

Cabinet Agenda

Date: Monday, 20th September, 2010
Time: 2.00 pm
Venue: Council Chamber, Municipal Buildings, Earle Street, Crewe
CW1 2BJ

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.

Please contact Cherry Foreman on 01270 686463
E-Mail: 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 - 6)

To approve as a correct record the minutes of the meeting held on 16 August 2010.

5. **Key Decision 50 Capital Strategy 2011/2014** (Pages 7 - 32)

To approve the Capital Strategy for 2011/2014.

6. **Financial Update - Remedial Action Plans** (Pages 33 - 40)

To consider the projected outturn position and proposed remedial actions.

7. **Key Decision 45 Procurement of Utilities** (Pages 41 - 56)

To agree to the use of the procurement method recommended and to the appointment of West Mercia Supplies as the preferred provider.

8. **Whole System Commissioning Model - Enhanced Cheshire East and CECPC Partnership** (Pages 57 - 82)

To consider whole system commissioning through an enhanced partnership with the Central and Eastern Cheshire Primary Care Trust, GP commissioning groups, Schools and others.

9. **Key Decision 54 Interim Planning Statement on Affordable Housing** (Pages 83 - 114)

To consider the draft Interim Planning Statement on Affordable Housing for consultation purposes.

10. **Local Development Framework - Process and Amendments to the Constitution** (Pages 115 - 122)

To consider and to recommend to Council the revised procedures for approving Local Development Framework Documents.

N.B: The recommendations of the Sustainable Communities Scrutiny Committee (2 September) and of the Environment and Prosperity Scrutiny Committee (14 September) will be circulated in due course.

11. **Local Development Framework Documents** (Pages 123 - 130)

To consider and to recommend to Council the adoption of the Statement of Community Involvement, Alsager Town Centre Supplementary Planning Document, the Smallwood Village Design Statement Supplementary Planning Document and the Local List of Historic Buildings and its accompanying Supplementary Planning Document.

The following appendices to the report are being circulated as a supplement to this agenda.

- Appendix 1 Statement of Community Involvement (revised)
- Appendix 3 Alsager Town Centre SPD (revised)
- Appendix 5 Smallwood Village Design Statement SPD (revised)

The remaining appendices have not changed since they were first considered by Cabinet in July and are not, therefore, being circulated at this time. All documents can be viewed on the Councils website and can be obtained on request from Democratic Services.

N.B: The recommendations of the Sustainable Communities Scrutiny Committee (2 September) and of the Environment and Prosperity Scrutiny Committee (14 September) will be circulated in due course.

12. Obesity and Diabetes Review (Pages 131 - 162)

Cabinet is requested to receive the report and recommendations of the Health and Adult Social Care Scrutiny Committee and, in accordance with the draft Overview and Scrutiny Committee final reporting procedure, to come back to the next meeting of the Cabinet with a formal response to each recommendation.

13. Review of Residential Provision (Pages 163 - 194)

Cabinet is requested to receive the report and recommendations of the Children and Families Scrutiny Committee and, in accordance with the draft Overview and Scrutiny Committee final reporting procedure, to come back to the next (or subsequent) meeting of the Cabinet with a formal response to each recommendation.

N.B: The appendices to the review report are available on the website, or upon request from Democratic Services.

14. Transformation of Highways Services Sub Committee - Call in of Decision (Pages 195 - 198)

The decision made by the Sub Committee at its meeting on 15 July was called in and considered by the Corporate Scrutiny Committee on 26 August. The recommendations arising from that meeting have been considered by the Sub Committee.

It is not within the role of the Sub Committee to make recommendations on the recommendations it received and Cabinet is, therefore, now requested to approve the comments of the Sub Committee, and to respond to the Corporate Scrutiny Committee regarding consultation on matters that appear on the Forward Plan.

The minutes of the Sub Committee are attached to this agenda. The reports considered by the Corporate Scrutiny Committee and by the Highways Sub Committee are available on the web site or can be requested from Democratic Services.

15. 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

16. Managing Workforce Change (Pages 199 - 204)

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

CHESHIRE EAST COUNCIL

Minutes of a meeting of the **Cabinet**
held on Monday, 16th August, 2010 in the Council Chamber, Municipal
Buildings, Earle Street, Crewe CW1 2BJ

PRESENT

Councillor W Fitzgerald (Chairman)
Councillor R Domleo (Vice-Chairman)

Councillors Rachel Bailey, D Brown, H Gaddum, F Keegan, A Knowles,
J Macrae, P Mason and R Menlove

COUNCILLORS IN ATTENDANCE:

Councillors Rhoda Bailey, D Flude, O Hunter, L Smetham, A Thwaite and
R Westwood

OFFICERS IN ATTENDANCE:

Chief Executive; Borough Treasurer and Head of Assets; Head of HR and
Organisational Development; Borough Solicitor and Monitoring Officer;
Strategic Director – People; ICT Strategy Manager; Head of Policy and
Performance; Head of Planning and Policy; Director of Adult, Community
Health and Wellbeing Services; Head of Services for Children and Families;
and Leisure Services and Greenspace Manager.

36 DECLARATIONS OF INTEREST

No Member made any declaration of interest in respect of any item of
business on the agenda.

37 PUBLIC SPEAKING TIME/OPEN SESSION

There were no questions from members of the public and Cabinet,
therefore, proceeded to its next item of business.

38 MINUTES OF PREVIOUS MEETING**RESOLVED:**

That the minutes of the meeting held on 19 July 2010 be approved as a
correct record.

39 2010-2011 - QUARTER ONE (FINANCIAL AND NON-FINANCIAL) PERFORMANCE REPORT

Consideration was given to the joint report of the Borough Treasurer and Head of Assets and the Head of Policy and Performance.

The report gave summary and detailed information about the Council's financial and non-financial performance in the first quarter of 2010-2011. It contained the first projections of financial performance for 2010-2011 for the period to 30 June 2010 and highlighted the key emerging financial pressures, facing the council, of over £13m, and where possible, outlined potential remedial actions. The report focused on areas of high financial risk to the Council and included updates on the Capital Programme, Treasury Management, Debt, and in-year collection rates for Council Tax and Business Rates.

Cabinet was asked to note the report and to make comments as appropriate –

RESOLVED

(a) That the following be noted -

- emerging pressures on the Council's revenue budget in the first quarter of 2010-11, and remedial actions detailed in Annex 1 Sections 2 and 3;
- a further report on remedial action plans and capital programme update would be submitted to Cabinet in September;
- the Treasury Management update detailed in Annex 1, Section 5 be noted;
- the Council's in-year collection rates for Council Tax and Business Rates, detailed in Annex 1, Section 6;
- the Council's invoiced debt position as shown in Annex 1, Section 7;
- progress to date on delivering the 2010-11 capital programme, detailed in Annex 1, Section 8 and Appendix 1;
- Delegated Decisions approved by Directors, as shown in Annex 1 Appendix 2a;
- Delegated Decisions to be approved by Directors in consultation with the relevant Portfolio Holder and the Portfolio Holder for Resources for Supplementary Capital Estimates (SCE) and virement requests over £100,000 up to and including £500,000 as shown in Annex 1, Appendix 2b.
- the successes achieved during the first quarter 2010/11 as outlined in Annex 2;

- the issues raised in relation to underperformance against targets and how these would be addressed; and
- (b) That reductions in approved budgets as shown in Annex 1, Appendix 3 of the report, be approved.

40 TREASURY MANAGEMENT ANNUAL REPORT 2009-2010

The Treasury Management Policy required the preparation of an annual report on the performance of the Council's treasury management operation. Consideration was given to the report of the Borough Treasurer and Head of Assets which contained details of the activities in 2009-2010 for Cheshire East Borough Council.

The production of an annual report met the requirements of the CIPFA Code of Practice for Treasury Management in the Public Services and the Prudential Code for Capital Finance in Local Authorities.

RESOLVED

That the Treasury Management Annual Report for 2009-2010, as detailed in Appendix A of the report, be received and noted.

41 ICT STRATEGY - 2010-2011

Consideration was given to the report of the ICT Strategy Manager.

The Information and Communications Technology (ICT) Strategy had been published in 2009-2010 and had been updated for 2010-2011. The revised Strategy, which set the corporate direction for ICT within the Council and supported corporate priorities, summarised how the ICT Strategy Team, in conjunction with ICT Shared Services, partners and external providers, contributed to the success of Cheshire East.

RESOLVED

That the Corporate ICT Strategy 2010-2011 be approved for publication and implementation.

42 POLICY AND PROCEDURES - REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)

The Council was required to have in place clear and robust policies and procedures to guide Officers in carrying out their investigatory functions. Consideration was given to the report of the Head of Policy and Performance which presented the following updated policies and procedures for approval –

- (a) Cheshire East Policy and Procedures for Surveillance under the Regulation of Investigatory Powers Act 2000 (RIPA).

- (b) Cheshire East Policy and Procedures for the Acquisition and Disclosure of Communications Data under the Regulation of Investigatory Powers Act 2000.

RESOLVED

That the updated policies and procedures (Regulation of Investigatory Powers Act 2000), identified above, be adopted with immediate effect.

43 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded from the meeting during consideration of the following item, pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that it involved the likely disclosure of exempt information as defined in Paragraphs 1 and 2 of Part 1 of Schedule 12A of the Local Government Act 1972 and the public interest would not be served in publishing this information.

44 KEY DECISION 41 - TO DECIDE UPON THE FUTURE DELIVERY METHOD OF THE COUNCIL-OWNED GOLF COURSES

Consideration was given to a report which identified options for the future delivery method of Council-owned golf courses.

RESOLVED

- (a) That, to reduce the Council's on-going liability, a formal tender process be commenced offering an operational lease on Malkins Bank Golf Course; and
- (b) That specialist golf advisers be commissioned to assist with the tender process in order to secure the best financial terms and commercial operator.

45 MANAGING WORKFORCE CHANGE

Consideration was given to the report of the Head of Human Resources and Organisational Development which provided financial details of posts where the post-holders had applied for voluntary redundancy. All applications were recommended for approval by the Chief Executive.

RESOLVED

That the Cabinet support the decision of the Chief Executive to release the employees whose roles were listed 1-20 at Appendix A of the report, under arrangements agreed in relation to voluntary severance provisions for employees in the Council.

The meeting commenced at 2.00 pm and concluded at 3.15 pm

Signed
Councillor W Fitzgerald (Chairman)

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CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting: 20 September 2010
Report of: Borough Treasurer & Head of Assets and Head of Policy & Performance
Subject/Title: Capital Strategy 2011/2014
Portfolio Holder: Councillor Keegan / Councillor Mason

1 Report Summary

- 1.1 The Capital Strategy sets out Cheshire East's approach to capital investment and disposals and how it makes decisions in respect of all types of capital assets. This document links closely with the Council's Corporate Asset Management Plan (AMP) and shows how the Council is prioritising, targeting and measuring the performance of its limited capital resources so that it maximises the value of that investment to support the achievement of its key cross-cutting activities, initiatives and local and national priorities.

2 Decision Requested

- 2.1 To approve the Capital Strategy for 2011/2014.

3 Reasons for Recommendations

- 3.1 The Council is required to produce an Asset Management Plan and a Capital Strategy.

4 Wards Affected

- 4.1 Not applicable

5 Local Ward Members

- 5.1 Not applicable

6 Policy Implications **– Climate Change** **– Health**

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

7 Financial Implications (Authorised by the Borough Treasurer)

- 8.1 The report includes details of policy proposals which will affect service budgets from 2011/2012 onwards.

8 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 There are no specific legal implications associated within this report.

9 Risk Management

- 9.1 Failure to adopt and maintain sound arrangements for the management of the Council's assets could lead to poor decision making and financial loss to the Council.

10 Background and Options

- 10.1 The Council owns a substantial portfolio of over 400 major property assets, with a combined asset value of £480m, which will assist in the delivery of a wide range of services to the people of Cheshire East. The strategy links to key corporate documents, in particular the Corporate Plan, Sustainable Community Strategy, Economic Development Strategy, Local Transport Plan, ICT Strategy and the Asset Management Plan.
- 10.2 The Capital Strategy is intended to ensure that the investment of capital resources contributes to the achievement of the authority's key objectives and priorities that are detailed in their community plans and strategies, it will determine the process for setting priorities between the various services and look for opportunities for cross-cutting and joined-up investment.

11 Access to Information

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

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CAPITAL STRATEGY 2011-2014

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1. INTRODUCTION

- 1.1 The Capital Strategy sets out Cheshire East's approach to capital investment and disposals and how it makes decisions in respect of all types of capital assets. This document links closely with the Council's Corporate Asset Management Plan (AMP) and shows how the Council is prioritising, targeting and measuring the performance of its limited capital resources so that it maximises the value of that investment to support the achievement of its key cross-cutting activities, initiatives and local and national priorities.

The Council owns a substantial portfolio of over 400 major property assets, with a combined asset value of £480m, which will assist in the delivery of a wide range of services to the people of Cheshire East.

- 1.2 The Capital Strategy is intended to:

- Ensure that the investment of capital resources contributes to the achievement of the authority's key objectives and priorities that are detailed in their community plans and strategies
- Influence and encourage partnership working, both locally and nationally
- Reflect the visions and aspirations of local people for service delivery and recognise the potential for others to contribute ideas and resources
- Determine priorities between the various services and look for opportunities for cross-cutting and joined-up investment
- Encourage improvement and innovation in asset use, procurement and disposal
- Ensure revenue, capital and whole life costs are fully considered
- Describe how the deployment of capital resources contributes to the achievement of the described goals
- Encourage the consideration and use of a wide range of funding sources
- Promote, in conjunction with the AMP, corporate ownership and prudent consideration of property issues.

- 1.3 The Capital Strategy sets out:

- The link to key corporate documents, in particular the Corporate Plan, Sustainable Community Strategy, Local Transport Plan, ICT Strategy, Procurement Strategy, Housing Strategy, Economic Development Strategy and the Asset Management Plan.
- How the authority's plans are influenced by partners, and details of key partners
- How capital schemes are identified to meet those priorities
- How the choice is made between schemes competing for limited resources
- The framework for managing and monitoring the capital programme
- The process for post implementation review

- A summary of the Council's approved Capital Programme
- Sources of external funding and the impact of the programme on the revenue budget

1.4 The Capital Strategy forms an integral part of the Councils Medium Term Financial Strategy which provides the financial interpretation of the Councils Corporate Plan. Once a project has been approved and included in the Capital Programme the revenue implications of the capital expenditure need to be built into the revenue budgets included in the Medium Term Financial Strategy.

1.5 The strategic priorities feed into the establishment of service priorities. These service priorities are set out in service plans and from these plans potential capital schemes are identified for inclusion in the capital programme.

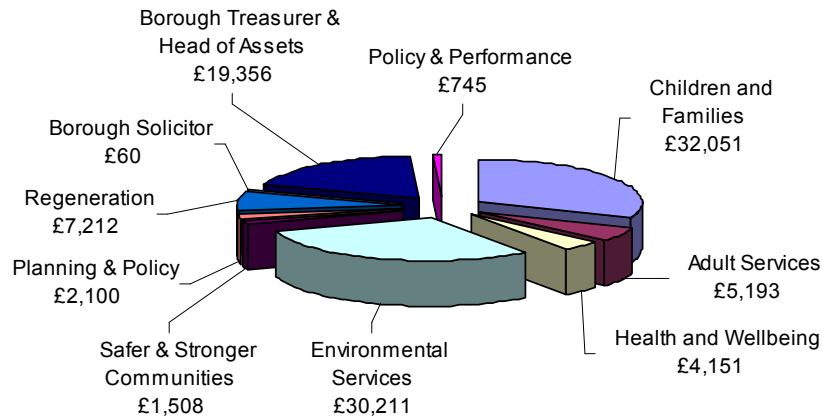
2. THE CAPITAL PROGRAMME

2.1 A summary of Cheshire East's approved capital programme for 2010-11 (£102.6m) is shown in Annex 1, together with details of the funding sources. Over half of the programme (51%) is funded from external sources (grants, contributions), the remainder is funded from borrowing, linked capital receipts and revenue contributions.

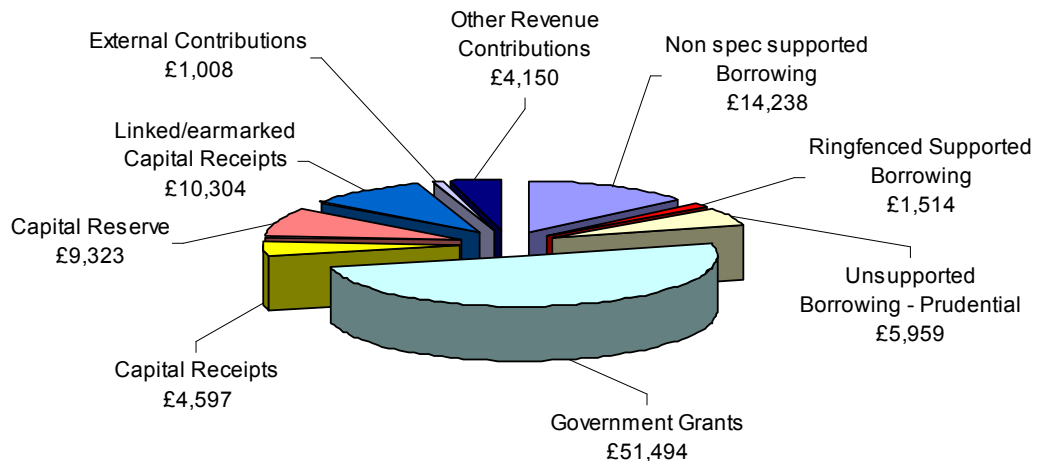
Some of the major capital schemes for 2010-11 include:

- Alderley Edge By-Pass Scheme
- Queens Park Restoration
- Libraries (radio frequency identification of books) – purchase of self service terminals in libraries
- Introduction of a single revenue and benefits system
- Essential replacement of core ICT infrastructure
- Completion of the Office Accommodation Strategy

Capital Programme 2010-11 Analysis by Service £000s



Capital Financing 2010-11 £000s



3. PRIORITIES AND TARGETS

- 3.1 The effective management of capital is key to the delivery of the Council's priorities and the Capital Strategy outlines how limited capital resources are allocated to help achieve these priorities.

