

Cabinet Members for Children & Family Services and Procurement, Assets & Shared Services

Agenda

Date:	Tuesday, 22nd December, 2009
Time:	10.00 am
Venue:	Committee Suite 2, Westfields, Middlewich Road, Sandbach. CW11 1HZ

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

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

1. **Apologies for Absence**

2. **Declarations of Interest**

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 period of 10 minutes is allocated for members of the public to address the meeting on any matter relevant to the work of the meeting. 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. Members of the public are not required to give notice to use this facility. However, as a matter of courtesy, a period of 24 hours' notice is encouraged.

Members of the public wishing to ask a question at the meeting should provide three clear working days' notice, in writing, in order for an informed answer to be given.

4. **Reshaping of Children Centre Footprints (Pages 1 - 14)**

To seek approval for changes to the children centre footprints in order that they align with the new Local Area Partnership boundaries.

Contact:	Paul Mountford, Legal and Democratic Services
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5. **Statutory process to Reduce the Age Range of Ash Grove Primary School and Nursery** (Pages 15 - 18)

To seek approval to withdraw a proposal to change the age range from 3-11 to 4-11 year old at Ash Grove Primary School and Nursery.

6. **Crewe Business Park – Plot 4b: Consent to Assign and Vary Agreement for Lease** (Pages 19 - 22)

To consider a proposed consent to assign and vary agreement for a lease in respect of Plot 4b, Crewe Business Park.

7. **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 Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and public interest would not be served in publishing the information.

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

8. **Site Issues – Lease of Land to Private Provider at Dean Oaks Primary School, Wilmslow** (Pages 23 - 28)

To seek permission to renew two leases to a private provider at Dean Oaks Primary School, Wilmslow.

9. **Agreement to Declare Surplus to Children and Family Services Requirements and Transfer of Land at Middlewich High School** (Pages 29 - 36)

To seek approval to declare surplus to Children and Family Services requirements, and to transfer, an area of land at Middlewich High School.

10. **Request for Licence to Assign Existing Lease Agreements – Brooks Lane, Middlewich** (Pages 37 - 42)

To consider a request to the assignment of an interest in a lease, and the granting of a licence to underlet, in respect of an area of land off Brooks Lane, Middlewich.

CHESHIRE EAST COUNCIL

Cabinet Member for Children and Family Services

Date of Meeting:	22 nd December 2009
Report of:	John Weeks, Strategic Director, People
Subject/Title:	Reshaping of Children Centre Footprints
Portfolio Holder:	Councillor Paul Findlow

1.0 Report Summary

- 1.1 The purpose of this report is to advise the Cabinet Member of the progress to date in implementing the Sure Start Children Centre programme in Cheshire East and to request approval for changes to the children centre footprints in order that they align with the new Local Area Partnership boundaries. The changes will result in a reduction in the number of footprints and total number of designated centres from 20 to 19 and will support a more sustainable model of children centre delivery in the authority.

2.0 Recommendations

2.1 That

(1) the Cabinet Member for Children and Family Services approve:

- the reshaping of the children centre footprints so that they are as coterminous as possible with Local Area Partnerships boundaries;
- the removal of the current Holmes Chapel footprint and integration with the current Middlewich footprint to create a new Middlewich and Holmes Chapel footprint / phase 3 centre; and
- the establishment of a linked/satellite site within the children centre footprint which has a population above the recommended limit of 1200 children aged 0-5; and

(2) the Cabinet Member note that a service delivery model for rural areas will be further developed specifically to support Crewe Rural Children's Centre (which is to be renamed Nantwich Rural Children's Centre).

3.0 Reasons for Recommendations

- 3.1 The recommendations will ensure that the Local Authority children centre footprints are aligned with the Local Area Partnerships which will assist with partnership development and future service planning, delivery and monitoring.

The recommendations also support a more sustainable model by reducing the management and administrative tasks related to each centre and maximising the resource available for direct service delivery.

It is believed that with the adoption of these changes, the children centre programme will be sustainable for the foreseeable future, therefore ensuring that the authority does not have to consult on any major changes in provision as legislation comes into force which places children's centres on a statutory basis.

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 None

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 Children's Centres are funded through the Sure Start Early Years and Childcare revenue grant .Grant allocations have been confirmed to March 2011. The 2008-2011 allocation was calculated per capita (not per children's centre) and based on child benefit data. Reduction in the number of children's centres should therefore have no impact. Future funding from April 2011 is currently unknown and will be confirmed following the next Government Comprehensive Spending Review.

