their options. Of the 50 local authorities, 16 were from the North West and of those only 6 now provide their homelessness service through their Large Scale Voluntary Transfer organisation (LSVT) or Arms Length Management Organisation (ALMO). One of the 6 was Macclesfield who were satisfied with the performance of Cheshire Peaks and Plains.

## **17.0 Value for Money**

- 17.1 Cheshire East is currently contracted to pay £279,836 in 2009/10 (excluding V.A.T.) to Cheshire Peaks and Plains and £281,283 in 2009/10 (excluding V.A.T.) to Wulvern for both the homeless and housing options services. This also includes the administration of the housing register, both of which are subject to annual increases. For the provision of the in house service the costs equate to £290,435 which includes those staff dealing with the strategic homelessness and housing options functions.
- 17.2 The consultants report highlights the fact that this should not be a cost cutting exercise, as the number of staff undertaking the function at the moment would still be required under the proposed new structure. However the internal review has considered the current staffing structure and the ability to make savings by the rationalisation of the former district authority arrangements. Indicative structures have been produced and

these demonstrate that there is a potential for efficiency savings if the service was to be brought back in-house.

#### **18.0 Service Delivery Options**

- 18.1 As stated previously there are now two options available to the authority that being to either provide the functions in house or alternatively contract these services out to contractor.
- 18.2 A SWOT analysis has been undertaken and it is evident that the strongest case would be to provide functions through an in house service.

#### **19.0 Overview of Year One and Term One Issues**

- 19.1 In order to establish a consistent approach across Cheshire East a decision in relation to the service has to be reached.

#### **20.0 Access to Information**

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

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## CHESHIRE EAST COUNCIL

### REPORT TO: CABINET

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<b>Date of Meeting:</b>	<b>22 December 2010</b>
<b>Report of:</b>	<b>John Nicholson, Strategic Director, Places</b>
<b>Subject/Title:</b>	<b>Future Development of Macclesfield</b>
<b>Portfolio Holder:</b>	<b>Cllr Jamie Macrae, Prosperity</b>

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#### 1.0 Report Summary

- 1.1 This report seeks approval to develop a coherent delivery plan for Macclesfield over to next 5-10 years, focusing specifically on the opportunities to:
- review the plans and agreements in place for the Town Centre
  - realise the potential of the South Macclesfield Development Area (SDMA)
  - improve and extend the town's facilities, particularly from a retail, leisure, cultural and heritage perspective.
- 1.2 It will provide a key foundation for the Local Development Framework process as it evolves over the next three years, through the development of a clear baseline and assimilation of evidence of need, demand, capacity and potential from a range of recent and planned studies.
- 1.3 This approach will require the commitment of the Council with financial and staffing resources to support the process.
- 1.4 This report also outlines how linkages between the redevelopment of the SMDA and the town centre will provide an overall delivery strategy for two major opportunities, which will contribute to the future potential of the town.

#### 2.0 Decision Requested

- 2.1 That the Council approves the development of a delivery plan for Macclesfield that provides a more robust, cohesive for the town over the next 5-10 years.
- 2.3 That the Council lead, in partnership with our development partner Wilson Bowden Developments, in reviewing the options for delivery of a mixed use town centre development scheme in Macclesfield within the parameters of our existing Development Agreement, which includes stakeholder engagement and public consultation.
- 2.4 That the Council agrees to approve £150k from the Places earmarked reserve for economic development over the period 2009/11, in order to procure:
- external consultancy capacity and expertise to support the development of this delivery plan.

- commercial development advice for the South Macclesfield Development Area (SMDA)