The Sustainable Community Strategy – *Ambition for All*

- 3.2 The Council has worked with partners over recent months to prepare Cheshire East's first Sustainable Community Strategy, "*Ambition for All*".

This strategy sets out a 15 year vision for Cheshire East, for its people and its places. It also identifies immediate priorities for action which partners need to deliver together if we are to achieve our ambition.

- 3.3 The vision set out in *Ambition for All* is that, in 2015:

Cheshire East is a prosperous place where all people can achieve their potential, regardless of where they live. We have beautiful, productive countryside, unique towns with individual character and a wealth of history and culture. The people of Cheshire East live active and healthy lives and get involved in making their communities safe and sustainable places to live.

- 3.4 There are 7 priorities for action set out in the strategy, and these are:

1. Nurture strong communities
2. Create conditions for business growth
3. Unlock the potential of our towns
4. Support our children and young people
5. Ensure a sustainable future
6. Prepare for an increasingly older population
7. Drive out the causes of poor health

- 3.5 Many of these priorities have implications for how the Council, together with other service providers and local communities, use our capital and our assets. For example, increasing physical exercise is a major contributor to good health and is effected by the quality and location of leisure and recreational facilities. Similarly, good quality, accessible community facilities are a significant factor in the life of many voluntary and community groups.

- 3.6 At a larger scale, our ambitions for economic growth, for affordable, and appropriate housing which reflect the long-term needs of our ageing population, and for good transport accessibility, all impact our decisions on capital and assets.

- 3.7 It is important that we work with our partners to be clear on the longer-term capital and asset needs within Cheshire East, and to invest wisely in the short-term to realise these longer-term aims. This Capital Strategy provides the lead in ensuring we adopt a long-term, planned approach to our capital investment and use of assets.

The Corporate Plan

- 3.8 In order to delivery the vision and priorities set out in “*Ambition for All*”, partner organisations must identify the contributions they will make and reflect this in their individual business plans. For the Council this is our Corporate Plan where we have set out 5 corporate objectives:

1. To give the people of Cheshire East more choice and control about services and resources
 2. To grow and develop a sustainable Cheshire East
 3. To improve life opportunities and health for everybody in Cheshire East
 4. To enhance the Cheshire East environment
 5. Being an excellent Council and working with others – to deliver for Cheshire East
- 3.9 The overarching criterion for assessing capital investment bids is the extent to which they will deliver on these corporate objectives.

Draft Economic Development Strategy

- 3.10 Cheshire East Council is leading on the formulation of the above strategy in conjunction with other stakeholders in the public, private and voluntary sector. New legislation places a stronger duty on local authorities to lead in analysing the local economy, and develop policies and actions that respond accordingly in promoting the local economic well-being of their areas.
- 3.11 Collectively, we need to ensure that we set out clear objectives and priorities that both take account of, and influence, national, regional and sub-regional policy developments. These objectives are:-
1. To ensure that Cheshire East maintains and enhances its role as a 'knowledge economy', through innovation in its businesses and skills development in its workforce.
 2. To provide a better connected economy, through enhancing our existing transport connections to other areas, making the most of strategic location and assets.
 3. To actively raise the profile of Cheshire East and 'sell' the undoubted assets and opportunities of the area, particularly to external investors, influencers, decision-makers and visitors.
 4. To facilitate economic growth through progressing schemes that will create jobs and improve the attractiveness of the area as a place to invest, live and visit.
 5. To enable a first-class quality of life for all our communities.
- 3.12 In order to achieve these objectives the main priorities will include:
- actively seeking and promoting opportunities to implement next generation broadband speeds across Cheshire East;
 - improving public transport and locating jobs closer to home in order to reduce carbon emissions;
 - reducing congestion and improving transport links between the towns in Cheshire East and rural settlements;
 - building on the educational assets of the area;
 - building on the individual cultural, heritage and wider assets of all our towns;

- responding to the challenge of climate change through mitigation and adaption;
- ensuring an appropriate range and mix of housing is available to meet the needs of different parts of the existing and future labour market.

3.13 The three spatial priorities for Cheshire East Council are Crewe, Macclesfield and our sustainable towns.

Highways – Local Transport Plan

3.14 Cheshire East is allocated resources for capital expenditure in respect of Maintenance and Integrated Transport in support of the objectives set out in the Local Transport Plan. The Department for Transport guidelines indicate that the priorities are improving accessibility and public transport, tackling congestion and pollution, reducing the problems of road safety and effective asset management to improve road conditions. Although local discretion can be applied in the use of this funding, their use needs to reflect these national guidelines and priorities.

3.15 The Local Transport Plan includes the capital settlement for the period 2006/07 – 2010/11. Details of the capital settlement for 2011/12 onwards are not expected until October 2010 and it is anticipated that grant funding will be reduced by as much as 40%. The current ring-fencing arrangements will be reviewed in light of these reductions.

Draft Visitor Economy Strategic Framework

3.16 The visitor economy is an important contributor to businesses and communities in Cheshire East, generating over £600m per annum to the local economy. The visitor economy generates economic and social activity for visitors and residents alike. It not only supports jobs and economic well being, but it helps to support facilities and amenities for local communities, encourages residents to stay and spend leisure time in the local area and helps to build distinctive communities, thus increasing local pride and self confidence. It also enhances the image of an area, turning a location into a commodity, thereby attracting commercial investment from outside the tourism industry by demonstrating to potential investors that the area is good to locate in. It provides a source of income for the natural and built heritage, providing an economic driver for regeneration and new uses for buildings or land.

3.17 In order to build on this success and generate further wealth Cheshire East Council will:

- Support the development of tourism infrastructure;
- Ensure that Visitor Economy needs and opportunities are taken into account as part of regeneration projects and decisions relating to planning, transport, public realm, events, culture and countryside/greenspace;

- Work with partners to encourage and facilitate business sector development in areas such as food, equestrian, accommodation, attractions development, skills training and visitor welcome.

4 CONSULTATION AND ENGAGEMENT

- 4.1 The Council consults local residents and other stakeholders each year on a whole range of issues. The setting of the Council Tax at an affordable and sustainable level is important to our residents, but this has to be balanced with their demands for service improvement in certain areas. Our aim is to become more accountable to our customers and to make our decision-making processes more transparent.
- 4.2 However the Council wishes to go beyond consultation. We will therefore communicate the challenges both in terms of policy, service delivery and finance. We will also inform customers and stakeholders about the context within which the Council operates, so that decisions are taken in partnership whilst understanding the consequences of these decisions.

5. KEY PARTNERSHIPS AND PARTNERS

- 5.1 The Council is committed to working in partnership to enable more effective use of public money through a shared understanding of the needs and issues in Cheshire East and co-ordinated provision of services.
- 5.2 Partners on the Local Strategic Partnership Executive Board include the Cheshire Constabulary, the Cheshire Fire and Rescue Service, the Central and Eastern Cheshire Primary Care Trust, the South Cheshire Chamber, the Cheshire East Housing Delivery Partnership, MMU Cheshire (Manchester Metropolitan University), and the Cheshire East voluntary sector.
- 5.3 Partnership delivery is organised through five thematic partnerships:
- The Safer Cheshire East Partnership
 - The Children's Trust
 - The Health and Well-being Partnership
 - The Economic Development, Learning and Skills Partnership
 - The Environment and Sustainability Partnership
- 5.4 The Local Strategic Partnership has also established seven Local Area Partnerships (LAPs) covering the areas of Congleton, Crewe, Knutsford, Macclesfield, Nantwich, Poynton and Wilmslow. Their role is to improve services, ensure local people influence decision-making and to actively engage and empower communities.

6. ASSET MANAGEMENT

- 6.1 Effective asset management planning is a crucial corporate activity if a local authority is to achieve its corporate and service aims and objectives and deliver its services. Its importance is recognised by the Government, which has produced guidelines on asset management planning in local government. Whilst the Comprehensive Area Assessment (CAA) no longer includes a formal assessment of how well the organisation manages its asset base it is important for the Council to continue to demonstrate that it treats its assets as an integrated corporate resource and to show the extent to which fixed assets are maintained in “fit for purpose” condition.
- 6.2 The Corporate Property Officer role is held by the Asset Manager, who has responsibility to report on all strategic property matters and is the designated Officer overseeing development of the comprehensive Asset Management Plan updated by annual review. All key decisions affecting the Council's property and asset management policies are made by the Portfolio holder for Procurement, Assets and Shared Services.
- 6.3 The Capital Strategy has close links with the AMP, particularly in terms of current and recently completed capital schemes and asset disposals. The AMP will aim to achieve the best use of resources through:
- continuously assessing the condition of properties in order to quantify and prioritise maintenance spending to improve the condition of the portfolio.
 - undertaking whole life costing on major building projects to obtain the best balance between capital and revenue expenditure.
 - Continuously monitoring property performance, energy and running cost to optimise use and improve efficiency.
 - the Asset Challenge process, which will ensure that every opportunity is explored to rationalise the estate, contributing to medium term financial strategy in terms of both capital receipts and revenue savings.
- 6.4 Alongside its staff, property is any organisation's most costly asset. A strategic asset management approach, leading to a smaller, more agile estate focussed on service delivery, will bring about significant savings while still meeting operational objectives.
- 6.5 Using a strategic approach to asset management, linked to the organisation's vision, helps to challenge the status quo, and delivers innovative new ways of working. Examples include:
- 6.5.1 Using a “service challenge” approach to assessing asset needs – placing improved service delivery at the heart and ensuring that the asset challenge programme drives this;
- 6.5.2 Building on the OGC initiative of “working beyond walls” with more radical ways of working used to increase efficiency;

- 6.5.3 Partnership working with other service providers to provide a better service to customers, to capitalise on synergies and provide a single point of access.
- 6.6 Therefore, Asset Challenge is carried out with service managers on a rolling programme as part of a corporate led property review or in response to a proposed/ necessary change.
- 6.7 The vision for the portfolio is that in the next 5-10 years there will be:
- a reduction in the number of buildings through the disposal of buildings in a poor condition which no longer meet operational requirements or cannot be adapted or refurbished cost effectively;
 - an improved quality of environment for customers and staff by way of a more equitable distribution of space and a reduced carbon footprint;
 - improved accessibility for disabled people;
 - co-location of appropriate services whether Council-run or not in locations which enable services to get closer to customers;
 - touch down facilities for staff operating in the field using mobile technologies.
- 6.8 Properties found to be unused and under-utilised during a property review will be assessed and, if found to be surplus, will be assessed for potential either for utilisation by another service, retention as an investment property, regeneration opportunity or for disposal.
- 6.9 Capital receipts from the disposal of income-producing properties will be reinvested in properties providing a higher return/income, unless the requirements of the authority at the time dictate otherwise. Capital receipts from non-income generating properties are utilised to help fund the Council's capital programme.
- 6.10 Exploring potential outsource/joint venture arrangements will be an increasingly important way to optimise the use of public assets, and may also act as a catalyst for regeneration. One such approach is the use of Local Asset Backed Vehicles (LABVs). These are special purpose vehicles owned 50/50 by public and private sector partners with the specific purpose of carrying out comprehensive, area based regeneration or renewal of operational assets. In essence, the public sector invests land/property assets, which are matched in cash by the private sector partner. The partnership may then use these assets as collateral to raise debt financing to develop and regenerate the portfolio.
- 6.11 Detailed Condition Survey information is used to monitor the condition of the assets for which the authority has a repairing responsibility and to prepare planned maintenance schedules to inform budget setting. Planned maintenance and capital projects can also take into account improvements to facilitate more efficient service delivery, energy efficiency and compliance with statutory requirements, and designing out crime.

- 6.12 The Asset Management Plan sets out a clear vision for establishing a new Corporate Landlord Function. The Corporate Landlord role involves a coherent, corporate overview of the acquisition, management, maintenance, improvement, review and rationalisation of property assets. Property related budgets should be centralised as far as possible to enable efficiencies of scale in procurement and a more effective management and timetabling of works.
- 6.13 The concept ultimately involves holding all property in a single support service which becomes a notional landlord. Occupying departments no longer “own” their operational assets, and become notional tenants. The role of the corporate landlord is to provide occupying services with the right accommodation for their needs, in the right location. The corporate landlord is responsible for facilities management and all repairs and maintenance, and for the payment of running costs including Business rates, utilities, insurance and cleaning.

Schools

- 6.10 A fundamental review of priorities for delivery of existing Children and Families programmes has been undertaken in response to the proposed reduction in central government capital funding. Despite this review our commitment to rebuilding, refurbishing and upgrading the fabric of our schools will remain the strategy for delivering projects that respond to local priorities including.
- Continued support for extended schools/community use projects for the delivery of extended services.
 - The Primary Capital Programme.
 - Raising standards in the primary and secondary sectors.
 - Diversity (e.g. expanding popular and successful schools).
 - Inclusion (e.g. providing efficient and accessible high quality provision for pupils with special education needs and disabilities)
 - Schools workforce reform.
 - The 14 –19 Agenda.
 - National Curriculum requirements.
 - Addressing pupil behaviour and attendance.
 - E-learning.
 - School security
- 6.11 In line with the 15 year ‘Primary Strategy for Change’ capital funding criteria, expressions of interest have been received from schools to be included in the remaining years of the programme (subject to Government confirmation in the Autumn). These will be fully assessed against criteria agreed by the Schools Forum and subject to the level of funding awarded; appropriate projects will be progressed in October with an opportunity for additional funding to continue the strategy over the remaining 12 year period. The expression of interest to be included in an earlier wave of the Building Schools for the Future (BSF) Programme was not approved and the new Government has recently withdrawn this programme.

7.0 ICT STRATEGY

- 7.1 Cheshire East has a commitment to break new ground and improve service delivery through the use of Information and Communications Technology (ICT) systems. Every service which Cheshire East provides, benefits directly from an innovative approach to ICT.
- 7.2 The development of both systems and the supporting infrastructure is undertaken in partnership with other organisations and agencies. These range from our immediate geographical neighbours such as Warrington and Cheshire West and Chester; partners in service delivery such as the NHS, PCT's, Police, Fire and Rescue; through to partnerships with the voluntary and private sector organisations. ICT continues to actively seek partnership to provide integrated information systems and efficiencies.
- 7.3 The ICT service currently relies on both revenue and capital from a number of different sources in order to run services and deliver its corporate programme of work. ICT development work is financed by capital funding and staffing costs are recharged to the capital programme. As more systems are developed, ICT Strategy will need to recharge the revenue consequence of the capital development programme to services to enable ongoing support and maintenance of systems.
- 7.4 Capital costs are funded by capital reserves, unsupported prudential borrowings and grants. The use of the capital reserve to fund significant new ICT investment is not sustainable over the medium term and as a result, the use of unsupported borrowings is likely to increase which will have a revenue impact.
- 7.5 Cheshire East has inherited over 450 legacy application systems, in excess of 4000 desktops/laptops (using different local software), a variety of telephone systems, a multitude of telecommunication lines and contracts, three data centres (which are wholly owned and used exclusively by Cheshire East) and also shares the use of other data centres with Cheshire West and Chester. This mixed estate of applications, hardware, infrastructure and data centres presents a clear opportunity to reduce ongoing costs and to improve resilience through rationalisation and harmonisation. ICT Strategy continues to review, in conjunction with services, both systems and the supporting infrastructure to standardise and reduce costs wherever possible.

8. HOUSING STRATEGY

- 8.1 The vision of the Cheshire Housing Alliance is to provide a housing offer that supports the creation of balanced, sustainable communities and the regeneration of the sub-region's most deprived neighbourhoods, through effective lobbying, partnership working and community engagement, to create a sub-region where all residents can achieve independent living in good quality, affordable homes that are appropriate to their needs.

8.2 The four priorities listed below have been identified as the key issues for the sub-region. More information on these priorities can be found in the Cheshire Sub-Regional Housing Strategy 2009-2012 document.

- PRIORITY ONE: To increase the supply of affordable housing to support economic growth and development.
- PRIORITY TWO: To make best use of the sub-region's existing housing stock.
- PRIORITY THREE: To meet the housing and accommodation-related support needs of the sub-region's most vulnerable residents.
- PRIORITY FOUR: To increase the supply of market housing to support economic growth and regeneration and to meet local housing needs.

8.3 The following targets taken from the 2009-12 action plan will require capital resources:

- Develop appropriate affordable rural housing
- Increase the number of homes in the social housing sector achieving the Decent Homes Standard (DHS)
- Harmonise social housing stock condition surveys
- Achieve DHS for all RSL- owned homes (including LSVTs)
- Increase the number of homes in the private housing sector achieving the Decent Homes Standard
- Harmonise private housing stock condition surveys
- Ensure compliance with legislative requirements for Houses in Multiple Occupation (HMOs)
- Use enforcement powers where necessary to ensure private rented and owner occupied properties reach an acceptable standard
- Increase the number of households within the Cheshire East area taking advantage of energy efficiency schemes
- Encourage homeowners and private landlords to invest in maintaining their homes
- Bring empty private sector homes back into use
- Re-use brownfield land, neglected and derelict buildings in appropriate locations for new housing development
- Deliver the recommendations of the Cheshire Partnership Area Gypsy and Traveller Accommodation and Related Services Assessment through partnership working
- Improve the provision of accommodation for older people
- Identify and bring forward suitable sites for the development of private sheltered housing, retirement housing or extra care schemes
- Assist older people to continue to live comfortably and safely in their own homes
- Fulfill statutory obligations with regard to Disabled Facilities Grants (DFGs)

- Increase take-up of grants/ loans to enable older and vulnerable people to improve the security and condition of their home.

9. IDENTIFYING AND PRIORITISING CAPITAL SCHEMES

9.1 For each of our portfolios and service priorities, we have reviewed our main aims and outcomes through the AMP process and identified those that require the use of capital assets. Our primary concern is to ensure that capital investment matches the Councils overall priorities as set out in the Corporate Plan. From our AMP and the various service strategies developed with partners to achieve our aims, we identify annually the need for new capital schemes. Schemes go through a four-stage process:

- Scheme identification from service strategies / AMP
- Inclusions in the Capital Programme following scheme appraisal and prioritisation
- Scheme implementation through Capital Programme procedures, including regular monitoring
- Post-implementation review to ensure the scheme achieved its stated aims and was implemented to plan

9.2 Through the business planning process new proposals that come forward will be considered by the Efficiency Group. This group acts as the co-ordinating Group for the Council for Business Planning purposes. It is a Cabinet Member and Corporate Manager Group that is charged with challenging the Directorate plans for service delivery and resource allocation. It will also be charged with collating the Council's new cross-cutting principles, transformational plans and innovative ideas. The Group will assist the Council in meeting the challenge of the Coalition Government's Comprehensive Spending Review (CSR) and the work that the Group will do through the summer will be the springboard for the Budget Challenge/Scrutiny sessions from October.