9.0 Legal Implications (Authorised by the Borough Solicitor)

9.1 The Children's Centre Programme is the mechanism adopted by the Authority and endorsed by the Department of Children, Schools and Families (DCSF) to meet the statutory duties placed on local authorities now contained in Sections 1-5 of the Childcare Act 2006. These Sections require local authorities to ensure that early childhood services meet the needs of all children and families, and are provided on an integrated basis (through work with key delivery partners e.g. health trusts and Jobcentre Plus). Children's Centres are a key mechanism for improving outcomes for young children and are viewed

as the new universal and mainstream front line service (alongside schools) providing accessible support to all families and their young children age 0-5. Increasing emphasis is being placed on reaching out to the more vulnerable children and families. This is underpinned by the new duty under the Childcare Act 2006 to improve the outcomes for all children under 5 and to close the gap between the most disadvantaged children and their peers

- 9.2 The Apprenticeships, Skills, Children and Learning Bill includes four clauses giving Sure Start Children's Centres a statutory legal basis and introducing a duty for Ofsted to inspect centres. Subject to parliamentary approval the legislation could come into force by January 2010. The Bill seeks to ensure that children's centres are an established part of the infrastructure of support available to young children and their parents. Once legislation is in place and centres are statutory, any changes in status will be more complex, eg local authorities will be required to consult where they are considering opening, closing or making a significant change to the services offered by a centre.

10.0 Risk Management

- 10.1 The proposed changes carry no significant risks and are a reshaping of the current programme. However, it will be important to keep under review the annual population data figures to ensure that there are no significant shifts in the under 5 population and that allocated resources are sufficient to deliver the programme and reach figures remain within DCSF guidelines.

11.0 Background and Options

National context

- 11.1 The Children's Centre programme has a seven year period of development which commenced in 2004. The programme began as a highly targeted initiative, but since 2005 has had the objective of establishing the infrastructure for universal provision to deliver services to all children under 5 and their families. Funding was made available by Government in three phases

Phase 1: 2004-2006

Phase 2: 2006-2008

Phase 3: 2008-2011

- 11.2 Children's Centres are designed to lie at the heart of the community serving a population of approximately 800 children age 0-5 years and their families. This is known as the '**reach figure**'. and is significant in relation to children centre planning and monitoring. In the Phase 3 Planning and Delivery Guidance (DCSF 2007) local authorities are advised that children's centres in the first two phases should serve on average 800 children under 5 years old. In phase 3 centres, in rural or less densely populated areas they may serve smaller numbers, say 600, while in more affluent areas with less intensive need numbers may be larger, say 1200. More recent advice from TfC is that if the

reach figure is over 1200 there should be a linked/satellite premise identified in the footprint.

- 11.3 All centres go through a **designation process** in order to secure funding and approval from the DCSF. All centres are designated as either 30% centres (where the majority of children in the footprint live in the 30% most disadvantaged super output areas) or 70% centres (where the majority of children live in the 70% more advantaged areas) with different requirements in relation to the core offer of services.
- 11.4 Following designation all centres have up to two years to provide easy access to a full range of services known as the **'full core offer'**. Services include
- Early education integrated with child care (on site for the designated 30% centres or available locally)
 - Family support and outreach home visits
 - Child and family health services
 - Childminding support
 - Training and back to work support for parents/carers
 - Specialist support for children with additional needs
 - Accessible information, advice and guidance for families
- 11.5 Local authorities have greater flexibility in deciding what services should be provided in the more affluent areas outside of the 30% most disadvantaged areas and this must be based on an assessment of local needs. There is however a universal level of service that must be provided and it is important that families, no matter what their situation feel the benefit of better integrated and accessible services delivered through children's centres

Current local position

- 11.6 At the early stages of programme planning in 2005 Cheshire County Council (CCC) was divided into geographical footprints with a children centre planned for each footprint. The guiding principles for mapping footprints at that time included congruence with super output areas, recognising local features and transport routes, synergy with the Transforming Learning Communities agenda and respecting District Council and Primary Care Trust boundaries. At Local Government Reorganisation in April 2009 the division of the County programme resulted in 20 footprints in Cheshire East.
- 11.7 There are 12 centres designated across Cheshire East which were developed in phase 1 and 2 of the programme with an additional 8 centres currently under development in phase 3. The completion of phase 3 was planned to give a total of 20 centres across the authority. Appendix 1 identifies the 20 planned centres. Only one of the 20 planned centres is a 30% centre (Underwood West in Crewe), the remainder of the centres in the authority are 70% centres

- 11.8 Two of the designated phase 2 centres (Crewe Rural and Henbury, Prestbury and Upton) have no identified children centre building. These centre footprints cover large rural areas. The model for these centres was based on identifying a number of delivery points with the same named signage across the rural area with the management of the two centres being coordinated from Nantwich Children's Centre (at Wyche Primary School) and Broken Cross Children's Centre (at Broken Cross Primary School) respectively. This model of service delivery is in the early stages of development and has proved to be challenging. Although children's centres are fundamentally about service coordination and delivery and not buildings, establishing identity and engagement is more challenging where no central identified children's centre building exists.