### **3.0 Reasons for Recommendations**

- 3.1 Macclesfield is identified as a growth area under the current Regional Spatial Strategy and, as such, provides opportunities for sustainable growth.
- 3.2 The development of our Core Strategy will review current development opportunities for the area. However this process may not produce updated development plans for key sites for 2-3 years, missing the potential to position Macclesfield to achieve its potential as the commercial market picks up over the next few years.
- 3.3 The Council has an existing Development Agreement with a private sector partner for a redevelopment scheme in the town centre and it is imperative that a scheme is delivered in the shortest possible timescale and fulfils the ambition that the Council has for the town.
- 3.4 The town centre in Macclesfield is an important location for current Council activity. The approach outlined in this report will ensure that our key civic assets, such as the town hall, can be utilised effectively and integrated with the rest of the town.
- 3.5 Commercial developers and investors are not investing in many new development and regeneration schemes at this stage. However, they are actively analysing future opportunities for when the market picks up, placing greater emphasis on schemes where local authorities are actively engaged in terms of both planning schemes and considering joint ventures, to minimise risk in terms of deliverability.
- 3.6 The current economic conditions, and previous experiences with the South Macclesfield Development Area (SMDA), indicate that no commercial-led development proposals will emerge in the short term, unless the Council takes a lead in reviewing future uses. The future uses of the site should be considered within the context of our plans for the town centre and the advantages of developing the two proposals in parallel are detailed in the report.
- 3.7 In order to ensure that the needs and ambitions of communities in Macclesfield, and of the Council itself, are addressed as holistically, effectively and promptly as possible, the Council needs to take a pro-active approach with commercial development partners to the planning of new schemes. Whilst this does not presuppose that implementation will commence immediately, it will position the town and Council much more strongly in this respect, both in relation to its current position and the position of other towns.

#### **4.0 Wards Affected**

- 4.1 Macclesfield Town, Broken Cross, Macclesfield West, Macclesfield Forest, Prestbury & Tythnington.

#### **5.0 Local Ward Members**

- 5.1 Cllr Arnold, Cllr Asquith, Cllr Beckford, Cllr Bentley, Cllr Broadhurst, Cllr Findlow, Cllr Gaddum, Cllr Goddard, Cllr Hardy, Cllr Jackson, Cllr Knowles, Cllr Narraway, Cllr Neilson, Cllr Smetham, Cllr Tomlinson

#### **6.0 Policy Implications**

- 6.1 Development proposals emerging from the town centre and South Macclesfield Development Area work will be required to demonstrate appropriate analysis of implications for wider public policy issues including sustainability, environmental impact, health, culture, transport, learning, etc. All key stakeholders will be engaged in the process both to identify issues, but also opportunities to maximise both the community and commercial benefit and deliverability of proposed schemes.
- 6.2 The issue of climate change and sustainability will be a key feature of new development proposals. There is the potential for this Council to take a lead in developing sustainable solutions to major development and make use of new technologies and design solutions.
- 6.3 This work will provide the opportunity to join up policy across Cheshire East for the benefit of Macclesfield and the rest of the Borough including our review of leisure and cultural amenities, waste facilities and our overall approach to supporting town centres.

#### **7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)**

- 7.1 None

#### **8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)**

- 8.1 The costs associated with this approach are approximately £150k to cover the professional fees in developing and testing the concept and proposals.
- 8.2 Given, that the Council holds a freehold interest in part of the South Macclesfield Development Area and the adjoining retail planning allocation, totalling 26.5 hectares, there are likely to be implications for the Council in terms of potential income resulting from possible sale or lease of this land. Part of the purpose of the proposal will be to determine the potential value of the site to the Council, and also how it could be used to deliver community benefit.

## **9.0 Legal Implications (Authorised by the Borough Solicitor)**

- 9.1 The Council has a statutory obligation to comply with procurement law, a breach of which may give rise to liabilities. Should it be agreed that the current Development Agreement with Wilson Bowden Developments be varied, this could constitute a new agreement for the purposes of the EU Procurement Regulations. However, provided the changes to the agreement address the overall economic viability of the scheme, and are not unnecessarily in favour of the developer, Nabarro solicitors have advised that there is, in general, a relatively low risk of the revised agreement being construed as a new agreement, and therefore subject to the requirement to advertise under EU Regulations.
- 9.2 Further specialist legal advice will be required from Nabarro on any variations eventually agreed to the original Development Agreement, to ensure compliance with EU Procurement Regulations, and to highlight any areas where the Council may be at risk.
- 9.3 As indicated at 11.33, any procurement of a development partner for the Council's land and assets in the SHDA (and the engagement of professional advisers) would need to comply with the Councils own contract standing orders and EU procurement rules.
- 9.4 A full title report on the Council's relevant landholdings should be undertaken to assess their suitability for inclusion in any development proposals.