9.3 Any proposals with capital implications will require a strong business case including the justification for the project and details of costs and available funding. The proposals will be reviewed against the Corporate Objectives by the Efficiency Group and referred to the Capital Asset Group who will consider the proposals against the available funding envelope. Those schemes which have been assessed to have sufficient merit will go forward to the next stage.

9.4 Following this initial process services will then be required to submit detailed business cases for those schemes going forward for consideration. The schemes will receive an initial assessment by the Capital Appraisal and Monitoring Group (CAMG) who will assess the viability of the scheme and provide guidance on technical, legal and planning issues to Project Leads. The CAMG will consist of officers from Asset Management and Corporate Finance. Professional expertise from Engineering, Planning, Legal and Procurement will be drawn on as required and external consultancy services

will be procured for feasibility studies, option appraisals etc where internal resources and / or expertise are not available.

- 9.5 The business cases will set out how returns on investment will be achieved either through enhanced income generation, cashable revenue savings or performance improvement.
- 9.6 The Capital business cases from all services will be considered by the Capital Asset Group (CAG) and placed into overall priority order having due consideration to the estimated resources available. The Capital Asset Group will consist of the Borough Treasurer and Head of Assets, Head of Finance, Head of Asset Management, Head of Policy & Performance, Head of Corporate Improvement, Partnerships Manager, Heads of Services or their representatives and representation from the CAMG.
- 9.7 The Capital Asset Group will provide an interface between Cabinet and Officers and their remit will be to:
- Consider the capital bids against Council priorities and objectives using the key selection criteria set out in paragraph 9.8;
 - Review available resources and affordability, options for bridging the affordability gap include; exploring the possibility of external funding sources, prudential borrowing, downsizing the programme, deferring schemes until a later year, or deleting the scheme from the programme.
 - Oversee the preparation and review of the three year capital strategy;
 - Oversee the management and monitoring of the capital programme including a review of existing commitments.
 - Update and review the Asset Disposal Plan.
 - Recommend a draft capital programme
- 9.8 Capital schemes will be prioritised in terms of their fit with the Corporate Objectives of:
- Transformation – does the scheme contribute towards the corporate transformation goals;
 - Infrastructure – does the scheme support the ICT infrastructure and asset base;
 - Compliance – does the scheme contribute towards compliance with statutory legislative and health and safety requirements.
- 9.9 A list of capital projects will then be submitted to the Efficiency Group Challenge sessions for member scrutiny. The process will include:-
- meeting with the relevant Directors and Portfolio Holders to challenge and review the prioritisation of capital schemes;
 - reviewing the overall purpose of the capital programme and ensure the proposed capital schemes are consistent with the overall strategic plans of the Council;

- recommending a list of schemes for consultation and onto approval by Cabinet and Council in February.

9.10 Annex 2 shows the business planning process for 2011-14, including key dates.

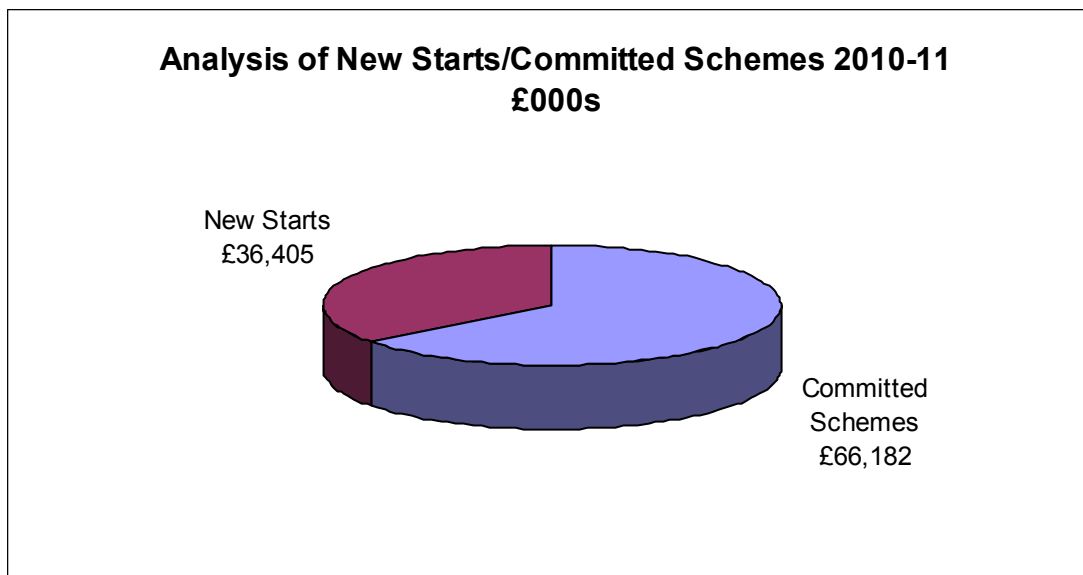
10. FUNDING AND PROCUREMENT – KEY PRINCIPLES

- 10.1 Cheshire East's Capital Programme is funded from a number of sources, including government grants, capital receipts, external contributions, revenue contributions, borrowing and the capital reserve. The timings and amounts of both capital expenditure and receipts are difficult to predict with any certainty and this is reflected in the fact that both the financial forecasts and Capital Programme are constantly changing.
- 10.2 The Council's Capital Receipts Policy will ensure that receipts are used in the most beneficial way to support corporate priorities and strategic objectives of the Council. The policy is intended to separate the use of resources from the means of acquiring resources therefore supporting the strategic approach to capital investment. This will mean that all receipts will be pooled centrally and allocation to capital projects will be via the Capital Asset Group. The Council has implemented a Disposals Policy as part of the Asset Management Plan, where property assets are not meeting the Council's objectives, their retention will be subject to asset challenge and a process of rationalisation and disposal for surplus/under-performing property will be adopted.
- 10.3 The Capital Asset Group will recommend the assigning of available resources to finance the capital programme recognising the constraints of any ring-fencing arrangements and the requirement to balance front-line service and core programme requests.
- 10.4 Services may bid for unsupported (Prudential) borrowing to pay for capital projects that meet key corporate or service priorities and cannot be funded from any other source. As Prudential Borrowing is funded wholly from Council Tax, it should only be used where it can be demonstrated that it is affordable and sustainable in the long term. The Treasury Management Strategy 2010/11 sets out the Borrowing Requirement and Strategy for the Council which is to maintain maximum control over its borrowing activities as well as flexibility on its loans portfolio. The objective of the Council is to stabilize the borrowing position so that new borrowing in any year does not exceed the level of debt repayment.
- 10.5 The capital process will give due consideration to the fundamental principles of the Procurement Strategy. The strategy details how procurement will be managed using the latest procurement techniques to ensure that savings are released so that they can contribute to the delivery of front line services. Capital Procurement will give due consideration to the principles of Sustainable Procurement including whole life costing. . .
- 10.6 The procedures for the approval, control, monitoring and procurement of capital schemes are detailed within the Authority's Financial Procedures.

The Council actively considers other forms of procurement including joint procurement with other local authorities and the Private Finance Initiative (PFI), and Public / Private Partnerships (PPP), which can also be used to lever in private sector capital. Where possible Procurement activity will be conducted in collaboration with other Public Sector Organisations where there are financial benefits in aggregating demand and benefiting from shared resources and specific expertise

11. MANAGING THE CAPITAL PROGRAMME

- 11.1 The Capital Programme will be monitored regularly throughout the year. Progress updates will be submitted to Cabinet on a quarterly basis as part of the financial reporting procedure. The monitoring process will focus on the main issues affecting each service, update progress on the Capital Programme, provide explanations of major variances between the in-year budget and latest forecasts and request Members to approve Supplementary Capital Estimates (SCE's) and Virements.
- 11.2 Progress on individual schemes within the Capital Programme will be monitored monthly by the project leads and service accountants who will provide regular reports to the Capital Appraisal and Monitoring Group (CAMG).
- 11.3 Major capital schemes will be subject to a post-implementation review within one year of completion. These reports will focus on financial performance and also evaluate the non-financial objectives. Post implementation reviews provide valuable benchmarking information and assist in ensuring that project outcomes are measured against initial project goals.
- 11.4 A mechanism for the rolling forward of capital schemes is in place and a review of slippage will take place at the end of each financial year. Capital schemes which do not commence during the approved start year will be reviewed and any delays will be monitored. The carry-forward of schemes will not follow automatically and new approval will need to be sought on an annual basis
- 11.5 During 2010/11 a fundamental review of the Capital Programme is being undertaken to ensure that schemes brought forward from legacy authorities that no longer fit with the corporate policies and objectives of Cheshire East Council are removed from the programme, this will enable resources to be re-allocated and used more effectively. An analysis of new starts compared to brought forward schemes is provided below.



12. CONCLUSION

- 12.1 The Capital Strategy will be a means of consulting and communicating with our partners, local people and businesses about capital priorities to deliver the vision in our Corporate Plan, and to assist in the continuous improvement of our services. It will be linked to all the Council's plans and strategies and by the Council's Service and Corporate AMP's. The Capital Strategy and the AMP will both take account of and join up the capital consequences of all the Council's other plans and together represent a realistic, costed three year programme linking capital assets to outputs. They will enable property to continue to provide best value in the future by continuing to review and establish performance indicators and setting performance targets and ensuring that these are monitored effectively.

13 ANNEXES

- 1 Capital Programme 2010-2014
- 2 Capital Planning Process
- 3 Glossary of Terms

ANNEX 1

Capital Programme 2010-2014

	2010-11 £000	2011-12 £000	2012-13 £000	Total £000
People				
Committed schemes				
Children and Families	23,284	2,538	50	25,872
Adult Services	3,864	1,633	0	5,497
Health and Wellbeing	3,751	700	385	4,836
	30,899	4,871	435	36,205
New Starts				
Children and Families	8,767	4,773	537	14,077
Adult Services	1,329	1,000	0	2,329
Health and Wellbeing	400	400	400	1,200
	10,496	6,173	937	17,606
Total Capital Programme - People	41,395	11,044	1,372	53,811
Places				
Committed schemes				
Environmental Services	18,668	3,237	0	21,905
Safer & Stronger Communities	0	0	0	0
Planning & Policy	0	0	0	0
Regeneration	4,932	374	0	5,306
	23,600	3,611	0	27,211
New Starts				
Environmental Services	11,543	8,949	8,949	29,441
Safer & Stronger Communities	1,508	160	160	1,828
Planning & Policy	2,100	0	0	2,100
Regeneration	2,280	2,900	1,230	6,410
	17,431	12,009	10,339	39,779
Total Capital Programme - Places	41,031	15,620	10,339	66,990
Performance & Capacity				
Committed schemes				
Borough Solicitor	60	0	0	60
Borough Treasurer & Head of Assets	10,968	1,283	0	12,251
HR & Organisational Development	0	0	0	0
Policy & Performance	655	185	0	840
	11,683	1,468	0	13,151
New Starts				
Borough Solicitor	0	0	0	0
Borough Treasurer & Head of Assets	8,388	1,704	2,954	13,046
HR & Organisational Development	0	0	0	0
Policy & Performance	90	10	0	100
	8,478	1,714	2,954	13,146
Total Capital Programme - P & C	20,161	3,182	2,954	26,297
Total Committed schemes	66,182	9,950	435	76,567
Total New Starts	36,405	19,896	14,230	70,531
Total Capital Expenditure	102,587	29,846	14,665	147,098
FINANCING				
Non spec supported Borrowing	14,238	4,035	300	18,573
Ringfenced Supported Borrowing	1,514	0	0	1,514
Unsupported Borrowing - Prudential	5,959	619	0	6,578
Government Grants	51,494	20,912	10,186	82,592
Capital Receipts	4,597	2,529	3,634	10,760
Capital Reserve	9,323	280	0	9,603
Linked/earmarked Capital Receipts	10,304	700	385	11,389
External Contributions	1,008	586	160	1,754
Other Revenue Contributions	4,150	185	0	4,335
Total Sources of Funding	102,587	29,846	14,665	147,098

2011-14 Capital Planning Process

Stage 1 August - September

Services provide outline proposals signed off by Director/Head of Service, Finance Lead and Portfolio Holder

Stage 2 September

Outline capital proposals reviewed by Efficiency Group and Capital Asset Group against available resources

Stage 3 September to November

Services develop detailed business cases

Challenge Phase

- Capital Appraisal and Monitoring Group initially assess schemes for technical viability.
- Capital Asset Group review schemes and assess impact on affordability
- Agree final list for review at Efficiency Group Challenge Sessions

- Services to review schemes and action feedback from the Asset Group
- List of accepted / rejected schemes
- Clarify links to revenue proposals
- Consultation & Engagement

Draft Capital Programme for 2011-14

- Capital Funding announcements
- Refinement

Stage 3 December to February

Publish Draft Capital Programme

Formal Consultation

Refinement

Final Capital Programme to Cabinet / Council

GLOSSARY OF TERMS**Asset Management Plans (AMPs)**

A plan maintained by the authority of the condition and suitability of its buildings, updated regularly and utilised to prioritise future capital programmes

Capital Expenditure

Expenditure of over £10,000 on the acquisition of fixed assets, or expenditure that enhances or adds to the life or value of an existing fixed asset, e.g. land and buildings.

Capital Programme

The authority's plan of capital works for future years, including details on the funding of the programme. Included are the purchase of land and buildings, the erection of new buildings, design fees and the acquisition of vehicles and major items of equipment.

A service area may also have a specific programme of capital works which is made up of numerous individual capital schemes. In such circumstances new bids for funding and capital monitoring will be carried out on a programme, rather than scheme, basis.

Capital Receipts

Income over £10,000 from the sale of a fixed asset. They can only be used to finance other capital expenditure or repay outstanding debt on assets financed from loan. They cannot be spent on revenue items.

Capital Scheme

An individual capital project which is monitored and managed in isolation. Groups of similar capital schemes within a service area may however be managed collectively to form a specific programme of works.

Capital Strategy

To assist with long-term planning for capital investment the government has encouraged Local Authorities to produce capital strategies. The strategy should provide clear strategic guidance about the Council's capital investment processes and policies.

Community Strategy

The Community Strategy identifies priorities for action and acts as a framework for other public service planning. It influences the delivery of a wide range of services such as housing, education, transport, crime prevention, economic development, culture and leisure.

Government guidance suggests that the Community Strategy should meet four objectives which are to:

- Allow local communities to articulate their aspirations, needs and priorities
- Co-ordinate the actions of the councils, and of the public, private, voluntary and community organisations that operate locally

- Focus and share the existing and future activity of those organisations so that they effectively meet community needs and aspirations
- Contribute to sustainable development

Comprehensive Spending Review (CSR)

The public expenditure planning process introduced by the government in 1997 to replace the system of annual public expenditure surveys. Each CSR covers a three year period.

Local Transport Plan (LTP)

A rolling five year plan of local transport strategies for achieving an integrated transport system to tackle the problems of congestion and pollution.

Private Finance Initiative (PFI)

Long term contractual Public Private Partnership (PPP) under which the private sector takes on the risks associated with the delivery of public services in exchange for payments tied to agreed standards of performance.

Procurement

The purchase of goods and services, with a strategy being developed to assist with the definition of quality standards and securing provision of the best possible services for local people for a given price.

Ring Fenced Funding

Funding that is for specific projects and therefore cannot be allocated to other general projects.

Service Plans

Part of the business planning processes for service departments, ensuring that their objectives meet the overall aims and objectives of the Council, and targets are set for improvements in service delivery.

Slippage

This is when delays occur in capital works and therefore payments are not made in the financial year originally anticipated.

Supported Capital Expenditure

- Borrowing allocations from the Government that replaces the previous system of credit approvals. These allocations enable services to borrow to fund capital schemes, and they will receive revenue funding to pay for the borrowing costs.
- Capital grants awarded by Government under the same system and are direct capital grants rather than borrowing approvals.

Unsupported Borrowing

Local Authorities can set their own borrowing levels based on their capital need and their ability to pay for the borrowing. The levels will be set by using the indicators and factors set out in the Prudential Code. The borrowing costs are not supported by the Government so the Council needs to ensure that it can fund the repayment costs. This borrowing may also be referred to as Prudential Borrowing.

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CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting:	20 September 2010
Report of:	Borough Treasurer and Head of Assets
Subject/Title:	Financial Update - Remedial Action Plans
Portfolio Holder:	Cllr Frank Keegan

1.0 Report Summary

- 1.1 This report provides details of remedial actions identified by services with a view to minimising the forecast outturn overspending of £13.6m at Quarter One reported to Cabinet on 16 August.
- 1.2 Details of proposed remedial measures for Childrens, Adults, Health & Wellbeing, Places, and Performance & Capacity are contained in the Annex. Whilst this report concentrates on service actions, it should be noted that there is some scope for mitigation within centrally held budgets and provisions (for example the £1.6m non-pay inflation contingency). Other potential areas, for example capital financing and earmarked reserves, are also currently being reviewed in detail.

2.0 Decision Requested

- 2.1 Cabinet is requested to note and comment as appropriate on the following:
- the projected outturn position and proposed remedial actions;
 - that exception report updates will be brought to Members monthly for the remainder of the financial year;
 - where additional remedial measures should be sought across the Council's services.

3.0 Reasons for Recommendations

- 3.1 The overall level of net projected service overspending remains significant, even if all the remedial actions identified in this report are achieved. Further measures will therefore be required to bring about a balanced service outturn position at year end.