- 11.9 Elected members of CCC have approved key decisions throughout the implementation of the programme to date.
On 1 July 2005 Children's Services Executive agreed the priorities and principles for the development of the Phase 2 Children Centre Strategy for 2006-2008.

On 6 December 2006 full Council received a paper which detailed the challenges facing delivery of the Phase 2 capital programme and approval was given to the implementation of strategies to meet those challenges. This included a reduction in the total number of centres to be built. In relation to Cheshire East the implication was that a discrete stand alone centre would not be developed in the Crewe Rural and Henbury, Prestbury and Upton footprints and that a more appropriate rural service model would be developed as described under 11.8

On 23 July 2008 Children's Services Executive approved the methodology and implementation of the third phase of the Children's Centre programme based on the existing strategic priorities and principles and DCSF Guidance for Phase 3

- 11.10 Appendix 2 maps the current 20 children centre footprints. The footprints are based upon clusters of Lower Level Super Output Areas (LLSOA) which create geographical areas which can be monitored and reported on. The footprints are overlain on the map with the boundaries of the new Cheshire East Local Area Partnerships. The footprints precede Local Government Reorganisation and are therefore not congruent with these Partnerships

Proposed position

- 11.11 There have been a number of changes in government guidance across the three phases. The Phase 3 guidance advised that local authorities may need to consider some of their earlier plans as they seek to deliver a children's centre for every community, giving careful thought to the most effective use of resources. Recently Together for Children (TfC) the government's delivery agent reinforced this position and advised authorities to review their programme to ensure that it is sustainable. The purpose of the local review is to

- Consider the viability of reshaping the footprints so that they are co terminus with the new Local Area Partnership boundaries where possible
- Ensure appropriate reach figures for each centre
- Ensure a sustainable model of universal delivery

11.12 Appendix 3 maps the revised 19 footprints.

11.13 Two of the footprints (Holmes Chapel and Leighton) have reach figures of under 600 which is the lowest recommended reach figure. Holmes Chapel is a proposed Phase 3 centre which is still in the planning stage and has not yet been designated. This footprint serves a well established community with a falling number of under 5's (a reduction from 590 in 2003 to 540 in 2007). It is proposed that this footprint is removed and the super output areas contained in the footprint absorbed within Middlewich (footprint no 8), Sandbach (footprint no 9) and Alsager (footprint no 10) It is still intended that an information and advice point will be provided at Holmes Chapel library but this site will not be identified as a children centre in its own right but will operate as a linked site to Middlewich Children's Centre which will be renamed Middlewich and Holmes Chapel Children's Centre.

This recommendation will result in a reduction of one in the number of centres to be created in phase 3 ie from 8 to 7.

11.14 The removal of the Holmes Chapel footprint still leaves one footprint (no. 1 Leighton)) with a small reach number of 540. This footprint cannot be increased as the adjacent SOA's within the Crewe Local Area Partnership contain Monks Coppenhall (footprint no. 7) and Underwood West (footprint no.6) centres. Significant capital investment is taking place under the Phase 3 capital programme at Mablins Lane Primary School in the Leighton footprint. It is proposed that this footprint remains and the centre, when designated, will work closely with Underwood West Children's Centre in the neighbouring footprint which is the only 30% footprint in the authority and covers an area of significant disadvantage from very small premises.

11.15 The proposed changes will not result in any decrease in services to children and families. Detailed resource modelling has been undertaken to create the staffing establishment for the centres designated to date based on deprivation weightings, reach figures and models of delivery. In addition a cluster model has been developed which supports effective and flexible working across geographic areas and maximises the use of the staffing resource.

11.16 A summary of the proposed changes is attached at Appendix 4 with 19 footprints identified. A comparison of the 2006 and the most recent 2007 population data identifies that there has been a small increase (310) in the total number of children under 5 in the authority

12.0 Overview of Year One and Term One Issues

12.1 None

13.0 Access to Information

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

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Attachments:

Appendix 1 – Current operational centres and planned phase 3 centres

Appendix 2 – Current children centre footprints overlain with LAP boundaries

Appendix 3 – Proposed children centre footprints aligned with LAP boundaries

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Appendix 1 – Current operational centres and planned phase 3 centres**1. Current operational centres in order of date of designation**