## **10.0 Risk Management**

- 10.1 A full and ongoing risk assessment will be undertaken as a part of the project management process but, at this stage, the key risk to the council and its communities is 'doing nothing'. The key risks associated with the actions identified in this report are:

<b>Key Risk</b>	<b>Mitigation/Contingency</b>
Failure to secure appropriate external advice, resulting in insufficient capacity/expertise to deliver the project.	The project will be supported by an experienced professional team procured appropriately
The integrated approach causes uncertainty and delay in progressing one/both of the two major schemes.	This is a low risk in the current economic climate, but early dialogue with key stakeholders and development of a refined project plan will minimise this risk further

## **11.0 Background**

- 11.1 The new Council has inherited two major existing spatial priorities for the Macclesfield area which are:



- Regeneration of Macclesfield Town Centre.
  - Development of the South Macclesfield Development Area (SMDA)
- 11.2 It also recognises the need to establish a clearer baseline in terms of need, demand, capacity and potential for a range of uses including retail, leisure, cultural and heritage.
- 11.3 Macclesfield is identified as a growth area under the current Regional Spatial Strategy and as such provides opportunities for sustainable growth.
- 11.4 The creation of the new Council and the development of the new Regional Strategy 2010 provides an opportunity to understand more fully the role and function of Macclesfield, particularly its role in the Manchester City Region and its wider influence across the Cheshire and Warrington Sub-region.
- 11.5 The two major investment opportunities outlined above are at different stages of development, but a clear understanding of the linkages and synergies between them, and the wider influences within Cheshire East is required to maximise the potential of both sites. For example, the presence of a significant (10ha) retail allocation on the SMDA at a time when proposals for major retail investment in Macclesfield Town Centre are emerging, means it is essential that a complementary approach is taken in pursuing development. There is major food retailer interest in the Macclesfield area and priority locations and capacity issues need to be resolved.
- 11.6 The current recession and uncertain economic outlook also have implications for the progression of the investment plans and the Council requires a realistic view of what can be achieved in the short and long term for both sites.

### ***Macclesfield Town Centre***

- 11.7 Macclesfield is the principal town in North East Cheshire with a population, including surrounding settlements, of approximately 70,000. The primary catchment area for the town is about 113,000 from which around 75% of the town centre shopping visits are derived.
- 11.8 The town is readily accessible by car and over 2,200 public parking spaces are available in the town centre. The bus station, which was rebuilt in 2005, provides regular services to the town's residential areas and a number of outlying villages and neighbouring towns. Macclesfield train station, which is on the West Coast main line and also provides local services, is located adjacent to the town centre.
- 11.9 Despite the level of affluence in the area, the town centre is poorly represented by national multiple retailers. Many of the traditional shopping streets contain smaller units which are unsuitable for national multiples and a number of existing national multiple retailers are currently trading from undersized units or poorly configured stores. Neither is there a department store or cinema provision. Food shopping provision is restricted to two supermarkets plus an

M&S food hall and small convenience outlets, although there are two superstores relatively close to the town centre.

- 11.10 As a result, a significant amount of spending on comparison goods and leisure activity takes place in Manchester City Centre, Stockport Town Centre, Handforth Dean, Cheadle, the Trafford Centre and other large centres.
- 11.11 Key strengths of Macclesfield town centre are the attractive public realm and shopping environment which has retained much of its historic street pattern and scale, and the significant number of independent retailers, which help to distinguish Macclesfield's offer from other centres.
- 11.12 There has been limited development activity in the town centre over the last ten years and no significant increase in retail floorspace. Various studies have identified a need for additional floorspace in the town centre to maintain a competitive position and the planning framework dating back to the Macclesfield Borough Local Plan 1997 and carried over to the existing 2004 Local Plan, has been supportive of redevelopment. A view was taken that, by attracting more multiple retailers to the town centre, some of the expenditure lost to competing centres could be clawed back to Macclesfield.
- 11.13 A Development Brief was prepared for the redevelopment of the town centre in 2004 and, in November 2005, following a tendering process, the Borough Council selected Wilson Bowden as their "preferred development partner". The Brief outlined the Borough Council's vision to enhance the centre through a retail led mixed-use development to include comparison and convenience shopping offering a range of shop sizes to cater primarily for non-represented multiple retailers, a department store, a cinema, a hotel, offices, residential accommodation including affordable housing, car parking (including short stay), transport improvements, a new town square, improvements to the public realm and a new Community Hall.
- 11.14 The outline planning application for the £200 million redevelopment of Macclesfield Town Centre was submitted in November 2008. The key features of the Scheme were:
- Debenhams department store – 80,000 square feet at Park Green
  - 50 additional retail units of various sizes complementing the existing town centre
  - A new community hall with adjacent parking
  - Eight-screen cinema on Churchill Way with restaurants and cafes around a major new public square as a focal point for meeting and eating
  - A replacement of the existing car parks providing over 1,200 parking spaces in a multi-storey car park at the Park Green end of the site
  - 55 residential properties – town houses and flats, including affordable housing
  - New foodstore at the Park Green end of the site
- 11.15 As a result of representations made on the outline planning application by both statutory and non statutory parties, together with the impact of the economic