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 As contained in report

7.0 Financial Implications (Authorised by the Borough Treasurer)

7.1 As contained in the report

8.0 Legal Implications (Authorised by the Borough Solicitor)

8.1 None

9.0 Risk Management

9.1 A significant projected overspending in 2010-11 was identified at the first quarter stage. Remedial actions are already being taken, but in view of the scale of the risk, services have produced remedial action plans with a view to substantially reducing the underlying figure during the year. However, there remains a significant risk that further calls on the Council's general balances will be required.

10.0 Background

10.1 At its meeting on 16 August, Cabinet received a report on the Council's financial position at the Quarter One stage. The report highlighted the key emerging budget pressures facing the Council totalling £13.6m. Cabinet was asked to note that a further report on remedial action plans would be brought to it in September.

10.2 As also reported in the Quarter One Financial Update, officers are currently undertaking a fundamental review of the capital programme to ensure that only schemes which fulfil the Council's priorities for service delivery are included. An initial exercise has identified a number of schemes to be removed from the programme, but it is felt that a further more detailed review is required, and the outcome of this review will be reported to Members in November as part of the Quarter 2 Financial Update - Mid Year Review.

11.0 Access to Information

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

Name: Lisa Quinn
Designation: Borough Treasurer and Head of Assets
Tel No: 01270 686628
Email: lisa.quinn@cheshireeast.gov.uk

**CABINET
20 SEPTEMBER**

ANNEX

FINANCIAL UPDATE - REMEDIAL ACTION PLANS

INTRODUCTION

1. On 16 August, Cabinet received a report on the Council's financial position at the Quarter One stage. The report highlighted that the Council faced emerging budget pressures totalling £13.6m. Cabinet was advised that a further report on remedial action plans would be brought to it in September.
2. This report therefore provides details of remedial actions identified by services with a view to minimising the forecast outturn overspending reported at Quarter One. Whilst this report concentrates on service actions, it should be noted that there is some scope for mitigation within centrally held provisions. For example, the £1.6m non-pay inflation contingency has not been allocated (although Members should note para 31 below which identifies a proposed call of £0.2m on this for Places). In addition an estimated £0.6m saving in interest payable should arise following the rescheduling of the Council's external debt. Other potential areas, for example capital financing and earmarked reserves, are also currently being reviewed.
3. At this early stage of the year figures quoted need to be treated with caution. Forecasts of spending and income, and the impacts of remedial measures may change significantly as the year progresses. For example, care client demand factors, waste volumes, winter conditions can fluctuate. Information is still awaited from Cheshire West and Chester in relation to ICT Shared Services.
4. Remedial action plans are at an early stage of development and may change. However, urgent action is now required if any material impact on the overall outturn position is to be made in 2010-11. Updated positions will be reported at the mid year and three-quarter year stages, but monthly monitoring updates on remedial actions on an exceptions basis will also be provided to Members.

SUMMARY

5. Table 1 shows the projected outturn positions at a service level, taking account of proposed remedial actions. At the Quarter One review, underlying budget pressures of £13.6m were identified. Proposed remedial actions of £6.2m have been identified, which if fully achieved would reduce the overspend to **£7.4m**.

Table 1 - Service Revenue Outturn Forecasts

Service	Net Budget £000	Underlying Budget Pressures £000	Proposed Remedial Measures £000	Net Projected Variance from Budget £000
Children & Families	37,355	5,725	(2,635)	3,175
Adults	69,750	5,795	(1,390)	4,405
Health & Wellbeing	14,691	700	(548)	152
Total People	121,796	12,220	(4,573)	7,732
Environmental	34,841	878	(252)	626
Safer & Stronger	666	24	(170)	(146)
Planning & Policy	3,724	(84)	(180)	(264)
Regeneration	9,569	393	(326)	67
Total Places	48,800	1,211	(928)	283
Treasurer & Assets	24,165	747	(743)	4
HR&OD	3,367	0	0	0
Borough Solicitor	6,361	(452)	0	(452)
Policy & Performance	8,636	(150)	0	(150)
Total Performance & Capacity	42,529	145	(743)	(598)
TOTAL SERVICES	213,125	13,576	(6,244)	7,417

6. Services have drawn up initial remedial action plans which describe the specific measures proposed, the estimated financial benefit, the timescale over which they are to be achieved, and a risk assessment of their likely achievement.
7. It should be noted that some services have included items in their action plans which had already been taken into account at the Quarter One stage.
8. Key issues emanating from these plans, including significant risks, and areas where Member approval to the proposals may be required, are summarised below.

PEOPLE DIRECTORATE

Children and Families

9. Children and Families reported a projected £5.7m overspend at First Quarter Review and have identified remedial action of £2.635m which is being undertaken to bring down the projected overspend to £3.175m. The service is

currently exploring further options for remedial action which will reduce the projected overspend even further.

10. The Children and Families service receives a large proportion of grant funding and where grant conditions allow, these grants have been “topliced” to fund the Business Support function. An amount of £1.3m of grant has been held back and will be used for remedial action. £75k of the Extended Schools Sustainability grant has been retained for remedial action.
11. The 2010-11 budget included a proposal to save £2m in staffing costs through a staffing restructure. The service is now looking to further rationalise the structure which could realise an additional £600k savings in the current year.
12. The Government have cut the Connexions grant by £600k and this potential spending pressure was originally reflected in the projected £5.7m overspend. However the service is passporting the entire reduction over to the Connexions service.
13. The Youth Offending Service will deliver £60k savings in 2010-11 and potentially further savings could be achieved in future years.

Adults

14. Adults reported a forecast £5.8m overspend at the first quarter review. This projection already included remedial action of £2.6m in relation to the utilisation of the Social Care Redesign Grant.
15. A remedial action exercise has identified a further £1.4m of actions that can reduce the forecasted overspend to £4.4m, with further work in hand to identify additional remedial action. It is anticipated that it will be possible to reduce the overspend through this further activity.
16. Some of the remedial action relates to adjustments in the forecast for planned service savings for 2010/11 which are being realised in year with a part year effect (e.g. Cypress House; Voluntary Redundancies in Individual Commissioning, and reviews of the care provided to individuals).
17. Additional savings have been identified in relation to rationalising staff in home care, which arises from the reduction in demand for internal home care services due to personal budgets. The service is currently reviewing the hours that staff are contracted to work and is also considering additional voluntary redundancies.
18. The service is also reviewing car user allowances and mileage rates, printer usage and meetings strategy. These initiatives will need joint support from HR.
19. Suggestions have also been put forward in relation to further building closure, but further work is required to determine the savings available. Any

progression with achieving these savings will be dependent on members approval and support.

20. The service are also proposing implementing a mid year increase in fees and charges and also introducing new charges where applicable. Again, this decision will require member support and approval for the new charging mechanism to be applied.

Health and Wellbeing

21. The £0.7m overspend reported for Health and Wellbeing is mainly due to the inability to achieve the planned budget savings as reported in the FQR.
22. The remedial action presented by the service supports the original proposed budget savings which were detailed in the Budget and approved by Council, such as, review and rationalise the Libraries Service, review Civic Halls and Community Facilities and review/outsource discretionary Leisure and Culture Services. The ability to achieve these savings is reliant on the decisions of Members. Additional policies have been put forward, but these will require Member support and approval in order to deliver any savings.
23. The service are also proposing implementing a mid year increase in fees and charges and also introducing new charges where applicable. Again, this decision will require member support and approval for the new charging mechanism to be applied.
24. The merger of Adults and Health & Wellbeing should provide the opportunity to make additional cost savings.

PLACES DIRECTORATE

25. At the end of the first quarter the Directorate reported a projected £1.2m overspend, principally surrounding Environmental (£878k) and Regeneration Services (£393k).
26. In Environmental Services, the projected over-spend is being augmented by exceptional inflation in respect of Landfill, Household Waste & Recycling Centre contracts of £100k and in Regeneration Services increased fuel costs for bus contracts totalling £100k. Highways Operations costs in respect of a new contract for street lighting energy costs is projected to increase by 60% having a projected £250k part year effect in 2010/11.
27. The Directorate is addressing the reported first quarter projected overspend (£1.2m). Remedial actions have been identified totalling £0.9m, leaving a revised net variance of £0.3m.
28. There are potential future budget realignments between the Places and P&C Directorates in relation to centralised budgets to be managed by Procurement.

Remedial Actions

29. The directorate has identified key remedial measures amounting to £928k. These are summarised as follows:
30. There are service expenditure savings totalling £395k which comprise highways maintenance operations £100k (one off reduction in expenditure), non pay savings within Directorate Business Support of £149k and other non pay savings amounting to £146k (across Visitor Economy, Economic Development and Development Management). The Directorate has also identified additional income initiatives estimated to realise some £55k.
31. Other remedial measures include the use of earmarked reserves totalling £278k and a request to utilise £200k from the corporate inflation provision.

PERFORMANCE & CAPACITY

Property Services / Facilities Management

32. At first quarter Assets were reporting a £607k overspend. This was attributable to Property Services (£437k) and Facilities Management (£170k). No significant changes from this position have been identified since. Remedial action proposals agreed with the service total £545k but are a combination of low, medium and high risk actions
33. Holding vacancies for the remainder of the year will achieve almost half of the necessary savings (£300k), and this is considered to be low risk. Agreeing with Cheshire West and Chester Council a refund of £100k relating to accommodation charges in 2009/10 will be harder to achieve as they are confident that the charges are relevant and reasonable. Other proposals focus on generating additional school contributions to capital maintenance schemes (£75k), successfully chasing bad debt (£20k), and implementing a successful re-letting strategy to fill vacant industrial units across Cheshire East (£50k).

ICT Strategy

34. At the end of the first quarter ICT Strategy were projecting an overspend of £168k, of which £70k related to historical photocopier leases agreed by ex authorities prior to the creation of Cheshire East which still have a number of years to run. The balance of £98k is made up of a mixture of staffing costs and non staffing expenditure. The remedial action proposed by ICT Strategy is to hold a Staffing Vacancy for the remaining part of the year and to delay where possible the replacement of some PC's. The risks associated with these actions are the possible slowing in Capital Programme Delivery and the Desktop Replacement Programme not being met.

Finance (incl. Insurance / Shared Services)

35. At the end of the first quarter, Finance were projecting an overspend of £100k. This was a combination of a budget shortfall related to audit fees, which have not reduced in line with target; additional cost pressures relating to the use of agency and consultancy staff and in the HR & Finance Shared Service. These have been partially offset by anticipated underspending on Insurances and the use of transitional funding.
36. No significant changes have occurred since Quarter 1 and remedial actions have been identified to offset the projected net overspend of £100k.
37. A combination of controlling training expenditure, holding vacancies and accelerating the removal of agency staff pending the arrival of new appointments will achieve the necessary saving.

CONCLUSION

38. Services have identified substantial remedial measures totalling over £6m to mitigate the projected 2010-11 overspending. Although the majority (around £4m) are temporary measures affecting 2010-11 only, some are of a longer term nature which will only realise part year savings in 2010-11, or not begin to impact until 2011-12 onwards.
39. Measures identified for 2011-12 and beyond need to be incorporated in Business Planning assumptions. Where measures only have a temporary impact in 2010-11, the value of these will need to be added onto the savings targets for next year, and subsequent years.
40. The overall level of net projected service overspending remains significant, even if all the remedial actions identified in this report are achieved. Further measures will therefore be required to bring about a balanced service outturn position at year end.
41. Despite the identification of significant measures in the People Directorate, the scale of the potential net overspend is still such that it may well be necessary for this to be partly alleviated corporately by finding offsetting underspendings in other service areas. Members may wish to consider where these additional measures should be sought.
42. Although some alleviation may be possible from the use of earmarked reserves and other central provisions (and these areas are currently under detailed review), it should be assumed that there can be no recourse to general reserves to fund overspending in 2010-11 given the substantial reduction in the level of balances during 2009-10.
43. It is intended that further exception reports on the progress of Remedial Action Plans be brought to Members on a monthly basis.

CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting: 20th September 2010
Report of: David Wharton
Subject/Title: Energy Procurement
Portfolio Holder: Cllr Peter Mason

1.0 Report Summary

- 1.1 Cheshire East and Cheshire West & Chester collectively spend approx £12m per annum on energy (gas and electricity), approx £6m each annually. There are currently a number of joint contracts that were inherited from Cheshire County Council. These contracts are not due for renewal until 30/6/2011. However, we now need to decide the most appropriate method of procurement.
- 1.2 Traditionally many councils have utilised an energy third party organisation. However, the Office of Government and Commerce (OGC) Pan Government Energy Project (PGEP) recommends that one of the smartest ways for public sector organisations to buy energy is to use recommended frameworks through a Central Purchasing Body (CPB) that have aggregated volumes, can offer flexible purchasing and enable best practice risk management. It is no longer feasible or advisable for Councils to conduct individual energy tender exercises or utilise third party organisations whom are not deemed to be a 'contracting authority' under the UK Contract Procurement Regulations. Over 80% of local authorities are now using one of the OGC's recommended solutions.
- 1.3 Procurement leads from Cheshire West and Chester and Cheshire East have collaborated and worked closely to review the procurement of energy and to determine the most appropriate procurement route and Energy partner going forward. An options appraisal of the OGC's recommended panel of Central Purchasing Bodies has identified West Mercia Supplies (WMS) as the most appropriate purchasing body (See Section 10.7).
- 1.4 There has been internal stakeholder engagement and communication with an energy/officer working group in order to identify operational issues and recommend decisions impacting on all related budget holders.
- 1.5 It is preferable that contracts are entered into in September/October 2010 in order to allow for our volumes of energy to be included in the residual load that WMS will be going to market with sometime in

October/November 2010 and agreeing reference prices shortly after. There is a great deal of work involved in the transfer and implementation of a new provider in checking consumption figures and site data which will take many months once the contract has been signed.

- 1.6 An early forward purchase gives flexibility and the ability to secure competitive rates. To provide some context, Gas prices have increased by 40% since March 2010 and are still rising in a market currently with low demand.
- 1.7 More recently it has come to light that not all of the third party organisations are in fact trading as legal 'central purchasing bodies' (CPB's), as they are private energy management companies. It is therefore considered that many local authorities are using these companies illegally so it is more imperative than ever that we move away from our current third party provider as soon as practicable.
- 1.8 The recommendations conclude that a contract for energy in its entirety is awarded using the WMS (West Mercia Supplies, Shrewsbury) framework which is one of the OGC's recommended, flexible, risk managed solutions. WMS are a 'not for profit' public sector organisation.

2.0 Decision Requested

- 2.1 The decisions requested are:
 - i) Agreement to the use of the Procurement Method recommended i.e. a 'fully flexible' procurement.
 - ii) Agreement to appoint West Mercia Supplies (WMS) as the preferred provider.

3.0 Reasons for Recommendations

- 3.1 The reasons for the recommendations are that the council needs to secure energy and enter into energy contracts for the next few years as the current contracts are coming to an end (30/06/11). As well as needing to secure energy prices early, there is a great deal of work to do in order to transfer the requirements to a new provider. If a contract is not secured, there would be a significant cost to the council in paying 'deemed rates' and/or higher rates should there be a significant delay in entering into a new contract.
- 3.2 There is significant pressure on local authorities to ensure they aggregate their volumes and buy flexibly to secure best prices and the OGC's framework of accredited public sector buying organisations is able to accommodate these requirements and they are also fully EU compliant.

3.3 The CPB's are able to apply the right knowledge, skills and experience and can buy energy on the authority's behalf, and who will aggregate volumes from other public sector organisations.

3.4 From the review undertaken, it is recommended that WMS offer the most appropriate energy solution for Cheshire East Council.

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 There are 'Green Energy' policy implications and decisions to be made. Cheshire East could, if desirable, determine a percentage and/or chose dedicated buildings associated with green energy procurement.

6.2 There is currently no accreditation and no longer any carbon reduction programme benefits associated with the purchase of green energy. There has therefore been a downturn in councils buying green energy as it is more expensive and there are no benefits as such other than making a statement of the councils' 'green' commitment.

6.3 Costs for green energy are currently £0.62p per kwh with brown energy costing £0.47p per kwh. The premium for procuring green energy is therefore £0.15p kwh.

6.4 If the Council wanted to purchase all green energy - based on current volumes and current costs, the extra cost would be approx **£55,538 pa.**

6.5 If the Council wanted to purchase a % of green energy - for example Half Hourly Establishments (>100kwh) the extra cost would be approx **£29,553 pa.**

6.6 Internal officers within the energy management team and the climate change steering group have been consulted regarding this issue along with John Nicholson (Strategic Director of Places) and Cllrs Menlove and Mason. All are in agreement that there are insufficient resources available to purchase green energy at this time.

7.0 Financial Implications (Authorised by the Borough Treasurer)

7.1 The Street Lighting and Asset Management budgets will be affected by the procurement of Energy. Also, individual Schools and various

establishments' that have opted to use the Councils energy contract will see an impact on their budgets.

- 7.2 It has been agreed that schools will be communicated with shortly in order to gain their commitment of energy volumes to the new contract. Schools will be asked to inform the council by a specific date should they wish to opt out of the contract as, due to the trading element, schools opting out of the contract may have an adverse affect on the Council's position.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 If the Council purchases through WMS it will be deemed to have complied with the Public Contracts Regulations 2006 (the Regulations) to the extent that WMS has itself complied with Regulations. In order to ascertain the legality of the creation of the framework we look at the notice that was published in the Official Journal of the Economic Union (the OJEU Notice) at the start of the procurement. We have identified certain risks:

- 1 The existing electricity framework is for a total of five years. There is an original term of three years with two possible extensions of one year each. According to the Regulations frameworks cannot be let for more than 4 years except in 'exceptional circumstances'. The reason given in the OJEU Notice is 'to meet the commercial needs of the supply sector'. This may possibly be argued not to be an exceptional circumstance.

The notice in OJEU for the future framework indicates that the next framework will be in place from 1 October 2012. In the event that the framework was challenged for going beyond 4 years the courts could restrict the existing framework to four years and this could result in WMS being without a supply source for one year from 1 October 2011 to 30 September 2012.

No price range has been indicated in the OJEU notice in respect of the current framework and this is contrary to the guidance issued by EU Commission.