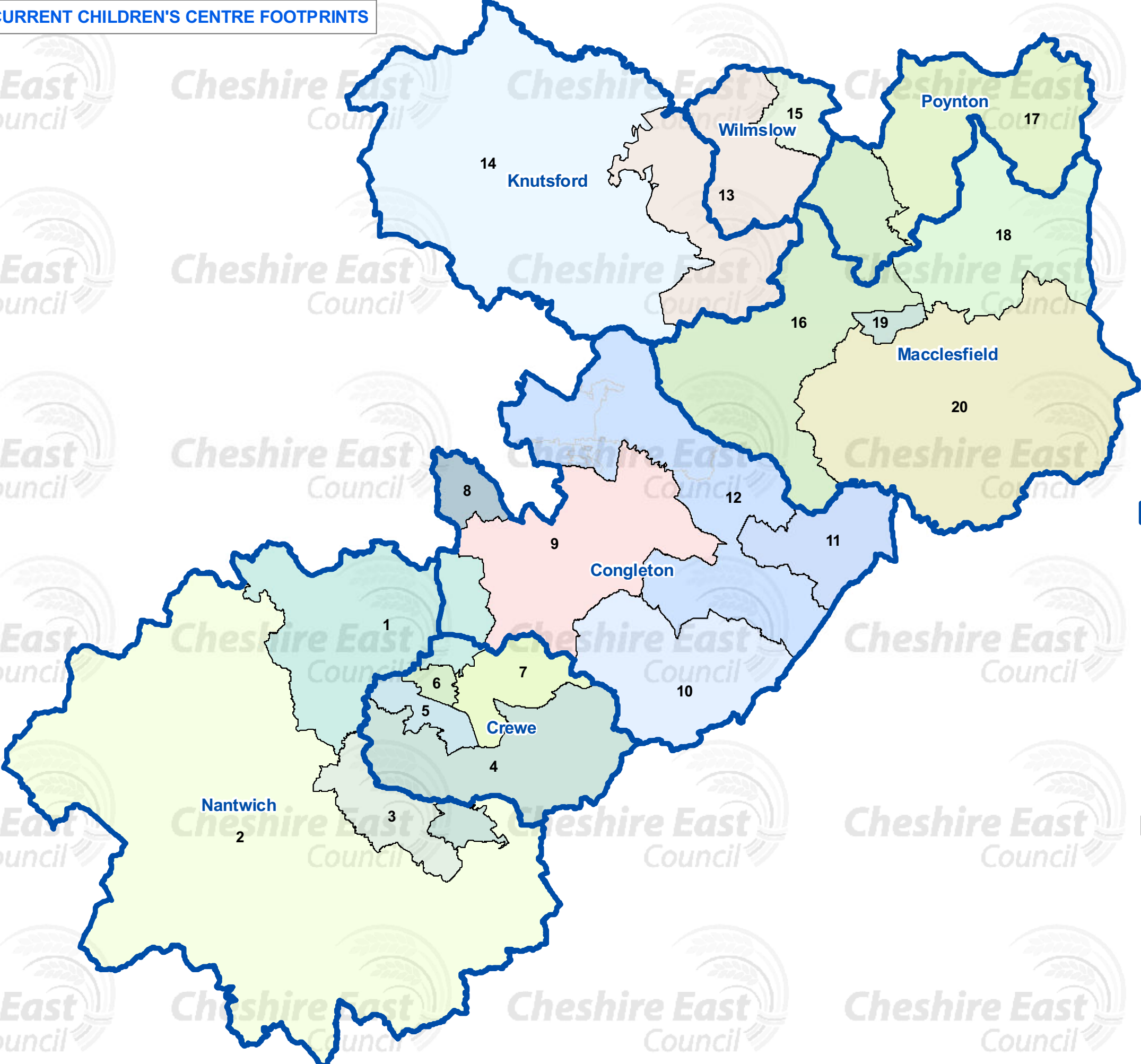
Name of centre	Phase	30 / 70%	Designation date	Full core offer date
Oakenclough, <i>Wilmslow</i>	2	70%	19 Sept 2006	29 June 2009
Underwood West, <i>Crewe</i>	2	30%	19 Feb 2007	14 August 2007
Monks Coppenhall, <i>Crewe</i>	2	70%	19 Feb 2007	14 August 2007
Pebble Brook, <i>Crewe</i>	2	70%	19 Oct 2007	2 Dec 2009
Ashgrove, <i>Macclesfield</i>	2	70%	8 Jan 2008	26 Nov 2009
Broken Cross, <i>Macclesfield</i>	2	70%	15 Feb 2008	18 Nov 2009
Hurdsfield, <i>Macclesfield</i>	2	70%	29 Feb 2008	28 Feb 2010
Congleton	2	70%	29 Feb 2008	31 March 2010
Knutsford	2	70%	11 March 2008	20 Jan 2010
Nantwich	2	70%	17 March 2008	31 March 2010
Henbury, Prestbury , Upton	2	70%	17 March 2008	31 March 2010
Crewe Rural	2	70%	17 March 2008	31 March 2010