climate, Wilson Bowden formally asked the Council for an extension of time before the planning application is determined so that they can revise the Masterplan.

- 11.16 Since 1<sup>st</sup> April 2009, the Council has reviewed the legal position of the current Development Agreement and has agreed to progress discussions with Wilson Bowden to develop a new scheme which will be subject to a further legal review prior to implementation to ensure the Council is adhering to procurement legislation.
- 11.17 The impact of the recession has had a major impact on the type of scheme that Wilson Bowden are now proposing to bring forward and the potential timescales for development.
- 11.18 Whilst this is disappointing in many ways, the delays, due to a depressed market, can prove to be of advantage to Cheshire East as we have the ability to plan a scheme for the town which meets our priorities as a new authority.
- 11.19 We now have the opportunity to fully integrate the following challenges and opportunities facing the new Council into a coherent delivery plan for the town.
- the ambitious plans for the Silk Museum and how they can be integrated into an overall delivery plan
  - how to build upon the town's heritage and cultural offer and branding of Macclesfield as the 'Silk Town'
  - how the town's leisure requirements can be addressed in light of the Council's leisure review.
  - how the Town Hall and civic facilities, including the library can be best utilised for the benefit of local residents.
- 11.20 There is now also scope to more fully consider how a future development scheme can complement and link to the rest of the town via the development of the Macclesfield Delivery Plan. One of the major criticisms through the public consultation process on the original scheme was that there was a lack of connection and permeability to the current town centre.

### ***South Macclesfield Development Area (SMDA)***

- 11.21 Macclesfield is the major employment centre in the north east of Cheshire. It forms a key part of the North East Cheshire Growth Engine identified in the Cheshire & Warrington Sub Regional Economic Strategy and as such plays a major role in generating business start ups and knowledge based firms. The strongest sector specialism is Biotechnology and Pharmaceuticals which employ 10% of the workforce.
- 11.22 Whilst the economy is buoyant by regional/national standards, over the last five years there has been a slow down in new business formation, growth in employment has been weak by national standards, and the area has an ageing workforce. Nevertheless future GVA growth could still outstrip other parts of the sub-region. To maintain the area's economic pre-eminence requires, amongst

other things, investment in land and premises infrastructure. The SMDA could play a key part in accommodating the future economic development needs of the Macclesfield area.

- 11.23 The 60 hectare South Macclesfield Development Area is a mixed use Local Plan allocation on the southern edge of Macclesfield. The area lies between Congleton Road (A536) to the west and the mainline railway on its eastern boundary. East of the railway, lies Lyme Green Business Park and London Road (A523). Immediately to the south of the site is the active Danes Moss Landfill site and, beyond that, the Danes Moss Site of Special Scientific Interest.
- 11.24 The site is characterised by open areas of rough pasture and grassland, and a number of hedgerows and ditches cross the site. In the south west corner lie Cheshire East football pitches, and a number of 'bad neighbour' uses lie along the boundary to Moss Lane.
- 11.25 Part of this site (22 hectares) is allocated for B1, B2 and B8 employment uses and there is a 10 ha retail allocation and a 6ha housing allocation (now developed). The remainder of the site comprises walkways and open space provision. A Brief was also prepared for the Development Area in 1998 to guide prospective developers.
- 11.26 In 2002, planning applications by Shepherd Developments for the whole of the Development Area (termed 'Danegate') were refused by the former Macclesfield Borough Council, primarily because of conflict with the Local Plan. In particular, the Planning Committee considered that the retail provision would adversely affect the town centre, and the traffic problems posed by the development would not be adequately resolved. There have been no further applications to develop the site, although the site was also investigated (and rejected) as a possible location for the 'Macclesfield Learning Zone', (replacement Macclesfield College/Henbury High School). This has now been built on the College's existing site off Park Lane.
- 11.27 Following on from the findings of the Macclesfield Property Study 2005, which looked at the supply and demand for employment land in the former Borough, a feasibility study was commissioned by Macclesfield Borough Council in 2007 to make recommendations on preferred development options for the SMDA. The study was also informed by restricted consultations with key stakeholder organisations and local community representatives. These largely endorsed the issues and ideas identified by the consultants.
- 11.28 The study recommended a number of 'next step' actions and, in tandem with this, efforts were made to secure funding from the NWDA to progress a Masterplan for the site but this was unsuccessful. Subsequent efforts to bring the site forward were not fully progressed, due to local government reorganisation in Cheshire and the onset of the economic downturn.
- 11.29 The site is in multiple ownerships. Cheshire East Council holds a freehold interest in part of this land and the adjoining retail allocation, totalling 26.5