- 2 The Council will be purchasing on behalf of schools. Legal has seen a draft of the contract under which the Council would be purchasing electricity, however, during the presentation given by WMS at Westfields, it was made clear that the contract terms would be mainly 'take it or leave it', except for minor adjustments. It was further clarified that the contract would envisage a definite amount of energy during the term of the contract to enable WMS to place future orders. In case the demand is substantially reduced and WMS is left with excess energy, any ensuing loss would be the responsibility of the Council. Legal is approaching through Procurement to balance out this condition

There may possibly be some protocol asking the school to procure energy through the Council but the schools converting to Academies may be free to make their own independent energy procurement decisions. Thus, if they decide to change their energy source and demand with WMS is reduced; the eventual liability and consequential financial burden would vest in the Council. This risk could be mitigated by the Council entering into contracts with schools before signing the energy procurement contract and ensuring that the schools indemnify the Council in the event of a school changing its electricity source.

9.0 Risk Management

- 9.1 In utilising the OGC's framework of providers, prices can be controlled and monitored as volumes will be aggregated, purchased flexibly and risk managed to reduce exposure to higher energy prices.
- 9.2 Energy prices/budgets can be determined as the council will agree on capped 12 month (or period to be agreed) prices so if costs increase, the council/users will not automatically receive the increases and will be able to budget sufficiently.
- 9.3 If energy costs fall, prices will be monitored and controlled by the chosen energy provider along with OGC and WMS will be able to unlock/unset (e.g. sell back to the market) tranches of energy in order to sell and buy back the volumes of energy at a lower rate e.g. they will seek to capture trading gains from the weakening of energy prices as they occur.
- 9.4 In order to mitigate pricing risks for all parties, there is a proportion of utility costs that can be hedged/unhedged and it is these costs that need to be managed within a controlled framework that not only takes cognisance of the providers risk/governance strategy, but also the risk parameter of Cheshire East Council.
- 9.5 This hedging results from an agreed assignment of 'Capital at Risk' (CAR). Effectively, this means, an amount of money over and above the cost per unit that the council is to pay in order to allow the consortia/provider to trade our portfolio of gas/electricity to obtain the most competitive rates. The CAR fee has been identified as 5%.
- 9.6 Trading will provide for trading gains which will be monitored within year and formally calculated at the end of each financial year based on volumes. Gains will be split 50/50% between Cheshire East and the consortia.
- 9.7 Whilst the gain share of 50% could be perceived as low, it is important to remember that the opportunity to receive 50% of any trading gains has not been available in previous contracts. This provides added value

over and above the ability to secure competitive market prices and the 50% gain share that WMS receive is part of their overall management/fee structure which pays for their energy expertise including bureau services/site works/dedicated web pages for schools to monitor their meter readings for instance.

- 9.8 The preferred provider has also given the option of them putting up with the CAR fee in return for a larger gain share e.g. 60/40%, but it is unlikely this option would benefit the council as much as paying the CAR fee and reaping 50% trading gains.
- 9.9 There are a number of options and decisions for the Council to agree on to capture the trading gains and re-distribute internally e.g. either centrally or service specific and/or to reduce costs of the management fee for the contract. An initial meeting has been held with internal service dept colleagues including finance and audit and there will be further internal discussions with finance/audit as to determine the best methods of paying the fee and re-distributing trading gains.
- 9.10 A future risk management option is also currently being investigated by OGC and its accredited energy providers e.g. buying energy directly from generators. This could help reduce long-term price risk, increase security of supply, and potentially stimulate additional sources of renewable energy. This initiative would not be available if the council does not use an OGC recommended solution.

10.0 Background and Options

- 10.1 Cheshire East and Cheshire West & Chester collectively spend approx £12m per annum on energy (gas and electricity). There are currently a number of joint contracts.
- 10.2 The current CE Electricity and Gas supply agreements are due to expire 30th June 2011. Both contracts are based on a fixed price model arranged in 2008, resulting in the Council being locked in to prices. The procurement was carried out by a private sector energy management organisation, UX-online. The Energy cost for CE in 2009/10 was around £6m.
- 10.3 Generally price of energy is determined by the day on which it is purchased. Traditionally it is purchased in same way as future stocks and shares. There are two main options:
- A one off tender where all the volume is bought on one day at one price for a period of between 12-36 months. This relies on picking the right day to tender. This option gives certainty of price but does not manage risk as the Council may be locked into a vastly inflated price for a prolonged period of time. This is our current method.

- Aggregate volume with a consortium and have the volume bought over the 6 months period preceding the start of the contract. This also gives certainty of price but allows a far greater management of risk. These consortia also manage day-to-day administration, which means they take on the responsibility of buying the energy and managing it.

10.4 Historically Cheshire East Council and many other public sector bodies have used a third party intermediary (TPI) to act as their energy consultant. It has come to light that, in the main, these private commercial organisations are not deemed to be an appropriate 'contracting authority' under Regulation 3 of the UK Public Contract Regulation and therefore they are not fully EU compliant for local authorities to use in order to procure energy.

10.5 OGC Pan Government Energy Project (PGEP)

The Pan Government Energy Project (PGEP) recommends that all public sector organisations adopt aggregated, flexible and risk managed energy procurement. The project sponsored and chaired by the Ministry of Defence, has developed best practise recommendation for energy procurement, in consultation with customers and public sector buying organisations. The aims of the project are to review public sector energy usage and procurement and to deliver increased value for money through both cost and carbon savings; and to encourage a managed approach to energy procurement.

The energy market is extremely volatile. Prices can vary significantly on a daily basis with dramatic rises and falls over a 12 month period. Moves of plus or minus 20% in a single month are possible. Such market conditions make it difficult to manage budgets and control cost, therefore increasing the importance of adopting a best practise approach to energy procurement.

The three characteristics of best practise energy procurement identified by the project are:

1. Flexible procurement:
 - all costs that make up the delivered price of the energy are fully transparent
 - purchasing on the wholesale market allows the removal of certain costs e.g. purchasing is conducted in real time so there is no additional premium for keeping a price open to cover the risk of wholesale price movement whilst a decision is made
 - flexible purchasing allows adoption of a risk management strategy
2. Aggregation:
 - Larger portfolio's are more attractive to suppliers, and reduce supplier margins by as much as 3%

- Provides the minimum volumes that are required to trade on the wholesale market
- There is the potential to increase risk managed options

3. Risk Management:

- Given the volatility in the market, it is crucial that any energy procurement is carried out in accordance with a defined risk managed strategy. Effective risk strategies are developed through knowledge and understanding of the energy markets, statistical analysis and an understanding of the customers need for budget certainty.

Flexible procurement can also extend to what is known as ‘fully flexible’ which provides for an element of trading e.g. where the energy prices increase, volumes of energy can be locked out/secured to ensure customers are protected from significant cost spikes. If however, the market starts to fall, the CPB can selectively unset (sell back volume) their position ready to re-purchase them at lower prices.

Both of the options of flexible and fully flexible provide access to the wholesale markets. However, the key differences between them are identified in the table below:

Delayed tranche (flexible) – Summary	Fully flexible - Summary
<ul style="list-style-type: none"> • Still some lack of budget certainty. • Often not purchasing more than 12 months ahead as cannot change purchasing decision. • Prices based on a view of the market • Customer has to accept any price risk or limit involvement in price falls • Risk of reconciliation charges to customers if prices increase 	<ul style="list-style-type: none"> • Budget certainty during each financial year, through a capped price mechanism • Positions locked/held (prices secured) out as prices increase • Ability to sell back to market when prices fall (unsettling tranches of volumes) • Ability to reduce prices to customers to reflect market falls • Offers price protection if prices increase • Offers lower prices if prices fall • Ability to purchase years in advance with minimal risk as position can be unset (sell back)

OGC have confirmed that there is now over 80% of public sector bodies using one of the recommended solutions.

10.6 OGC's Accredited solutions – Options Appraisal

Following discussions regarding CE and CW&C requirements, the following CPBs were specifically recommended for CE and CW&C to review:

- West Mercia Supplies (WMS)
- Yorkshire Purchasing Organisation (YPO)
- Eastern Shires Purchasing Organisation (ESPO)

The OGC do not advise that LAs benchmark and evaluate all CPB solutions as they have all been evaluated already and all offer value for money. It is the additional customer service elements and risk strategies which the authority should consider in order to best meet with their individual requirements.

All of the recommended CPBs have been through a stringent assessment to ensure that they can offer this type of contract. The assessments are conducted by PGEP representatives against criteria approved by the whole PGEP (refer also appendix 1).

The assessments are not comparative; it is a misconception that energy prices can be benchmarked to provide a league table based on which CPB is delivering the best price. Each PBO works to a risk strategy and looking at this, along with services provided, will help to select the most suitable.

Energy pricing is dependent on when the client instructs the consortium to start purchasing.

Research into the various CPB solutions identified that the main difference between these organisations is their business model and services offered to customers in respect of billing, energy management and information. These additional services are extremely important to Cheshire East as they will facilitate the adoption of the contract by schools and allow the Council to implement more energy efficient strategies.

WMS are well suited for our geographical area. Many of the other consortia prefer not to do business out of their area in respect of 'energy'. The other 2 consortia listed above, ESPO, YPO, unfortunately at this time cannot provide the full bureau services that CE and CW&C require. We could do a separate tender exercise for the bureau services with other organisations but this is far from ideal due to our time constraints and feasible issues with different providers talking to each other.

10.7 The WMS Solution

From the CPBs listed above, and the information and research undertaken, it is felt that the consortia/solution that best matches the Council's requirements e.g. full bureau services, access to real time market rates, geographically suited is West Mercia Supplies (WMS).

The on-costs/management fee is £50,000 per annum which includes the full energy consultancy provision e.g. bureau services/site work support etc as explained below. This fee can be built into the individual site bills. This fee is infact the only influencable spend. The difference therefore against an annual joint spend of £12m (£6m for CE) is insignificant but this annual spend can be influenced more so by choosing the right flexible solution.

The administrative costs have been reviewed although it is important to note that these costs merely represent the on-cost of procuring and managing the energy; they do not reflect the price paid for the energy as this will depend on the day / days on which the energy is purchased and the chosen flexible solution.

Their on-costs (management fee) are reasonable whilst offering the most holistic and comprehensive service, which also include the following benefits:

- Capped prices (maximum price paid) for the financial year.
- No reconciliation or surcharges due to market increases
- Ability to reduce prices if market price falls – (with WMS fully flexible offering) e.g. 50/50% profit sharing. (At the end of each year, there will be 50% of any trading gains recoverable by the council from WMS, so this in effect is further reducing the cost of energy and the annual management fee).
- A tailored approach to billing which includes important site information i.e. price, CO₂ consumption a well as readings and meter details. This is not offered by others.
- Full support is offered for site works, WMS will organise new meters, pipe work, etc. and ensure new installations move onto the contract at the discounted price, not out of contract prices. This is unique to WMS.
- Management information will be adapted to allow the Council to carry out independent analysis of the contract to assess performance, provide key performance indicators and data for the Carbon Reduction Commitment.
- WMS will also provide a web page for sites, specifically schools, to allow manual meter reads to be entered to present estimated bills. This will also provide useful consumption and emission data to each individual school.
- Many of the above benefits are exclusively offered by WMS.

WMS also offer a unique business model of energy purchasing that allows possible cashable gains at the end of each financial year. Should the Council choose WMS as its preferred consortia, it will have the option of exploring this model. Whilst other recommended solutions have the ability to provide 'flexible' trading options, WMS are currently the only consortia providing this solution.

The OGC are currently encouraging other CPBs to operate fully flexible contracts so that they can take advantage of market conditions and have greater opportunity to save public money.

Other CPBs are trialling 'fully flexible' solutions, however, WMS is the only CPB actively using 'sell back' in their strategy. Fully flexible contracts require a lot of market analysis, resource to transact multiple trades and a robust risk management strategy. CPBs conducting fully flexible procurement will also require their full member approval. WMS have very supportive members and they have taken a gradual journey into fully flexible trading since 2006. They have a dedicated, professional team of people to manage this solution in line with their Governance, Accountability, Risk and Reporting Strategy.

Previously the council has had to accept the tendered price on a certain day/year and hope that the cost is competitive. No previous contracts or any of other available accredited solutions have had a pricing mechanism where the council could mitigate its ongoing energy cost throughout the life of the contract in order to ensure best value is obtained.

The past performance of the WMS energy purchasing team provides confidence that they have the skills to improve significantly upon market prices as demonstrated below. OGC also monitor the performance of the recommended solutions and conduct independent compliance review meetings.

The graph below shows the winter 2009/10 price and demonstrates the dangers of entering into fixed price contracts.

The graph also shows WMS's performance against the market average. The winter 2009/10 gas price achieved by WMS is 37p/therm. This is (40%) below the market average for the purchasing window available.

WMS currently have six local authorities and a number of other non profit making organisations on their portfolio. The total aggregated energy portfolio is currently as follows:

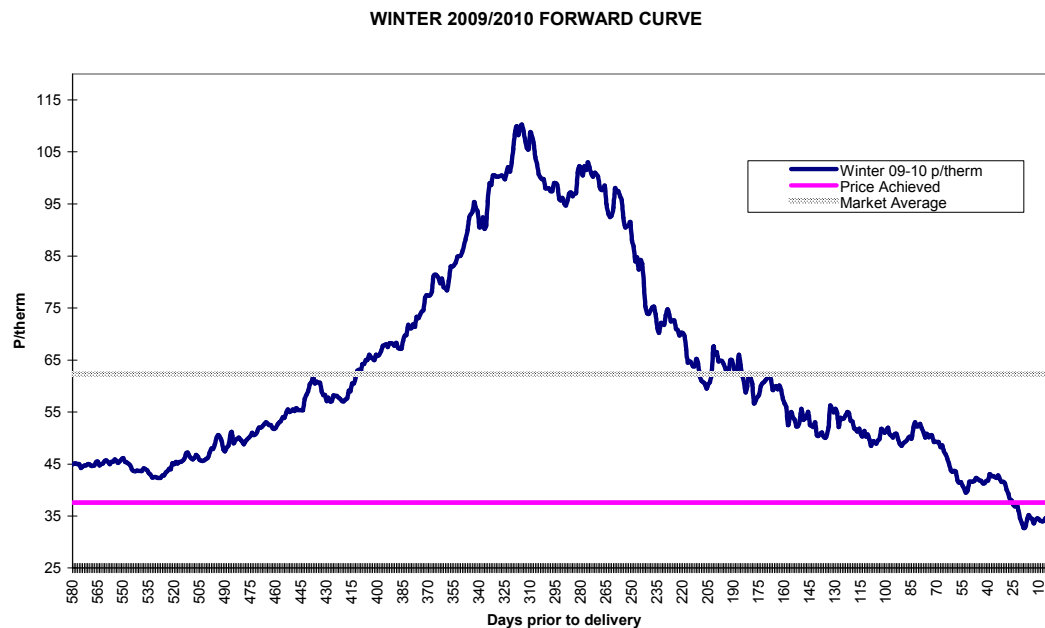
Volume:

Electricity:	250 GWh
Gas:	390 GWh

This equates to a combined energy turnovers of approx £31 million per annum.

The local authorities currently utilising WMS services for energy are:

- Shropshire Council
- Worcestershire County Council (some districts also)
- Herefordshire Council
- Telford & Wrekin Council
- Gloucestershire County Council
- Swindon Borough Council



Gloucestershire County Council (with an annual value of approx £7 million) joined the WMS fully flexible contract in October 09 and have reportedly made savings of up to £1 million in the first 6 months of operation. They have indicated they receive a more than satisfactory level of service from WMS and in particular, the schools have expressed their satisfaction in being able to speak to someone over the phone to resolve queries rather than getting an automated call centre.

Swindon Borough Council (with an annual value of approx £5 million) have also been utilising WMS services since October 09. They have also indicated that they have received an acceptable level of service and said that the transfer of sites were fairly smoothly transferred over, and that they are obtaining competitive rates and have a good team of people on hand at WMS to help resolve any issues. They are currently in the process of calculating savings and could only give an estimate figure of approx £150k, not including gain share at this stage.

Comparison of costs from previous costs to new costs under the WMS arrangement is very complex as it depends on what the authority in question was paying currently on their fixed price contract and

dependant upon when they entered into contracts with WMS along with their pricing/rebate structure.

To estimate savings for Cheshire East is very difficult, however, a straight comparison of CE spend/gains which could have been made for the financial year 2009/10 if using the WMS contract (based on the original fixed price against current WMS prices) show a combined Electricity/Gas approx gain share of £300,000.

The management fee and CAR costs are not taken into account in the above estimations as the method of recouping these costs is still to be agreed.

All costs are transparent including energy price, pass through costs and management fee. Trading gains made from capturing falls in the energy market are also transparent. The management fee is a fixed annual fee for the duration of the contract, dependant on portfolio size and volumes. This fee can be included in the unit cost should the authority wish.

Currently the management costs with UX on-line are hidden within the cost for electricity so they are not very transparent and the costs for electricity/gas are fixed at the market rate from the day of originally tendering.

Normally a minimum of a three year contract is required to optimise purchasing decisions, and due to the issues with supply transfers.

10.8 Recommendation

It is important to note that this recommendation complies with the best practice guidance and recommendations from OGC who advise that improved prices can be achieved through adopting flexible, aggregated, risk managed energy procurement.

The OGC have an internal report including a flagging system which is submitted monthly which identifies and highlights all those authorities currently not using a recommended solution.

If a public sector body was to use a/another solution e.g. a commercial organisation or do their own tendering procedure, this would be going against the government recommendations.

Cheshire East is currently being flagged as 'amber' and it has been noted by the OGC Commercial Delivery manager that all endeavours are being made to move towards a compliant, recommended solution so they hope to flag us as green as soon as we have agreement to enter into a compliant solution.

West Mercia Supplies (WMS) are able to offer the full holistic service along with a unique commercial business model which will deliver the best market rates, which in turn will give confidence to Cheshire East Council and its stakeholders that it is securing value for money.

Upon the information researched and discussed above, it is recommended that a contract be awarded using WMS consortia as the preferred consortia which is one of the recommended OGC (PGEP) solutions.

The typical recommended contract sign-up period is an initial contract period of 3 years with a 12 month option to extend. In the future, with the use of Power Purchase Agreements, councils could sign up their volumes for much longer.

11.0 Overview of Year One and Term One Issues

- 11.1 The contract will be managed by Procurement, Energy Management and key internal stakeholders. Prices and CAR will be monitored in line with the agreed risk strategy.