NB Underwood West and Monks Coppenhall centres both grew out of the Sure Start Local Programme in Crewe and were initially viewed as part of the phase 1 programme which had a timescale of 2004-2006. Crewe and Nantwich Borough Council were the accountable body for the SSLP and there were a range of sensitivities that had to be negotiated as the SSLP changed to become part of the children centre programme. These negotiations resulted in delays and the two centres were then designated in Feb 2007 ie in the phase 2 period and counted towards the phase 2 targets in line with the government guidance at the time

2. Planned Phase 3 centres

Name of footprint	Description	Target designation date
Alderley Edge and Wilmslow	Location - Wilmslow Library The intention is to build an information point and small meeting room but this is under review Completion date: Oct 2009	Dec 2009
Alsager	Location – within new health centre. Children's centre capital made a small contribution to the whole scheme	Dec 2009
Holmes Chapel	Location – Holmes Chapel Library. The intention is to utilise the library to provide an information point and small meeting space Completion date: October 2009	Dec 2009

Leighton and Church Minshull	Location – Mabllins Lane Primary School Creation of children's centre in surplus school accommodation. Completion date: Jan 2010	Jan 2010
Middlewich	Location – Salinae Centre (PCT building) As an interim measure it is proposed to locate the children's centre in the Salinae Centre until the new health centre is completed by the PCT when it will become part of this provision	Dec 2009
Poynton	Location – Poynton Vernon Primary School Creation of children's centre as part of phased conversions and extension to a school. The project is part of a school amalgamation scheme Completion date: March 2010	March 2010
Sandbach	Location – Sandbach Primary School Creation of children's centre in surplus school accommodation Completion date: Jan 2011	Jan 2010
Willaston, Shavington, Wybunbury and Weston	Location – Shavington Primary School Creation of children's centre in surplus school accommodation Completion date: Jan 2010	Feb 2010