hectares. The owner of the Lyme Green Business Park controls the access into the site from the south.

- 11.30 Macclesfield Town Football Club have recently indicated a desire to move to a larger purpose-built stadium complex, with associated community and commercial facilities, within the SMDA. The club's timescales are very ambitious, linked both to their enhanced viability and other emerging opportunities.
- 11.31 There is also potential to consolidate depot/waste facilities in this area, which could have the benefit of releasing key sites elsewhere across the town. This could be tied into a strategic approach of developing a sustainability theme to the future of the site.
- 11.32 There would also be an opportunity to consider highways arrangements in the town, within the context of the Local Transport Plan, in terms of a potential link road which could simultaneously relieve transport congestion in the town centre, whilst serving new development sites.
- 11.33 With landownership interests held by Cheshire East Council, any development strategy, whether for the wider SMDA or just the Council-owned land, will require an open market process involving OJEU, and this has been made clear to MTFC.
- 11.34 This approach may result in a change to the planning context, e.g. through Supplementary Planning Guidance, but only following engagement with other landowner interests and community consultation.

### ***The Way Forward***

- 11.35 Macclesfield will continue to have an important role to play in the economic growth of Cheshire East and the North West as a whole. The economic relationship with South Manchester over the next 20 years is likely to increase due to agglomeration and to the implementation of regeneration projects and additional public and private sector investment.
- 11.36 The regeneration of Macclesfield town centre for mixed use, and the provision of good quality office space to stimulate the high value economy will be essential elements of our overall strategy. Key to this will be the realisation of the potential of the South Macclesfield Development Area.
- 11.37 A delivery strategy is now required to take forward the redevelopment of these two key areas/sites within the context of an overall vision for the town. Whilst the Local Development Framework provides the overarching mechanism to achieve this, the Council need not be constrained by this process when so much progress has been made, particularly in terms of the Town Centre, but also in amassing other evidence. The actions proposed in this report are compatible with the prevailing planning policies and proposals as set out in the North West of England Plan and saved policies of the Macclesfield Local Plan 2004.

- 11.38 In particular, there is now a clear opportunity to move forward in developing plans for both the Town Centre and South Macclesfield Development Areas in tandem, which would provide the opportunity to explore and evidence both the potential conflicts and complementarities between the two schemes.

## **12.0 Overview of Year One and Term One Issues**

- 12.1 A detailed timetable will be drawn up following appointment of a specialist advisory team.
- 12.2 The team will explore in detail the potential for linking the two development sites whilst not compromising on the overall timetable for delivery within the town centre. The overall Delivery Plan will result from these two approaches, alongside the additional research and analysis required to establish the requirements and opportunities for the town.
- 12.3 In light of the economic downturn it is difficult to predict when the redevelopment of the town centre will take place. However, it is expected that work will not commence prior to 2013. The work outlined in this report will ensure that the next few months are utilised effectively and Macclesfield is ready to deliver a high quality scheme which fits the needs of the town.