12.0 Access to Information

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

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Appendix 1 - P A N G O V E R N M E N T E N E R G Y P R O J E C T

Best Practice Energy Procurement Criteria

For Public Sector Contracting Authorities only

1. Organisations will be assessed against whether they:
 - a. Use a contract/framework with the ability to deliver wholesale energy sourced independently from the supply agreement, including where appropriate Renewable Obligation Certificates and Levy Exempt Certificates (electricity only).
 - b. Use a contract/framework or contracting authority with transparent pricing mechanisms (i.e. those which allow visibility of raw energy price, all regulated charges, suppliers' margin, administration charges, and other supplier charges such as renewable energy premiums and ROC prices etc).
 - c. Use a contract/framework with the ability to fix volumes over a series of purchases in the wholesale market.
 - d. Apply a documented (robust) risk management strategy that supports the purchasing strategy, and meet recommended robust governance arrangements.
 - e. Use recommended tools and techniques for managing risk.
 - f. Apply the agreed savings methodology and sound performance measurement.
 - g. Ensure that the contract is OJEU compliant, meets the best practice criteria as agreed by the CCB and is enabled for other public sector users where appropriate.
 - h. Deliver quarterly management information as required for reporting.
 - i. Ensure that all contracts will be for volumes of >500GWh electricity, or > 150GWh for contracts covering 5 or more separate customer organisations. Ensure that gas volumes will be >20 Million therms, or >10 million therms for contracts covering 5 or more customer organisations.
 - j. Ensure that OJEU / Procurement has been approved through a process agreed by the CCB to ensure it is a collaborative arrangement and consistent with the overall category strategy.

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CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting: 20/9/2010

Report of: Lorraine Butcher

Phil Lloyd

Clare Powell

Subject/Title: Whole System Commissioning Model / Enhanced Partnership

Portfolio Holder: Cllr Knowles –H&W Portfolio Holder

Cllr Domleo – Adults Portfolio Holder

Cllr Gaddum – Children's Portfolio Holder

1.0 Report Summary

Adults Social Care, Health & Wellbeing, Children & Families and the Joint Commissioning Team of CECPCCT want to ensure that Commissioning for the population we are responsible for is comprehensive, connected, equitable, and ensures the provision of a range of high quality, responsive and efficient services within the totality of the available resources. This will be referred to as a Whole System Commissioning Model throughout this report.

We believe this can best be achieved by aligning together commissioning functions that are currently separate. The intention of this report is to seek support for exploring in more detail the potential value of a 'Whole System Commissioning Model' through an 'Enhanced Partnership' arrangement for Cheshire East Council and Central Eastern Primary Care Trust.

For the purposes of the report, 'Enhanced Partnership' is defined as

'a system wide commitment, shared vision, integration across most strategic commissioning functions, with formal high level backing but sustaining separate legal entities of participating organisations'.

Through a Whole System Commissioning Model we could strengthen locality focused commissioning by increased alignment gradually with other commissioning bodies such as GP Consortia and Schools. The extent of GP consortia and School commissioning will become clearer following the publication of the expected Health Bill and the conclusion of the National Funding Review for Schools. A Total Place [Placed Based Budget] Commissioning approach would potentially be possible to then connectively meet the needs of individuals, families and communities through a whole system outcome focused commissioning approach.

Our vision for a Whole System Commissioning Model is that of Enhanced Partnership:

The Enhanced Partnership will be responsible for commissioning a defined range of services to meet the health, social and economic outcomes of the local populations within Cheshire East Council for children, adults and families.

The enhanced partnership will be responsible for ensuring comprehensive, equitable, high quality, responsive and efficient services are available to meet the communities' needs within the financial resources available.

A Whole System Commissioning Model will present challenges that need greater consideration throughout the development of the connected 'Costed Model' our aspirations, such as governance, none alignment of current PCT boundaries, ceding control to a lead commissioner. 'Costed Model' in this instance means the full business case analysis with a strong emphasis on the financial implications of the proposed changes for all stakeholders. However these challenges need to be tempered with the real financial pressures organisations face and the overall economic climate, increased demand and **greater customer expectations for efficient and high quality health and social care services that are connected and make sense to those who need to use them.**

2.0 Decision Requested

2.1 To note the potential value for local communities of developing a Whole System Commissioning Model through an Enhanced Partnership between CEC [Adults, Health & Wellbeing, Children & Family Services), CEC PCT, GP Commissioning groups, Schools and others to meet the health and wellbeing needs of our citizens and patients.

2.2 To agree that Officers undertake to explore the potential value of such a development and report back to both the Cabinet, PCT Board members and the GP Commissioning Exec on the value and implications identified through trialling and developing the proposed model.

2.3 To note that formal Joint Commissioning under a section 75 arrangement [NHS Act 2006] already takes place in respect of meeting the needs of the adult learning disability population and that this will be sustained; and in addition 'in principle' agreement for the development of a section 75 agreement for Continuing Care is sought, pending legal and financial advice as well as risk assessment.

2.4 To brief the appropriate Overview and Scrutiny Committee on this work and Whole System Commissioning Model as it evolves.

2.5 To note the following extract from the NHS White Paper

'.... Councils will be assessing local needs promoting more joined up services and supporting joint commissioning. This builds on the excellent work that is already done by some Councils in joining up services to improve health & social care and will ensure a closer working relationship between health and other council responsibilities, such as housing and environmental health. This

means that patients who need the help of both health and social care services can expect to get much more coherent, effective support in future' DOH Liberating the NHS: Local democratic legitimacy in health, July 2010 [link to full paper is available in appendix 1 below].

3.0 Reasons for Recommendations

3.1 To test and explore the principle that through Joint Commissioning we can affect savings in procurement, and contracting collaboratively, as well as the potential of achieving workforce efficiencies. Cllr Keegan in his quarter 1 speech to cabinet [August 2010] noted '**if we can merge functions we must act rather than just announce our intention**'. We want to shape the Whole System Commissioning Model through operational experience. Therefore allowing the needs of our population and communities as well as our experiential learning to form our ultimate Whole System Commissioning Model.

3.2 We have experience of Joint Commissioning within Learning Disability from Cheshire County Council and have chosen from this year to establish a new Cheshire East Learning Disability Partnership under a new Section 75 agreement to meet the needs of our learning disabled population. The partnership between Adult Social Care Commissioners and Central Eastern Primary Care Trust is well established with evidence of trust and appropriate risk share management. This is also evident within the education Improvement Partnership arrangements. We now want to build on this experience by moving towards jointly commissioned Continuing Health Care arrangements for customers / patients. The CECPCT Commissioning Executive (which has membership from the 3 local Practice Based Consortia groups two of which are within Cheshire East) has agreed in principle to the integration of continuing care functions subject to development of a more detailed business case. There would be a positive link here between progressing the Whole System Commissioning Model as well as operational multi disciplinary team development within adult and children's services.

3.3 Consideration of Continuing Health Care commissioned jointly would lead to the removal of duplicated assessment processes, connected procurement and contractual arrangements with residential and nursing care providers. This could lead to improved value for money which would be of benefit to Cheshire East citizens as well as both organisations. Such an approach would improve efficiency through processes such as assessment being undertaken once in line with lean systems thinking. This work would also need to ensure appropriate connection with the commissioning of Intermediate Care beds, other Community Service provision as well as Reablement and Early Intervention Services.

3.4 A Whole System Commissioning Model would require working connectedly with the funding available, and a shared understanding of the demographic needs and lifestyle analysis within our communities. Use of research and evidenced based practice will be maximised to ensure value for money commissioning and good quality outcomes for Cheshire East citizens. Those eligible for services will indeed be Commissioners increasingly

themselves through the availability of Personal Budgets and Personal Health Budgets. This will require the Whole System Commissioners to analyse spend and trend data to enable market shaping in line with individual commissioning practice. This is essential to ensure that the right services are available for individuals and families to purchase when they need them. System design to capture this intelligence to empower Whole System Commissioners to shape the market will be essential. It will also be appropriate to Strategically Commission some services where complexity and or volume determine that this would ensure close monitoring of standards and outcomes as well as value for money. This model would also afford the opportunity to consider devolved commissioning to communities where it was appropriate for local determination and empowerment to take precedence over individual, strategic or regional commissioning [we would explore here the Local Area Partnership, Parish and Town Councils involvement in meeting local need].

3.5 The D of H publication of the White Paper – Liberating the NHS: Local democratic legitimacy in health July 2010 [appendix 1 web link to the document, appendix 2 summary of the White Paper produced by Research in Practice for Adults and appendix 3 a summary of the White Paper produced by the North West Joint Improvement Partnership provide much more detailed information on this paper] clearly supports and encourages the Whole System Commissioning Model development. It refers to the role of democratically elected members ensuring that their populations' health and social care needs are met in ways that make sense to their citizens who need to use them. The paper outlines the intention that local authorities will have an enhanced role in improving the health of their population, and specifies this responsibility in four key areas:

- Leading joint strategic needs assessment [JSNA] to ensure coherent and co-ordinated commissioning strategies;
- Supporting local voice, and the exercise of patient choice;
- Promoting joined up commissioning of local NHS services, social care and health improvement and
- Leading on local health improvement and preventative activity

The paper also explains the development of a statutory partnership board – a Health & Wellbeing Board within the local authority. The proposal by government is that this board would have four main functions:

- To assess the needs of the local population and lead the statutory joint strategic needs assessment;
- To promote integration and partnership across areas, including through **promoting joined up commissioning** plans across the NHS, Social Care and Public Health;
- **To support joint commissioning and pooled budget arrangements where all parties agree this makes sense;**
- To undertake a scrutiny role in relation to major service redesign

There is currently consultation on specific questions around the content of the White Paper which concludes 11th October 2010. The Health Bill [this works conclusion] will be introduced to Parliament in the autumn this year.

4.0 Wards Affected

4.1 All wards in CEC. For CECPCT also Vale Royal in respect of the health services provided.

5.0 Local Ward Members

5.1 Council wide

6.0 Policy Implications including

6.1 Climate change – potential for less travel and reduction in carbon footprint through better connected Commissioning in local areas with Commissioners commissioning for designated communities.

6.2 Health & Wellbeing – The Place based budget agenda is encouraging statutory organisations to work collaboratively for the collected benefit of local areas, as opposed to working separately to deliver directed targets that separately lead to increased financial pressures on partners. Localism and the focus on our communities needs has been strongly re-enforced by the Coalition Government in this White Paper.

6.3 Personalisation – This can be described as increasing the choice and control offered to customers / patients in how their needs are met. The White paper emphasises personalisation, personal budgets and personal health budgets strongly.

6.4 Prevention & Early Intervention - Building greater emphasis on the provision of preventative services as a means of driving efficiency and as a policy end in its own right which will improve people's quality of life whilst reducing demand on statutory interventions on an ongoing basis.

6.5 Care Closer to Home – There is opportunity for improvements by creating integrated commissioning that supports and delivers care closer to home. Focusing on community provision and reducing the need for more expensive admissions to formal settings such as hospital, residential schools, and nursing care. Importantly this supports the needs of individuals and families who want to remain connected to their community.

6.6 Localism - The White Paper emphasises the importance of Localism. 'Localising is one of the defining principles of this Government: pushing power away from Whitehall out to those who know best what will work for communities' DOH White Paper July 2010

7.0 Financial Implications 20010/11 and beyond (Authorised by the Borough Treasurer)

7.1 To produce a Costed Whole System Commissioning Model will require officer time to be prioritised to undertake the work which may mean that other areas of work may take a lesser priority. However actual financial cost of this work should be minimal due to it being delivered through existing resources.

7.2 A key imperative for the Costed Whole System Commissioning Model would be to achieve the financial targets set by each contributor to the commissioning model.

7.3 Consideration would also be given to wider system savings through Joint Commissioning or aligned commissioning with other commissioners such as GP Consortia & Schools.

7.4 A Whole System Commissioning Model would be a positive response to the financial pressures and recession that could enable Cheshire East Council and Central and Eastern Primary Care Trust to work together to achieve efficiency through strategic planning and commissioning activities if appropriate through further pooling of resources [section 75 agreement].

7.5 This will be central to the 'Quality, Innovation, Productivity and Prevention [QIPP]' for the NHS, and the Health & Wellbeing Board [the Health & Wellbeing Board would have an important role in enabling the NHS Commissioning Board to assure itself that GP Consortia are fulfilling their duties in ways that are responsive to patients and the public' DOH White Paper July 2010]. In addition, this will contribute towards the financial position within the Adults and Health & Wellbeing and Childrens services in Cheshire East, and also to Central and Eastern Cheshire PCT financial position.

7.6 This will also prepare both organisations for the anticipated further budget reductions following the announcement of the Autumn Spending Review conclusions in a few weeks time.

8.0 Legal Implications (Authorised by the Borough Solicitor)

8.1 There are currently two possible legal routes for the closer joint working envisaged by this report

8.2 Section 75 of the National Health Service Act 2006 allows arrangements between NHS bodies and local authorities that are intended to support more effective commissioning for existing or new services. Under this section the following is permitted:

(i) The pooling of resources so that the organisations will in effect lose their individual identities and staff from either agency will be able to develop packages of care suited to particular individuals irrespective of whether health or local authority money is used.

(ii) The delegation of functions to enable a lead commissioner. In this instance the PCT and local authority would delegate functions to one another (including the secondment or transfer of staff), thus enabling one of the partner bodies to commission all local services on behalf of both bodies.

(iii) The delegation of functions to enable integrated provision. This would consist of the provision of health and local authority services from a single managed provider. This arrangement can be used in conjunction with lead commissioning and pooled fund arrangements.

8.3 Section 2 of the Local Government Act 2000, gives local authorities “power to do anything which they consider will achieve” the promotion or improvement of economic, social or environmental wellbeing of their area or part of it or for any person resident or present in their area. It is understood that other authorities are relying on this legislation in establishing closer working arrangements with NHS bodies. However, it should be noted that some doubt has been cast on the use of this provision by a recent case in that the local authority has to be able to show that the provision is being used to genuinely improve social or environmental wellbeing and is not being utilised predominantly to achieve financial saving.

8.4 As a result of the issues that have arisen in respect of the power set out at paragraph 9.3 above, new legislation is expected to be implemented in the spring of 2011 to clarify the local authorities’ powers to act in the best interests of the local community. Depending on the timescales for the discussions necessary between the PCT and the local authority in respect of the proposals in this paper, this new legislation may become relevant.

8.5 Officers should ensure that legal advice is taken as specific proposals for joint working emerge from the discussions with the PCT before moving towards any implementation of those proposals.

9.0 Risk Management

9.1 Financial position of both organisations will impact on the ability to commission for the health and social care needs of the population, which in turn could result in service cuts. Through the Whole System Commissioning Model we can maximise the use of our joint resources and remove duplication focusing on meeting the critical needs of the population as well as building better connected preventative solutions that empower Cheshire East citizens to manage their own and their family’s health and wellbeing as well as reduce our joint management costs.

9.2 A challenge that will require further exploration within the costed model development would be the boundaries for both organisations which are currently not co-terminus. The devolvement of commissioning to GP consortia however will resolve this matter in the longer term. The Whole System Commissioning Model though will need to be mindful of wider commissioning footprints that could bring greater economies of scale in appropriate cases.

9.3 During this period of development the experiential learning will need to explore further the governance arrangements for reporting progress with this work. It will be essential to ensure efficient reporting as well as affording protection to both statutory organisations through appropriate accountability processes. GP commissioning groups [as the future budget holders] will also want assurances that these arrangements could be changed should they

determine that their patient needs are not being best serviced through this arrangement.

9.4 In addition to Adults, Health & Wellbeing, Children's Services and PCT Commissioners, there are two Practice Based Commissioning consortia in the CEC area and a third that covers the Vale Royal population. Schools are also responsible for commissioning. Through the Costed Model development it will be essential to consult and engage with these commissioners to ensure that they can inform the development of the enhanced partnership. As well as give consideration to the future option of using service level agreements with the Whole System Commissioning Service for aspects of their commissioning responsibilities.

9.5 As we develop the Whole System Commissioning Model we will ensure that the direct employment of officers remains with their employing body to protect employment rights. Secondment arrangements may be used to allow for the Model to be shaped through experiential learning.

10.0 Background and Options

The Integrated Care Network undertook a survey through self assessment of approaches to collaborative and integrated working between local authorities with social services responsibilities and primary care trusts.

The levels of integration considered are as follows:

Level of Integration	Description	Percentage of LA & PCTs responses to question by the integrated care network on where organisations see themselves on the spectrum of integration
Relative Autonomy	Local authority and NHS meet statutory requirements for formal partnership working, but mostly co-ordinate approach informally	42%
Co-ordination	Reasonable level of formal commitment to joint working, co-ordination around some areas of strategy and / or commissioning depending on circumstances	13%
Joint Appointment	PCT and Local Authority have some Key joint appointments and the teams collaborate but are not integrated / combined	39%
Enhanced Partnership	System wide commitment, shared Vision and integration across most Strategic and commissioning functions, Senior & middle tier joint appointments Formal high level backing, but Separate legal entities remain	3%
Structural Integration	PCT and Local Authority care services Have formed a single integrated legal Entity [Care Trust] or a combined service[joint PCT and Social Care Department]	3%

We believe that in Cheshire East we are largely operating at a 'co-ordination' level with some minimal joint appointments. The commissioners working in both Council and PCT teams are keen to move towards an enhanced partnership arrangement as we believe that we will be able to deliver better outcomes for our population through greater integration and achieve financial efficiencies required by respective organisations.

The main factors that assist a move towards enhanced partnership are good relationships, strong local leadership, shared vision and the commitment of officers to make the change happen. We want to act to merge commissioning functions and shape the longer term costed model through this experiential learning process.

For Cheshire East Council [Adult, Health & Wellbeing and Children & Families] and Central Eastern Cheshire Primary Care Trust the local economic circumstances support the need to formally investigate the Costed Model for enhanced partnership, as demand is outstripping resource as well as increases in health and wellbeing concerns in some geographic areas e.g. Crewe, Macclesfield . Should we continue to commission separately we feel that efficiencies will not be realised and that separate organisational risk increases along with the potential for cost saving activity of one partner to negatively impact on demand and cost to another.