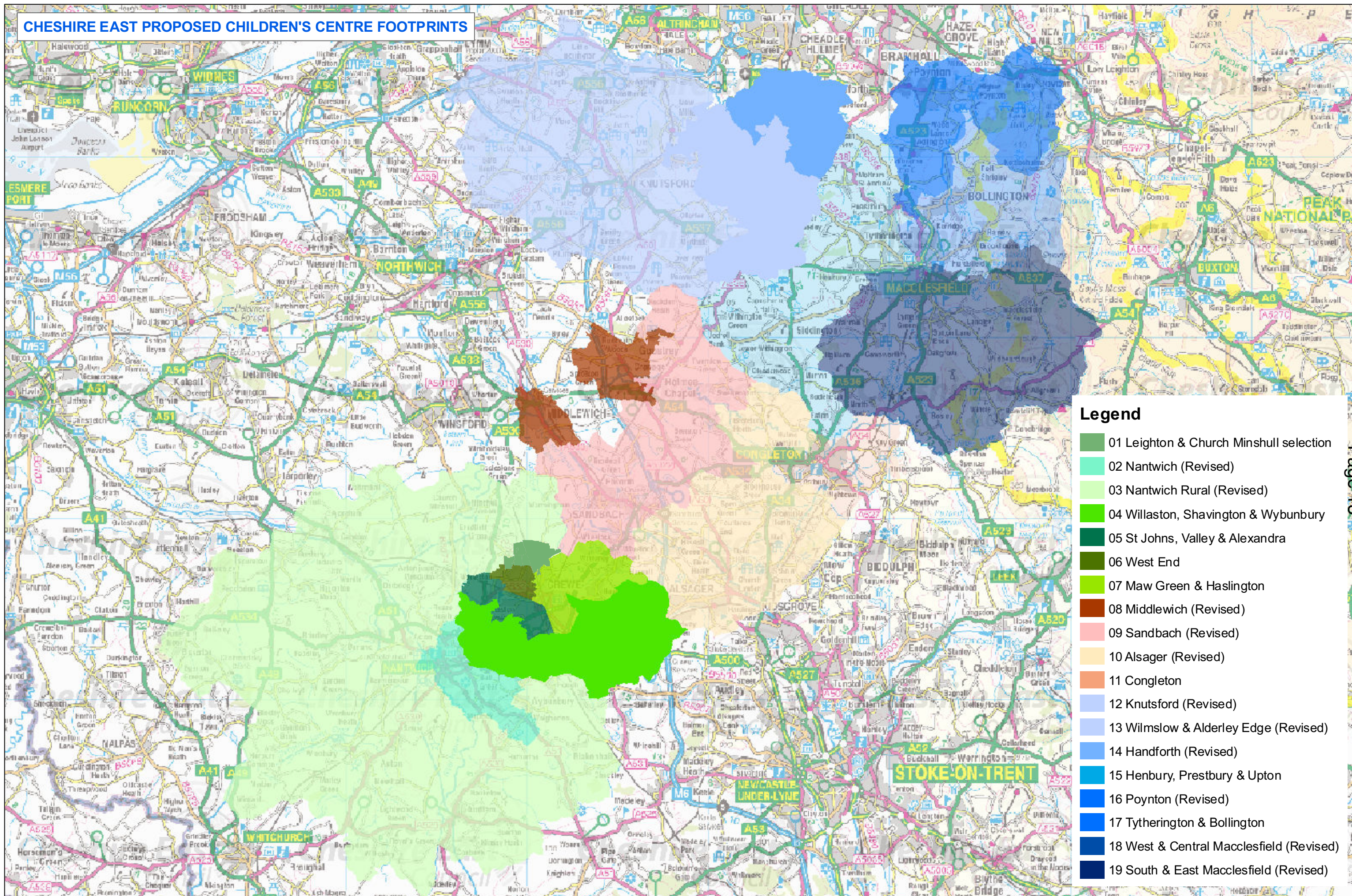
Legend

- Local Area Partnerships
- 01 Leighton & Church Minshull
- 02 Crewe Rural
- 03 Nantwich
- 04 Willaston, Shavington & Wybunbury
- 05 St Johns, Valley & Alexandra
- 06 West End
- 07 Maw Green & Haslington
- 08 Middlewich
- 09 Sandbach
- 10 Alsager
- 11 Congleton
- 12 Holmes Chapel
- 13 Wilmslow & Alderley Edge
- 14 Knutsford
- 15 Handforth
- 16 Henbury, Prestbury & Upton
- 17 Poynton
- 18 Tytherington & Bollington
- 19 West & Central Macclesfield
- 20 South & East Macclesfield



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CHESHIRE EAST PROPOSED CHILDREN'S CENTRE FOOTPRINTS



Legend

- 01 Leighton & Church Minshull selection
- 02 Nantwich (Revised)
- 03 Nantwich Rural (Revised)
- 04 Willaston, Shavington & Wybunbury
- 05 St Johns, Valley & Alexandra
- 06 West End
- 07 Maw Green & Haslington
- 08 Middlewich (Revised)
- 09 Sandbach (Revised)
- 10 Alsager (Revised)
- 11 Congleton
- 12 Knutsford (Revised)
- 13 Wilmslow & Alderley Edge (Revised)
- 14 Handforth (Revised)
- 15 Henbury, Prestbury & Upton
- 16 Poynton (Revised)
- 17 Tytherington & Bollington
- 18 West & Central Macclesfield (Revised)
- 19 South & East Macclesfield (Revised)



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CHESHIRE EAST COUNCIL

Cabinet Member for Children and Family Services

Date of Meeting: 22nd December 2009
Report of: John Weeks, Strategic Director, People
Subject/Title: Statutory Process to Reduce the Age Range of Ash Grove Primary School and Nursery

1.0 Report Summary

- 1.1 This report sets out the progress of the proposal to change the age range from 3-11 to 4-11 years old at Ash Grove Primary School and Nursery, Belgrave Road, Macclesfield, SK11 7TF and the recommendation to withdraw the proposal.

2.0 Recommendation

- 2.1 That the proposal to change the age range from 3-11 to 4-11 year old at Ash Grove Primary School and Nursery be withdrawn.

3.0 Reasons for Recommendations

- 3.1 The level of funding for the nursery from April 2010 under the new proposed Single Funding Formula is slightly higher than anticipated. Continuation of the local authority maintained nursery would be affordable and would enable the school to continue with its current class organisation.
- 3.2 The nursery and reception class operate as a combined foundation stage. Funding for the nursery supports the cost of the reception class. Closure of the nursery would leave the school with insufficient funding to support its current class organisation.

4.0 Wards Affected

- 4.1 Macclesfield Forest Ward

5.0 Local Ward Members

- 5.1 Councillors Marc Asquith, Hilda Gaddum and Lesley Smetham

6.0 Policy Implications including - Climate change - Health

- 6.1 A change in age range would result in the closure of the local authority maintained nursery but would allow the creation of a full daycare nursery for children aged 0 to 4 years delivered by a private childcare provider.

- 6.2 Withdrawal of the proposal would result in the continuation of a local authority maintained nursery providing nursery education sessions for children aged 3 and 4.

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

N/A

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

- 8.1 There would be insufficient funding for a discrete reception class if the nursery closes. It would be necessary to re-profile and amalgamate year groups moving up the school.
- 8.2 The proposed Single Funding Formula would enable the continuation of the nursery on a full time flexible basis, combined with the reception class.
- 8.3 There would be no transition costs if the proposal were withdrawn, as the status quo would be maintained.
- 8.4 There would be transitional cost implications if the proposal were to go ahead. There would be a capital cost of closure of the local authority maintained nursery and the creation of full daycare; this cost is unlikely to exceed £30,000:

(a) The nursery would require minor refurbishment and decoration in order to meet the needs of younger children and children accessing the nursery for an extended day. The cost of the work should not exceed £10,000.