## **13.0 Access to Information**

### **13.1 Background papers**

Additional background information can be drawn from:

- Macclesfield Borough Local Plan, 2004
- South Macclesfield Development Area Brief ,1998
- Core Strategy : Consultation on Preferred Options, 2006
- Danegate Planning Applications, supporting information, and Planning Committee report
- 2008 North West of England Plan
- Cheshire 2016 Structure Plan Alteration
- Cheshire Town Centre Study (White Young Green) 2007
- Macclesfield Property Study, 2005
- South Macclesfield Employment Area Report (BE Group) 2007
- North West Regional Economic Strategy, 2006
- Cheshire & Warrington Sub Regional Economic Strategy,2005
- Macclesfield Borough Economic Development Strategy, 2006
- Macclesfield Place Profile, (NWRIU) 2009

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

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## CHESHIRE EAST COUNCIL

### REPORT TO: CABINET

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**Date of Meeting:** 22 December 2009  
**Report of:** Head of Policy and Performance  
**Subject/Title:** Mid Year Performance  
**Portfolio Holder:** Councillor David Brown

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#### 1.0 Report Summary

- 1.1 The purpose of this report is to provide Cabinet Members with an overview of 2009 – 2010 mid year performance for Cheshire East Council.

The report highlights areas of good performance whilst also indicating areas where performance is currently below targeted levels. In the areas where performance improvement is required, the report also illustrates the nature of the remedial action that is being taken.

#### 2.0 Decision Requested

Cabinet are requested to;

- 2.1 Note the overview of performance detailed and consider issues raised in the report in relation to potential underperformance against targets and how these will be addressed.
- 2.2 Note the need to further develop local performance targets identified by the Audit Commission in the Council's provisional Organisational Assessment.

#### 3.0 Reasons for Recommendations

- 3.1 To ensure that the Cabinet has a clear view of performance across the Council and the local area and that issues of underperformance are addressed, particularly in respect of targets included in the Local Area Agreement. Cabinet also needs to make sure that the National Indicator Set is appropriately performance managed through the setting of local targets against which performance can be developed and assessed.

#### 4.0 Wards Affected

- 4.1 All

**5.0 Local Ward Members**

5.1 All

**6.0 Policy Implications including - Climate change  
- Health**

6.1 Performance management supports delivery of all key Council policies including climate change and health.

**7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)**

7.1 None

**8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)**

8.1 There are no direct financial implications from this report.

**9.0 Legal Implications (Authorised by the Borough Solicitor)**

9.1 The Council is required to report to Government on its performance against measures in the National indicator Set.

**10.0 Risk Management**

10.1 Services are required to carry out risk assessments as part of their performance planning.

**11.0 Background and Options**

The local government performance framework

11.1 A new performance framework for Local Government was introduced in April 2008. It comprises some 190 indicators, including ten statutory education indicators. New statutory arrangements for Local Area Agreements (LAAS) were introduced at the same time and LAAs were agreed for the County Council and each District. These were modified in April 2009 to reflect the new unitary structures.

11.2 The performance framework for Local Authorities and Local Authority partnerships focuses on outcomes delivered through partnership working. The full set of national indicators is reported for every Local Strategic Partnership. Through the LAA, each Local Strategic Partnership sets up to



thirty-five targets against indicators from the national set, plus statutory education targets which are negotiated with Government and which form the basis of a performance agreement. Targets are set to deliver locally identified and agreed priorities. Cheshire East LSP has agreed thirty-four targets. These are three-year outcome targets with annual progress measures. Partnerships are also able to agree national indicator set local targets to complement agreed targets to deliver priorities. These do not form part of the LAA negotiation and monitoring but equally commit partners to deliver. Cheshire East has set 11 local targets.

#### National indicators – measuring and monitoring performance

- 11.3 The new national indicator set takes forward some measures that had previously been developed as Best Value Indicators or as part of other performance management frameworks. For these measures, baseline data against which to set performance has been available. Some measures are new and setting baselines has involved more complicated calculation. Establishment of the new Unitary Council's has required re-compilation of a full dataset: bringing together performance data from the three predecessor districts and weighting this to reflect different levels of activity, and re-calculating Cheshire County Council data for Cheshire East and West. In this way, baseline performance for 2008-09 has been established for a large proportion of indicators.

Sound performance management has three components:

- Understanding each performance issue and its drivers in order to analyse the basis of performance
- Tracking and comparing performance over time to complement this detailed understanding of performance drivers and set targets
- Benchmarking performance with others in order to challenge and compare performance.