11.0 Access to Information

Appendix 1 Liberating the NHS: Local democratic Legitimacy in Health **[link to be added]**

http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/@dh/@en/documents/digitalasset/dh_117721.pdf

Appendix 2 Research in Practice for Adults White Paper summary



20100713 white
paper.docx

Appendix 3 North West Joint Improvement Partnership White Paper summary



RPU 07 10.doc

An Equality Impact Assessment will be completed as a part of the Costed Model and Business Case work.

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

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Implications of White Paper ('Equity and excellence: liberating the NHS') for social care and local government

Reforming social care

- The White Paper emphasises the interdependence between the NHS and the adult social care system in securing better outcomes for people.
- DH will establish a Commission on the funding of long-term care and support, to report within a year. The Commission will consider a range of possible funding arrangements.
- DH is working with the Law Commission to reform and consolidate the law underpinning adult social care.
- There will be a White Paper on social care in 2011, bringing together the conclusions of the funding Commission and the Law Commission, plus the Government's vision for social care.
- There will be legislation in the 2011/12 session of Parliament to establish "a sustainable legal and financial framework for adult social care".

Improving public health – a new role for local authorities

- PCT responsibilities for local health improvement will transfer to local authorities. (PCTs will cease to exist from 2013.)
- A new Public Health Service will be created.
- Local authorities will employ the Director of Public Health in each area, jointly with the new Public Health Service.
- DH will create a ringfenced public health budget. Local Directors of Public Health will be responsible for allocating this to improve population-wide health and reduce health inequalities in their area.
- The Secretary of State, through the Public Health Service, will set national objectives for local authorities for improving population health outcomes.
- There will be a White Paper on public health later this year.

Integrating health and social care

- The Government's vision is for better cross-boundary working between NHS and local authorities.
- Local authorities will have a statutory function to join up the commissioning of local NHS services, social care and health improvement. 'Health and wellbeing boards' will enable local authorities to take a strategic approach and promote integration across health and adult social care, children's services and the wider local authority agenda.

- The Government intends to simplify and extend the use of powers that enable joint working between the NHS and local authorities. Councils will become responsible for:
 - Promoting integration and partnership working between the NHS, social care, public health, etc.
 - Leading joint strategic needs assessments.
 - Building partnerships for service changes and priorities.(These functions would replace the current statutory functions of Health Overview and Scrutiny Committees.)
- The White Paper says that it is essential for patient outcomes that health and social care services are better integrated at all levels.
- There will be wide consultation on options for ensuring health and social care work seamlessly together.
- Consortia of GP practice will commission the majority of NHS services. They will have a duty to work in partnership with local authorities – eg in relation to adult social care, early years services, public health, safeguarding, and the wellbeing of local populations.
- The NHS Commissioning Board will be a new statutory body to provide leadership for quality improvement through commissioning. It will take over the current CQC responsibility of assessing NHS commissioners.
- Quality standards will be developed for commissioners covering health and social care.
 - These will be developed by NICE, which will rapidly expand its existing work programme to create a set of standards for all the main pathways of care (eg dementia, stroke, etc).
 - NICE is expected to produce 150 standards within the next five years.
 - Each standard is a set of 5-10 specific, concise quality statements – based on the best evidence and produced collaboratively with the NHS and social care professionals.
 - Standards will extend beyond the NHS, informing the work of local authorities and the Public Health Service.
 - The role of NICE will be extended to include social care. (The White Paper does not mention SCIE.)

Increasing choice and control

- The White Paper focuses on increasing choice and control in the NHS.
- It says that people want choice, and that evidence at home and abroad shows that choice improves quality.
- Choice will be introduced in care for long-term conditions as part of personalised care planning.

- A coherent 24/7 urgent care service will be developed in every area of England to help people make choices about their care – there will be a single telephone number for every kind of urgent and social care.
- There will be further pilots of personal health budgets as part of personalised care planning, as a means of improving outcomes, putting patients in control and enabling integration across health and social care.

Changing the role of Department of Health

- The NHS role of DH will be much reduced and more strategic.
- DH will focus on improving public health, tackling health inequalities and reforming adult social care.
- DH will continue to work closely with the Department for Education on services for children.
- DH is committed to evidence-based policy-making and a culture of evaluation and learning.

Voice for patients and service users

- A new independent consumer champion will be established called HealthWatch England and based within CQC.
- Local involvement networks (LINKs) will become the local HealthWatch. These organisations will ensure that the views and feedback of patients and carers “are an integral part of local commissioning across health and social care”.
- Local authorities will have an enhanced role in promoting choice and complaints advocacy – they can commission HealthWatch to provide advocacy and support, including support for people who lack the means or capacity to make choices.
- Local HealthWatch will be funded by and accountable to local authorities.

Future of regulation

- The Government wants to move to a system of control based on quality and economic regulation, commissioning and payment-by-results, rather than national and regional management.
- Monitor will take on responsibility for economic regulation of both health and social care providers.
- CQC will have a stronger role as a quality inspectorate, with a clearer focus on safety and quality.
- Monitor and CQC will operate a joint licensing regime.
- There will be a wide-ranging review of regulation across the health and social care sectors, with the aim of reducing the ‘burden of regulation’.

Finances/efficiency

- NHS spending will increase in real terms each year of this Parliament, but local NHS organisations will need to achieve unprecedented efficiency savings.
- The NHS's management costs will be cut by more than 45%.
- The White Paper recognises that the NHS will only be able to increase quality through implementing best practice and increasing productivity.
- There will be no bail-outs for organisations that over-spend public budgets.

Next steps

- The implementation of all these reforms will be subject to broad consultation with external organisations, local government and the public.
- Many policy details still need to be worked out. DH will seek the help and expertise of external organisations in developing proposals that work in practice.
- DH will shortly publish more detailed documents seeking views on a wide range of issues raised in the White Paper.

Summary of proposed reforms in Health Bill later this year

- Creating a Public Health Service
- Transferring local health improvement functions to local authorities
- Placing the Health and Social Care Information Centre on a firmer statutory footing
- Making improvement in health care outcomes the central purpose of the NHS
- Making NICE a non-departmental public body
- Establishing the independent NHS Commissioning Board
- Giving local authorities new functions to support integration and partnership working
- Establishing a statutory framework for GP consortia
- Establishing HealthWatch as a statutory part of CQC and turning LINKs into local HealthWatch
- Reforming the foundation trust model
- Strengthening the role of CQC as an effective quality inspectorate
- Developing Monitor into the economic regulator for both health and social care

Proposed timetable of key developments

Consultation documents on transition, outcomes, commissioning, integration, regulation	July 2010
Report of arms' length bodies review	Summer 2010
Health Bill introduced in Parliament	Autumn 2010
Publication of vision for adult social care	By end of 2010
Public Health White Paper	Late 2010
White Paper on social care reform	2011

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RESEARCH AND POLICY UPDATE

ISSUE 55 July 2010

Welcome to the fifty-fifth Research and Policy Update from **research in practice for adults**. Each month we will seek to highlight key policy activity within the previous month and to identify major research reports that have been released. We hope that this will provide ready access to the emergence of key initiatives and research findings. The balance across different service user groups and across different types of reports will vary from issue to issue. However in January, April, July and October each year there will be a particular focus on recent journal articles. At the request of Link Officers there is an abstract to help identify the main contents. Any queries and comments should be sent to rachel@ripfa.org.uk.

ABSTRACT

This month's focus on recent journal articles covers a range of different topics, but first there is a summary of the key points relating to social care in the Government's new White Paper on the NHS, **Equity and Excellence: Liberating the NHS**. Then moving on to journal articles, the first two cover issues of disability and independence, with one looking at the use of **advanced technology by people with disabilities in the UK** and the second a report of a study which looks at the **challenges of balancing independence and safety in care for people with dementia and sight loss**. Following this is a report on **balancing risk and the innovations agenda in social care** and this is then followed by a longitudinal study which has investigated whether **the higher risk of disability onset among older people who live alone be alleviated by strong social relations**. Then two pieces about organisational practices are reported, the first is a **literature review on integrated team working**, and the second a summary of a study looking at **the lifespan and life-cycle of self-help groups**. Two studies relating to people with learning disabilities are also included, one on **mainstream in-patient mental health care for people with intellectual disabilities: service user, carer and provider experiences**, and the other looking at **skills for support: personal assistants and people with learning disabilities**. Finally, a piece on a topic about which there appears to be little research published, **Housed Gypsy Travellers, Social Segregation and the Reconstruction of Communities**.

GOVERNMENT ACTIVITY

[Equity and excellence: Liberating the NHS – White Paper](#)

The government has issued its white paper on the NHS which outlines the changes in approach for the coming parliament. Many of the changes require primary legislation and a consultation period is currently running. The main areas that impact on social care are as follows:

Putting patients first

- The system will focus on personalised care that reflects individuals' health and care needs, supports carers and encourages strong joint arrangements and local partnerships.
- Shared decision-making will become the norm.

- Patients will have access to all the information they want to, and more control over their care records.
- The idea of 'choice' will be extended to include choice of treatment and provider in some mental health services from April 2011; this will be extended wherever practicable.
- The collective voice of patients and the public will be strengthened through a powerful new consumer champion, HealthWatch England, located in the Care Quality Commission.
- Local Involvement Networks (LINKs) will become the local HealthWatch, and the Government will enhance the role of local authorities in promoting choice and complaints advocacy, through the HealthWatch arrangements they commission.
- The Department of Health will encourage further personal budget pilots to come forward and will explore the potential for introducing a right to a personal health budget in discrete areas such as NHS continuing care. The Government will use the results of the evaluation in 2012 to inform a wider, more general roll-out.
- The government will implement the ban on age discrimination in NHS services and social care to take effect from 2012.

Primary Care Trusts

- The Government will devolve power and responsibility for commissioning services to GPs and their practice teams working in consortia.
- GP consortia will have a duty to promote equalities and to work in partnership with local authorities, for instance in relation to health and adult social care, early years services, public health, safeguarding, and the wellbeing of local populations.
- PCT responsibilities for local health improvement will transfer to local authorities, who will employ the Director of Public Health jointly appointed with the Public Health Service.
- The Government expects that PCTs will cease to exist from 2013, in light of the successful establishment of GP consortia.

NHS Commissioning Board

- The Government will establish an independent and accountable NHS Commissioning Board. The Board will lead on the achievement of health outcomes, allocate and account for NHS resources, lead on quality improvement and promoting patient involvement and choice. The Board will have an explicit duty to promote equality and tackle inequalities in access to healthcare. The Government will limit the powers of Ministers over day-to-day NHS decisions.
- Strategic Health Authorities will be abolished as statutory bodies during 2012/13. From 2012 the Board will perform those national functions relevant to its new role that are currently carried out by the Department of Health.

Partnership working

- To strengthen democratic legitimacy at local level, local authorities will promote the joining up of local NHS services, social care and health improvement.
- Building on the power of the local authority to promote local wellbeing, the Government will establish new statutory arrangements within local authorities – which will be established as "health and wellbeing boards" or within existing strategic partnerships – to take on the function of joining up the commissioning of local NHS services, social care and health improvement.
- The Government will simplify and extend the use of powers that enable joint working between the NHS and local authorities. It will be easier for commissioners and providers to adopt partnership arrangements, and adapt them to local circumstances.

Quality and standards

- The Government will strengthen the role of the Care Quality Commission as an effective quality inspectorate across both health and social care.
- NICE will rapidly expand its existing work programme to create a comprehensive library of standards for all the main pathways of care. The standards will cover areas that span

health and social care. The Health Bill will put NICE on a firmer statutory footing, securing its independence and core functions and extending its remit to social care.

- Monitor will be turned into the economic regulator for the health and social care sectors, with three key functions: promoting competition, price regulation, supporting continuity of services. Monitor's powers to regulate prices and license providers will only cover publicly-funded health services. However, its powers to apply competition law will extend to both publicly and privately funded healthcare, and to social care.

The White Paper also states the Government's planned timeframe for adult social care:

- Later this year, the Government will set out its vision for adult social care, to enable people to have greater control over their care and support so they can enjoy maximum independence and responsibility for their own lives.
- The Department of Health will establish a commission on the funding of long-term care and support, to report within a year. The Commission will consider a range of ideas, including both a voluntary insurance scheme and a partnership scheme.
- The Government will reform and consolidate the law underpinning adult social care, working with the Law Commission.
- The Government will bring together the conclusions of the Law Commission and the Commission on funding of long-term care, along with its vision, into a White Paper in 2011, with a view to introducing legislation in the second session of this Parliament to establish a sustainable legal and financial framework for adult social care.

JOURNAL ARTICLES

The use, role and application of advanced technology in the lives of disabled people in the UK (2010) Jennifer Harris, Disability & Society Volume 25, No 4, 427-439

This report examines how advanced technology is used by disabled people in the UK, and in particular, the problems experienced when using it. It also seeks to examine why so many devices are abandoned after a short space of time. The paper seeks to end the silence from disabled people in relation to advance technologies and the situation this silence leads to, in which designers and engineers continue to develop new appliances with little idea of the views of disabled people. In this paper, advanced technologies refer to electronic devices both mainstream and specialist that assist disabled people at home.

The study used in-depth interviews, focus groups and literature reviews to build up a picture of how people use advanced technologies. The study found that disabled people had lots of ideas about new devices or adaptations to existing devices which could make positive changes to people's lives and could be adopted by designers. The study found a range of learning challenges as a result of using technology including:

- Lack of, or poor quality, training
- Difficult to use instructions
- Need to rely on family to make it work.

However, they also found lots of positive learning experiences including access to different types of training, both formal and informal, good on-line instructions, and the value of learning with the family. The study went further to break down the learning issues into pragmatic, manipulation and psychological issues. There were a lot more barriers than enablers here, which shows quite what an obstacle there is to be overcome in adopting new technologies.

Pragmatic barriers included:

- Time
- Patience
- Cost

- Remembering functions
- Linking old devices to new
- Lack of ongoing support.

Manipulation barriers included issues relating to navigating through menus and the different types of controls on appliances.

Psychological issues were substantial and more difficult to overcome and included:

- Fearing own inadequacy
- Embarrassment at computer ignorance
- Fear of damaging device
- Frustration at complexity of the device
- Negative attitudes to technology.

The study went on to look at choice and options, and found that when the device was publically funded then generally the decisions were made by professionals, and the service user had no choice in type of design of the device. This tended to make it more difficult for them to work with the device in question. For those who were buying privately and had greater choice, they were particularly concerned with how to make the right choice amongst many different options and in these cases advice was wanted. In particular, people want their devices to be flexible, that is to be used away from home, or in different places or situations around the home. Generally, those devices that were abandoned were not flexible enough, not user-friendly enough, not adaptable to changing need, or simply superseded by new technology.

Balancing independence and safety: the challenge of supporting older people with dementia and sight loss (2010) Vanessa Lawrence and Joanna Murray, *Age and Ageing*, Volume 39, 476–480

Dementia and sight loss are common in older adults, with both conditions producing a high risk of disability. When combined, care is more complicated, and care professionals have highlighted a lack of evidence on how best to support adults with both conditions. This paper reports on part one of a study that used interviews with people with visual impairment and dementia, their family members and care professionals.

Key points:

- Care professionals are very aware of the lack of guidance on dealing with this issue.
- They are also concerned about the conflict of maintaining safety and minimising risk. This population are potentially at high risk and there are challenges around ensuring independence and good quality of life.
- There was recognition of the need to discuss risk. To find out what the preferences of the individual concerned were and then discuss how that could happen, taking into consideration and discussing risk clearly with the individual and family members.
- Many felt that they might be being over-cautious and that this may be due to being insufficiently skilled to address the complexities of the problem.
- There were different approaches depending on the background of the team, but little overlap between teams. For example, mental health teams did not work with sight impairment teams and there was recognition that this would be beneficial in providing all parties with increased understanding of the individual and their capacities.
- Closer inter-disciplinary working may in turn produce a support system that would maximise the independence of clients and improved joint working would benefit both professionals and service users.

Balancing risk and innovation to improve social work practice (2010) Louise Brown, British Journal of Social Work, Volume 40, 1211–1228

This paper examines innovation within social work practice, what it means, how it works and in particular how to balance innovative practice with the risks involved. The researcher outlines that the UK government is particularly keen on public sector innovation as a way to ensure future services are efficient and effective. There is very little literature, however, on innovations in social work, and few links made between innovations and risk taking.

As innovation involves the adoption and development of new approaches, then risk is inherent in the implementation process. The Audit Commission recognises this and states that it is therefore those departments with a culture of risk taking which are most likely to be the best innovators. In relation to social work, however, this is complicated by the vulnerability of the client group, the lack of incentives to innovate, the regulatory frameworks and the scarce resources. None of these factors create a risk-taking culture and therefore work against innovation. That is not to say that there have not been innovations in social work, and the study outlines four cases of innovative approaches which have got over the risk-taking hurdle, but not without problems.

The study concludes that in order for innovation to continue and to flourish further in social work, the government needs to act to create risk management strategies that address the four complicating factors outlined (vulnerability, lack of incentives, regulatory framework, scarce resources). There is also the need to publish guidance on risk and innovation within social work. There is a strong need to manage risk through a move away from a tick-box culture to one that fosters analytic and intelligent deliberation. Finally, there is a key need to invest in innovation which needs time and financial resources to be developed.

Can the higher risk of disability onset among older people who live alone be alleviated by strong social relations? A longitudinal study of non-disabled men and women (2010) Rikke Lund, Charlotte Juul Nilson and Kirsten Avlund, Age and Ageing, Volume 39, 319–326

This study examines whether the increased risk of disability onset among older people who live alone could possibly be moderated by either higher social participation or by being satisfied with social relations. This hypothesis is based on the evidence that social relations are an important factor in maintaining independence. For example, being married has been shown to be related to be protective against disability onset in both genders, and there is evidence of an association between greater disability and low levels of social participation.

The study is based on secondary analysis of data from a randomised intervention study on preventative home visits. In order to keep the analysis clear from complicating factors, they limited the sample to those with good functional ability. The study was carried out with a baseline and a three year follow-up.