(b) The reception class and nursery currently share the same environment. The reception class would relocate into the classroom currently occupied by Study Support. Internal refurbishment and the creation of an outdoor area would be required. The cost of the work should not exceed £10,000.

(c) Study support would relocate to Poolswood on a temporary basis until long term accommodation could be identified. Poolswood is currently designed to accommodate children aged 0 to 4 years and would require minor refurbishment. The cost of the work should not exceed £10,000.

9.0 Legal Implications (Authorised by the Borough Solicitor)

- 9.1 The Local Authority (LA) has a duty to ensure that there is sufficient childcare to enable parents to access work and training, for children to access their free nursery education entitlement, and to improve outcomes for children.
- 9.2 There is a higher than average number of early years childcare places in the south and west Macclesfield areas which are accessible to the Moss estate. Therefore, withdrawal of the proposal will not adversely affect the LA's sufficiency duties.

- 9.3 The School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2007, Schedule 5, part 2 paragraph 31(4) states that the Local Authority must make a determination on the published proposals within the period of 2 months from the end of the representation period. Paragraph 39 of the Regulations states that the decision-maker may withdraw the proposals at any point before a decision is taken. There is no facility to extend this time.

The end of the representation period is 4th November 2009. Therefore, a decision must be made within two months from then, i.e. 4th January 2010.

10.0 Risk Management

- 10.1 The request from the governing body to withdraw the proposal to reduce the age range of the school and move to private provision is driven by the expectation that the nursery education funding reforms will result in sufficient funding for the school to operate the nursery from April 2010. However, the proposed Single Funding Formula (SFF) is still subject to Cabinet approval on 19th January 2010.
- 10.2 Should the Portfolio Holder not make a decision before 4th January 2010, the matter will have to be referred to the schools adjudicator for him to make a decision. The Schools Adjudicator can reject the proposals, or approve them, with or without modification. The matter would have to be referred to him by 11th January (i.e. within one week of the 4th January). The risk is that the Schools Adjudicator may make a decision contrary to the SFF and such decisions are outside the control of the LA. The legal advice has been that it would be preferable for the Portfolio Holder to make a decision.

11.0 Background and Options

- 11.1 On 15th June 2009, Councillor Findlow, the Portfolio Holder for Children and Family Services, took the decision to allow commencement of the statutory process to change the age range from 3-11 to 4-11 years old at Ash Grove Primary School and Nursery. The LA, as the Proposer, proceeded with consultation and the publication of a statutory notice on 23rd September 2009 in the Macclesfield Express.
- 11.2 A change in age range would result in the closure of the local authority maintained nursery but would allow the creation of a full daycare nursery for children aged 0 to 4 years delivered by a private childcare provider. The proposal to reduce the age range of the school and move to private provision was driven by the expectation that the nursery education funding reforms (which are based on participation rather than places) would result in insufficient funding for the school to operate the nursery from April 2010.
- 11.3 The LA has consulted on the proposed Single Funding Formula and it is now apparent that, based on the proposed formula and current levels of occupancy, Ash Grove would receive a slightly higher level of funding than

previously thought. In 2009/10 the School received a budget of £57,449 per annum. However, for 2010/11 the indicative budget based on the draft funding formula increases to £60,910 per annum, making the nursery affordable and sustainable in the future.

- 11.4 As a result, the Governing Body at Ash Grove have informed the LA that they no longer support the proposal to change the age range of the school and wish the LA to withdraw the proposal so that the maintained nursery can remain in place.

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:

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CHESHIRE EAST COUNCIL

Cabinet Member for Assets & Shared Services

Date of Meeting:	22 nd December 2009
Report of:	Assets Manager
Subject/Title:	Crewe Business Park – Plot 4b: Consent to Assign and Vary Agreement for Lease
Portfolio Holder:	Councillor Peter Mason

1.0 Report Summary

- 1.1 The purpose of this report is to inform the Portfolio Holder of a request by OCC Estates Limited to take an assignment of the existing Agreement for Lease dated 19 May 2006 between Crewe & Nantwich Borough Council and Provincial Land Limited (“Agreement for Lease”), and agree to a variation to the Agreement to deal with changes in relation to phasing and the timing of completion of development phases.

2.0 Recommendations

That

- (1) approval be given to the proposed assignment of the Agreement for Lease to OCC Estates Limited, on terms and conditions to be determined by the Borough Solicitor, Borough Treasurer and Head of Assets; and
- (2) approval be given to a variation of the Agreement for Lease to deal with changes in relation to phasing and the timing of completion of development phases, on terms and conditions to be determined by the Borough Solicitor, Borough Treasurer and Head of Assets.