- 11.4 The new national data set followed by LGR in 2009 has created some discontinuities for performance monitoring. In particular, trends over time and benchmarking comparisons have been disrupted. In respect of benchmarking, many external comparison arrangements have not yet been updated to include the new unitary organisations. The Council has subscribed to a benchmarking 'club' managed on behalf of almost 100 Councils by Price Waterhouse Coopers (PWC). Quarterly performance data are entered into a data collection system and quality assured and checked by PWC who then compile ranked performance analyses and statistical comparisons. These are available during the quarter following submission. This provides a quick and on-going source of comparison, controlled by the Councils that own the data. Relative quartile performance derived from this PWC benchmarking for 2008-09 out-turn has been used to support this mid year performance review. It has not been possible to use first quarter comparison data since the Council did not submit sufficient data for comparison. Full data will be submitted in future for all quarters.

- 11.5 A number of different benchmarking frameworks are available for different services. These offer more refined benchmarks based on specific characteristics of Councils. In order to create our own benchmarking sub-set within the PWC system, the Performance Team will be reviewing benchmarking comparisons over the coming period.
- 11.6 Some further issues in relation to the new national indicator set that impact performance monitoring include:
- The NI set collects outcomes for the whole local area across all public services. This includes collection of data from a number of partner organisations. The Council is the lead authority, and is responsible for ensuring that information is collected and compiled. There are some gaps in the data collected at mid-year where data come from partner organisations. Partner performance management arrangements are being strengthened to ensure that local performance management is effective and that information is gathered, analysed and used in a timely way.
  - Some indicators are based on information supplied by Government departments. Much of this data is slow in arriving. In particular, a number of measures are to be based on the outcomes of national surveys (e.g Tell Us survey of young people). This data is not yet available and in some cases, there is no information about when surveys will be undertaken.
  - The calculation of some measures has yet to be agreed by the relevant Government departments.
  - There are different reporting and collection arrangements for some measures, including quarterly and annual reporting. Measures need to be reviewed to determine the appropriate timeframe for reporting for Cheshire East and data availability for those indicators where government requires only an annual return. Similarly, we need to decide where monthly reporting is needed for our own management purposes and put those arrangements in place.

#### Local indicators

- 11.7 National indicators are not the only, nor always the best means of monitoring our own performance. Performance indicators need to be established by services to match their own delivery priorities and effectively monitor them. Across the Council, services have begun to develop their own measures, but more needs to be done. A number of former Best Value Indicators that have been well designed and are well understood have been retained as local indicators to support performance management, particularly around corporate functions. Outcomes on some of these measures are included in this report. There will be more work in the coming period to develop relevant local indicators and it is intended that business plans for 2010-2011 will be fully supported by local performance management arrangements.

### 2009-2010 Mid year performance

- 11.8 Mid year performance data has been received for 78 indicators. This includes 21 out of 34 designated LAA targets. Many measures are not available at mid-year because they are collected on an annual basis. There remains a strong focus on collecting all available information.
- 11.9 Overall performance for the 78 returns is reasonably good with 60% of indicators (47 number) having reached or exceeded their target. Some areas of particularly good achievement include:
- ✓ Achievement of 5 or more A\* - C grades at GCSE or equivalent, including maths and English – 58% (national average 2008 = 48%)
  - ✓ Percentage of vulnerable adults achieving independent living (Supporting People) – 83.5 % increased from 55%
  - ✓ Percentage of household waste sent for re-use, recycling and composting – 52% increased from 42.6%
  - ✓ Number of households living in temporary accommodation – reduced from 18 to 11
  - ✓ Satisfaction of business with local authority regulatory services – increased from 76% to 89%
  - ✓ Deliberate primary fires – 202 in 2008-09; 79 2009-10 mid year.
  - ✓ First time entrants to Youth Justice System – 518 in 2008-09; 72 in first quarter 2009-10.
- 11.10 The 40% of indicators that are currently underperforming have been analysed and Corporate Management Team supported by service management teams have considered the underlying issues and the best means of addressing them. Some identified areas for improvement include:
- Residual household waste per household. The total KG was slightly higher than the target set for quarter 1 (annual target = 594 kg, quarter 1 target = 142kg; Q1 = 155Kg). The measure was in the top quartile PWC benchmarked performance in 2008-09.
    - *Seasonal adjustments now indicate that this is now back on target. Alternate weekly collections and free garden waste collection have reduced the residual waste figure. Quarter-on-quarter reductions are now anticipated for the remainder of this year.*
  - Processing of major planning applications. Performance is 48.39% against a target of 60%. Aspects of Planning performance had been flagged as needing improvement in predecessor councils.
    - *Some backlog of major applications have been brought forward from predecessor councils and there have been delays in completing these applications and their associated legal agreements. The Borough Solicitor and the Strategic Director Places are currently reviewing the legal workload in this area. The Planning Service are implementing a new single system and tackling some inherited system problems. They are also implementing additional performance measures that will help track over-running applications.*