3.0 Reasons for Recommendations

- 3.1 A request has been made by OCC Estates Limited for the authority to consent to assignment of the Agreement for Lease.
- 3.2 The agent acting for Provincial Land Limited (current holders of the Agreement) has indicated that his client is not in a position to perform its obligations under the terms of the Agreement for Lease.
- 3.3 OCC Estates Limited has a funding package in place to facilitate the proposed development. OCC has also undertaken similar developments in the local area (Alveston Business Park, Nantwich).

3.4 The authority would enjoy the financial and economic benefits of the site being built out within a defined timescale.

3.5 The recommendations are supported by the Regeneration Manager.

4.0 Wards Affected

4.1 Crewe East Ward

5.0 Local Ward Members

5.1 Councillors Steve Conquest, Margaret Martin and Chris Thorley.

6.0 Policy Implications including - Climate change, Health.

None.

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

None. Service charge payments are made by all occupying tenants so the impact of Provincial Land occupying the plot would only be to reduce the other lessees payments and not the overall total payable.

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

None. The capital receipt of £550,000 was received two years ago. All ground leases are subject to an upfront premium being paid.

9.0 Legal Implications (Authorised by the Borough Solicitor)

9.1 The assignment will be in accordance with the existing agreement for Sale and Development dated 19 May 2006 and made between Crewe and Nantwich Borough Council and Provincial Land Limited (Development Agreement) other than to allow a variation to deal with changes in relation to phasing and the timing of completion of development phases.

10.0 Risk Management

10.1 If the authority does not give consent to assign, the current lessee will not perform in accordance with the Development Agreement and the remainder of plot 4b will not be built out by the stipulated date (i.e. 30 June 2011) with no certainty of when the development might complete. The authority could enforce forfeiture and take possession of the land. The authority will then be liable for costs associated with security, marketing and negotiating a new sale and development agreement.

- 10.2 If the Authority gives its consent to assign, the remainder of the plot 4b may not be built out by the stipulated date of 30 June 2011, but will be built out by Dec 2014 (assuming legal completion of the assignment prior to the end of December 2009).

11.0 Background and Options

- 11.1 Crewe Business Park was developed as a joint venture between Cheshire County Council and Crewe and Nantwich Borough Council in 1986. The two authorities pooled together land (playing fields and farm land) and capital, invested in infrastructure for the site and agreed a 50/50 ownership arrangement.
- 11.2 The 67 acre site carries B1 office only planning allocation with a stringent design brief concerning density and landscaping.
- 11.3 The majority of the development land has been sold on 125 year leases with premiums paid up front, the receipts then split 50/50 between the two authorities.
- 11.4 All developable land on the business park has been sold and built out, other than two plots (plot 1 & plot 4b) with development phases awaiting commencement.
- 11.5 Failure to perform in accordance with the Development Agreement allows the landlord to exercise forfeiture and re-enter upon the land.
- 11.6 In May 2006 plot 4b was sold to Provincial land. It was agreed that the 0.49 acre site would be developed in 3 phases, with 3 separate leases granted on practical completion of each phase. Phase one has already been developed and was completed in accordance with the development agreement (i.e. prior to 30 June 2007). The Development Agreement stipulates that the remaining phases both be completed prior to 30 June 2011.
- 11.7 Current difficulties in the property and financial sectors have brought a slow down to development and letting of office developments, however, the authority would still like to see completion of Crewe Business Park development.
- 11.8 Provincial Land's agent has informed the authority that Provincial Land is not in a position to perform in accordance with the agreement to lease. Therefore the remaining 2 phases will not be developed by 30 June 2011.
- 11.9 Should Provincial Land fail to perform, the agreement to lease allows the landlord to exercise forfeiture. If forfeiture were exercised, the completion of the remaining phases would be pushed back indefinitely, and the authority would be subject to further costs; marketing, surveyor, legal etc.

11.10 OCC Estates Ltd has proposed to build out the remaining plot 4b land as follows; -

In 3 phases instead of two, phase 1 should be developed within 2 years of the completion of the deed of variation, Phase 2 should be developed within a further 18 months, and Phase 3 should be developed within a further 18 months. Therefore, long stop build out by December 2014 (assuming legal completion by the end of December 2009). Leases will be granted on a phase by phase basis upon practical completion.

11.11 The authority has already agreed to relax the build out dates applicable to the agreement to lease in respect of plot 1 Crewe Business Park by approx 24 months. Therefore a precedent has been set.

11.12 With the above information in mind, the proposal by OCC Estates Ltd is acceptable to the Assets Manager.

12.0 **Access to Information**

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

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