- People killed or seriously injured in road traffic accidents – 2008-09 number was 311; target 2009-10 – reduce to 233. Mid year number is 134.
- *An action plan has made good progress to deliver : Driver Engagement Days, Rider Engagement Days, Drive Survive Courses, Community Speed Watch, Occupational Road User events, School Education Visits, Enforcement activities and public engagement at various events. Scrutiny is reviewing the statistics and causes however this remains a very challenging target for the council.*
- Working age people claiming out of work benefits in the worst performing neighbourhoods. Target to reduce percentage by 0.33% in 2009-10. There has been an increase from 26.30% to 27.3% year-on-year and the latest quarter shows 29.9% (provisional).
- *This is one of a number of indicators that are showing adverse response to the recession. Others include young people not in employment, education or training, especially those in Council care or in contact with the Youth Justice System. In response Cheshire East has been part of a successful bid in which 200 jobs are to be created for 18-24 year olds by end of 2011. Jobs commenced in October and the first review will take place in December. This provides, for appropriate 18-24 year olds reaching 6month+ claim stage, referral to Future Jobs Fund jobs within all areas of JCP. Referral of 25+ year old customers at 6m+ claim stage who have significant barriers to employment, is made at adviser's discretion. Other actions include:*
  - Day One Offer  
*Support for those customers under threat of redundancy or newly redundant. There have been 514 referrals (last update 11/9/09)*
  - 6 Month Offer  
*Opportunities of employment, enhancement of skills via short courses/voluntary work & advice & guidance on self employment to all 25+ year customers at 6m+stage. There have been 1,999 referrals (last updated 11/9/09)*
- Repeat incidents of domestic violence. The domestic abuse team are flagging up that their repeat incidence level has been steadily increasing over the last six months. They are not sure of the causes, which may include better reporting or a real increase.
- *A Steering Group is in place which is addressing a detailed analysis of repeats to identify learning and action points. As the repeat target is a rolling previous 12 months figure the impact of actions will not be seen for some time. For example we know there was a reduction in police repeats in September but the steady rise in repeat rate will not be influenced by such changes for some time.*  
*They have also organised a training event on 30/11 to ensure criminal and civil justice sectors as well as services for victims are aware of the potential for enhanced safety through Section 12 implementation – the provision of protection orders even where an alleged offender is found not guilty.*

- Achieving independence for older people through rehabilitation and intermediate care. Against a target of 74% performance was 70%. This measure was in the PWC benchmarking third quartile for 2008-09.
  - *The plans to address this area relate to the developments in enhancing the current intermediate care and rehabilitation services. Joint Commissioning arrangements for intermediate services have been established and three work streams developed focusing on bed based services, homes based services and the hub. This project will report to the newly formed Joint Commissioning Group for older people which in turn reports to the Health and Well Being Group. A project plan has been agreed and mapping of existing services has commenced*
- Timeliness of social care assessments for adults. A target of 70% has been set against which mid year performance is 66.5%. This indicator is in the PWC benchmarking bottom quartile.
  - *Work to improve performance is being carried out through client record reports being made available to team managers, to help target areas of poor performance for remedial action.*
- Top 5% of earners with a disability (target of 3.3%, mid year performance 1.7%) and overall percentage of employees with a disability (Target 1.6%, mid year performance, 0.98%).
  - *This issue has been identified for early action in newly adopted Council Single Equality Scheme.*

11.11 In addition to the work of CMT and service management teams, the Scrutiny Committees are also taking an oversight of performance. For the third quarter, they will focus their attention on underperforming areas and how improvement is being implemented. They will challenge service Portfolio Holders and the Portfolio Holder for Performance and Capacity on the actions being taken forward and future plans for improvement.

11.12 The Council remains fully committed to developing a comprehensive performance management framework that supports the Councils ambition and seeks to drive performance improvement in all priority areas. Over time, the performance framework will also include a range of qualitative service measures such as customer and employee satisfaction to ensure a balanced scorecard of measures is in place covering all aspects of the councils operation.

## **12.0 Access to Information**

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

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