Findings showed the following:

- Men who lived alone, had low levels of social participation or were unhappy with the levels of social participation had a significantly increased odds ratio of disability onset.
- For women, not being satisfied with social participation was significantly associated with disability onset.
- Men who cohabited did not have their disability onset influenced by social participation levels.
- For women, not being satisfied with social participation status was associated with higher disability onset in co-habiting women.
- Generally, men seem to benefit more from spousal support, and women from the support of others.

Integrated Team Working: a literature review (2010) Sian Maslin-Prothero and Amy Bennion, International Journal of Integrated Care, Volume 10

This paper presents the findings of a literature review carried out to inform a research project evaluating two integrated health and social care teams in England. The following main themes and points emerged.

Models of integrated working

It was clear that there are no standard definitions of integrated working, and there are multiple models used. There are two different approaches: stand alone organisations, which provide the integration of health and social services in a new service, and cross-agency integration.

Policy drivers that were key to the success of integrated team working included:

- the need for clear governance arrangements
- successful management of the different cultures and structures in the different agencies
- a shared understanding of the purpose of the joint venture as well as commitment to the venture
- removal of structural constraints through the Health Act (1999)
- effective shared knowledge systems such as shared IT systems
- establishment of new roles to support integrated working.

The prioritisation of these drivers was dependent on staff role, with managers more likely to stress the importance of policy level support, whilst front-line staff looked at the practicalities.

A number of barriers to successful integrated team working were identified:

- Division between health and social care professions
- Organisational pressures
- Unrealistic expectations
- Lack of clarity of purpose
- Failure to reach shared objectives
- Lack of understanding and clarity of others' roles
- Unclear career pathways
- Lack of clarity of management roles and responsibilities.

However, a number of benefits were also identified:

- Increased job satisfaction
- Greater team working and development of a shared culture
- Greater speed of referral
- Better communication and understanding between teams speeds up service delivery and problem solving
- More responsive services (this was backed up by research into service user opinions of integrated services).

A number of factors relating to staff development were also highlighted:

- Some view working in an integrated team as risky in terms of staff development, however this is easily overcome if roles and responsibilities are clearly agreed.
- Staff are often very wary of working in another's culture. Time needs to be spent in fostering a shared culture.
- Managers need to learn how to manage multi-disciplinary teams.
- Specific skills needed to work successfully in integrated teams need to be formally recognised and linked to career progression.

The lifespan and life-cycle of self help groups: a retrospective of groups in Nottingham, UK (2010) Sarah Chaudhary, Mark Avis and Carol Munn-Giddings, *Health and Social Care in the Community*, Volume 18, Number 4, 346–354

This report is based on the analysis of a practice database held by Self Help Nottingham, an organisation that supports self help groups. The aim of the study was to provide qualitative and descriptive information about the life-cycle of these groups, the problems they face and the issues that are liable to cause closure.

Findings:

- 55% of the groups closed whilst still in development, and the main reason given for these closures was the withdrawal of the key or founding member. The other main reason was 'dwindling numbers'. Other reasons included problems with connecting to external organisations and practical problems, such as finding a venue to meet.
- For established groups, the main reasons for closure were key member withdrawal and declining numbers. Also, in these more established groups, closure could be forced by the unwillingness of other members to take responsibility for the organisation of the group. Established groups also faced problems when links with the external agencies changed.
- Groups lasted between one and 27 years.
- Those least likely to work included those for ex-prisoners, domestic violence, rape and sexual abuse. This may point towards a link between social stigma and non-working self-help groups.
- Physical health groups were most likely to become established than groups addressing social issues or mental health.
- The aims and ways of working differ widely between self-help groups. Many prefer to stay private and limit their membership instead of publicizing widely. In this way, they can retain a commitment to the group's philosophy and ensure those who join are also willing to sign up to their philosophy and approach.
- Literature shows that self-help groups are more widely used by people with higher levels of education and socio-economic status.

Mainstream in-patient mental health care for people with intellectual disabilities: service user, carer and provider experiences (2010) Ben Donner, Robin Mutter and Katrina Scior, *Journal of Applied Research in Intellectual Disabilities*, Volume 23, 214–225

Government guidelines indicate the use of mainstream mental health services for people with learning disabilities as far as possible, but little is known about the experiences of this group when undergoing in-patient care. This study used interviews with service users, carers and community nurses, to examine experiences, presenting and discussing the results with focus groups.

The first set of findings relate to the use of inpatient care as respite. Service users and carers reported receiving 'good basic care', with service users appreciating the close proximity of support staff. Carers strongly felt benefit to themselves as a result of the respite stay, but were unable to identify any benefit to the service user.

In terms of the inpatient experience, all but one of the service users experienced it as disempowering. There were numerous instances of enforced compliance, with many being unsure as to why they were there in the first place. There was a strong emphasis on compliance to medication regimes, with little explanation, many rigid rules and threats of punishment. Communication and relationships between staff and service users were restricted and constrained in a way that many were not comfortable with.

Almost half the service users felt that the ward was an unsafe place, with multiple threats of violence being experienced, alongside use of illicit drugs and personal theft. They also expressed

how treatment was limited to medication, with little access to talking therapies, and very little to do. Approximately half of the participants felt that they were well informed by staff, and the same number felt that they had been heard. This is not a high proportion, and to most participants was a symptom of their learning difficulty. The participants expressed clearly how their learning difficulties impacted negatively on their experience as staff were not sufficiently trained or experienced with working with people with learning difficulties. This had serious repercussions when service users were insufficiently cared for as they felt that they could not make themselves understood, or they did not receive a proper assessment. There was a widespread assumption that presenting problems were associated with the learning difficulty and not mental health.

Service provider groups recognised that better joint working is needed, yet currently the systems are not in place for this to happen. Existing stressful working practices with limited time, resources and staff mean that insufficient time is available to be given to people with additional or 'complicating' factors such as learning disabilities. One positive point that has emerged from this study, however, is the inclusion of carers in care and the provision of information.

Skills for support: personal assistants and people with learning disabilities (2010) Val Williams, Lisa Ponting, Kerrie Ford and Philippa Rudge, *British Journal of Learning Disabilities*, Volume 38, 59–67

This paper reports on a research project undertaken to study the communication skills of personal assistants (PAs) working with people with learning disabilities. The research project grew out of a first phase of study, a survey, which highlighted that PAs often received no training in how to work with people with learning disabilities. There then followed a set of focus groups to find out what people thought good and bad support looked like. From this emerged the methodology used for this part of the study, wherein fourteen different people were filmed working with their PA. The video was analysed using conversation analysis.

Five main themes emerged: respect, choices, friendliness, giving advice, and support to speak up. These were in effect the outcomes most associated with good support and the analysis then went on to show the main mechanisms used by PAs to make these work. These techniques included:

- Stepping back – physically, as in stepping away so that the person can get on with taking control of something such as making a cup of tea or non-verbally. Not adding something or taking control of the conversation. Being aware of letting the person with the learning disability have their own say.
- Listening and observing – often the PA has to observe when the person they are working with should be making a choice. They need to be aware of what is going on and prompt when needed.
- Body language is very important. Good PAs used a lot of mutual laughter and smiling and were very in tune with the body language of the person they were working with – often following it.
- Time – waiting and giving the person time to respond, think and act is very important.
- Team work – ensuring the person with the learning disability has the information at hand to be able to make team decisions, such as, how to spend a budget.
- Personal relationship. Building up a real relationship meant that conversations could flow normally about everyday things.

Housed Gypsy Travellers, Social Segregation and the Reconstruction of Communities (2010) Margaret Greenfields and David Martin Smith, *Housing Studies*, Volume 25, No 3, 397–412

This paper explores the *accommodation careers* and social adaptations of Gypsies and Travellers living in bricks and mortar accommodation. It has been estimated that there are 300,000 Gypsies

and Travellers living in the UK, with the percentage living in housing being as much as two thirds. Some families have lived in conventional accommodation for several generations. Whilst some have been willing to make the move, for many the move has been forced by lack of suitable sites or suitable alternative accommodation. For many, it is a difficult adjustment to make with the loss of community and the complexities of dealing with living in standard accommodation. Little research has been done into examining these difficulties and this study looked at these experiences through interviews with Travellers and Gypsies.

Cultural identity and the importance of maintaining traditional networks were repeatedly mentioned by participants in the study. Many reported experiencing hostility from new neighbours, and this, mixed with the emphasis on maintaining networks and cultural identity resulted in dependence on traditional kin-based networks and adaptive strategies is reinforced when the move to bricks and mortar accommodation takes place. The strong history of maintaining autonomy and resisting assimilation, coupled with the reinforcement of traditional networks means that attempts to bridge and integrate people from different backgrounds is hindered. Declines in traditional income opportunities and discrimination in the workplace mean that many end up increasingly dependent on welfare support. There is also a link to this lack of work and increase in ill-health for populations traditionally active and outdoors based.

The study goes on to identify traits of cultural discontinuity, that is the description given to the experiences of individuals and communities which have had to abandon their former ways of life. This often manifests itself in low educational attainment, depression, alcoholism, drug abuse and family breakdown. This is more common amongst groups who also suffer racism and discrimination such as that experienced by Traveller and Gypsy communities. The study concludes with the observation that in the absence of real political will to tackle the multiple and deep-rooted discrimination they face, these communities will continue to look to each other for social support, which ultimately helps perpetuate their long-term exclusion from society and negates any interventions to build integrated communities.

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CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting: 20 September 2010
Report of: Strategic Director - Places
Subject/Title: Interim Planning Statement on Affordable Housing
Portfolio Holder: Cllrs David Brown/Jamie Macrae

1.0 Report Summary

- 1.1 This report considers the Council's policy position to the provision of affordable housing and the results of the Strategic Housing Market Assessment and proposes the introduction of an Interim Planning Statement to be used in considering planning applications for housing development pending the adoption of a policy for Cheshire East in the LDF Core Strategy.

2.0 Decision Requested

- 2.1 Subject to the endorsement of the document by the Strategic Planning Board, to which Cabinet directs this document is now reported, that Cabinet approves the draft Interim Planning Statement on Affordable Housing (as appended to this report) for consultation purposes, and agrees that it be treated as a material consideration in the determination of planning applications pending the adoption of the finalised document in such a format as may be appropriate following the consultation process.

3.0 Reasons for Recommendations

- 3.1 To ensure that the Council has up to date planning guidance on affordable housing pending the adoption of a new Council wide policy in the Local Development Framework.

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 The Interim Planning Statement on Affordable Housing provides guidance on the delivery of policies on affordable housing. New housing is required to achieve high levels of energy efficiency and provide healthy living conditions.

7.0 Financial Implications (Authorised by the Borough Treasurer)

- 7.1 There are no operational financial implications of this statement as any change in officer time in negotiating schemes and S106 agreements will be managed within existing budgets.
- 7.2 Paragraph 2.13 of the Interim Planning Statement on Affordable Housing recognises that the requirements will result in a cost to the developer. This in turn will impact on the value of any land that the Council sells for housing.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 There will be requirement for officer time in negotiating and preparing the S106 agreements. This will be managed within existing staffing resources.

9.0 Risk Management

- 9.1 The 2010 Strategic Housing Market Assessment has demonstrated the continuing high level of demand for affordable housing throughout the Borough that warrants an increase in the target for the amount of affordable housing to be provided on development sites. Without the introduction of the Interim Housing Policy on Affordable Housing, a lower level of affordable housing would be provided.

10.0 Background and Options

- 10.1 The Council has inherited three different planning policies for affordable housing in the Local Plans of the predecessor district authorities. The Crewe and Nantwich and Congleton Borough Local Plans both seek a minimum target of 30% affordable housing on allocated and windfall sites. The Macclesfield Borough Local Plan requires a minimum of 25%. Differences exist in the threshold at which the affordable housing requirement is applied. The Macclesfield Local Plan does not contain a rural exceptions policy whereas the other two Local Plans do, albeit with slightly different wording.
- 10.2 The three current Local Plans recognise that there may be instances when the level of affordable housing provided on individual sites might be influenced by economic viability issues. However, over the past 12 to 18 months, there has been an increasing number of occasions when developers have sought to provide a significantly lower level of affordable housing on sites due to viability issues which have been brought into sharper focus due to the down turn in the UK housing market. There is a lack of a clear framework for evaluating viability issues for individual planning applications.
- 10.3 An Interim Planning Statement on Affordable Housing has been produced therefore to address these issues and is set out in Appendix 1. The planning statement is intended to provide updated guidance on affordable housing provision, with particular reference to the determination of planning applications where there is an affordable housing requirement and to ensure consistency of approach in negotiating the provision of affordable housing.

The Interim Planning Statement on Affordable Housing also addresses the increasing number of issues surrounding development economics and the viability of providing affordable housing.

11.0 Overview of Year One and Term One Issues

11.1 None

12.0 Access to Information

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

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INTERIM PLANNING STATEMENT: AFFORDABLE HOUSING



SEPTEMBER 2010

SPATIAL PLANNING SERVICE

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- 2. MODEL HOUSING NEEDS SURVEY FORM**

1. INTRODUCTION

- 1.1 The document relates to the provision of all forms of affordable housing by developers on housing sites within the Borough. As such it sets out the Council's definition of affordable housing and specific site requirements, as well as providing guidance on development considerations and means of securing their provision. It also sets out the Council's requirements for achieving mixed and balanced communities including the housing needs of specific groups.
- 1.2 This Interim Planning Statement (IPS) has been produced within the framework of the three adopted Local Plans for the former District authorities of Crewe and Nantwich, Congleton and Macclesfield, the Council's Strategic Housing Market Area Assessment (SHMA) and government guidance as expressed in national planning guidance and policy statements. It is also consistent with the Council's Corporate Objectives and the Sustainable Community Strategy.
- 1.3 The production of the IPS has been necessary because of changes to Government guidance since the Local Plans were adopted and sets out how that guidance will be applied pending the production of the Cheshire East Local Development Framework Core Strategy. It also reflects up to date housing need information for the Borough contained in the 2010 Strategic Housing Market Assessment. The IPS also addresses the increasing number of issues surrounding development economics and the viability of providing affordable housing.

Creating Balanced and Mixed Communities

- 1.4 A community's need for an appropriate balance and mix of housing including the provision of affordable housing is recognised at national level as a material consideration in determining planning applications for housing development. Government policy is to create sustainable communities that offer a wide range of housing and are socially inclusive.
- 1.5 Although the Borough has a stock of good quality housing with relatively low vacancy rates, in many areas there is an imbalance in the type and tenure of available housing. There is a need to ensure that future housing development in Cheshire East helps to support economic growth by providing for a range of income groups. This includes housing for economically active households seeking open market dwellings; households requiring affordable housing (both social rented and increased diversity of options through intermediate tenure). Such an approach will help to maintain long-term community sustainability and enhance the quality of life for local residents

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- 1.6 The 2010 SHMA demonstrates strongest aspirations for traditional houses (three bedrooms in particular) from groups most likely to be economically active. It identifies a need to stimulate the housing market at all levels to ensure an adequate supply to accommodate a range of household types and income levels. Evidence suggests that across Cheshire East there is considerable market imbalance, with demand exceeding supply. Preferences are predominantly for houses (76.9%), followed by bungalows (15.4%) and flats (7.8%). Aspirations are therefore traditional and a key challenge is to reconcile this with development opportunities and site density requirements.
- 1.7 In addition the SHMA identifies that, based on CLG modelling, there is a net shortfall of 1,243 affordable homes each year across the District for the five year period 2009/10 to 2013/14. On this basis there is both a clearly identified need for more affordable housing, but there will not be sufficient supply side opportunities through which this can be addressed. It is therefore important that the Council establish an affordable housing target within its LDF policies that secures a proper balance between the provision of affordable and market housing, reflecting the needs in Cheshire East.
- 1.8 In order to address these deficiencies and needs, the Council will expect that all sites for new housing developments contribute to the creation of balanced and mixed communities. Mixed and balanced communities are those which provide a mix of tenures, dwelling types and sizes appropriate to the needs of the local community. This is recognised at national, regional and local level as being important to achieving social diversity and avoids creating concentrations of deprivation. The extent to which a site can contribute towards achieving this mix will be dependent on the size of the site and other factors such as site characteristics, site suitability and economics of provision - on larger sites there will clearly be greater scope to provide a range of different house types and tenures.
- 1.9 Whilst it is expected that general market housing will continue to make a significant contribution to meeting future housing needs, the Council gives priority to addressing other forms of housing to ensure that the Borough's housing needs are properly met. The IPS seeks to address principally those other forms of housing - affordable housing, low-cost market housing, special needs housing etc. – which are required to create properly balanced and mixed communities.

The Borough's Need for Affordable Housing

- 1.10 The 2010 SHMAA shows that In terms of relative affordability, Cheshire East is ranked the 8th least affordable District in the North West. The SHMAA found a high level of need for affordable housing in the

Borough with an estimated annual requirement of 1243 additional affordable homes per year.

- 1.11 The main need for affordable housing provision is for social rented accommodation but the SHMAA identifies that 35% of households in need would consider intermediate tenures
- 1.12 Analysis suggests that around 54.2% of annual affordable requirement is likely to be satisfied through existing supply and an element of newbuild (which varies by the former districts: in the former Crewe and Nantwich 60.3% of requirement is likely to be satisfied, Congleton 58.2% and Macclesfield 46.9%).
- 1.13 Analysis of affordable housing requirements suggests that a range of affordable dwellings are required, in particular two and three bedroom general needs properties to address the needs of families. It is important that particular care is taken to ensure that properties are built to reflect the demand from families and in the interests of long-term community sustainability.

Background/ National Policy

- 1.14 Planning Policy Statement 3 Housing (issued in 2006 and amended in 2010) states the national policy context for affordable housing.
- 1.15 Paragraph 29 of PPS3 states what should be included in Local Development Documents with regard to targets and specific details for the amount, type, size etc of affordable housing and these documents must be based on robust, shared evidence base, through a Strategic Housing Market Assessment (SHMA).
- 1.16 Paragraph 30 goes on state the advice for affordable housing in rural communities, mentioning local authorities adopting a positive and pro – active approach which is informed by evidence, with clear targets for the delivery of rural affordable housing. Where viable and practical, LPA's should consider allocating and releasing sites solely for affordable housing, including using a Rural Exception Site Policy. These small sites should only be used for affordable housing in perpetuity and the policy should seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection.
- 1.17 Local policy is provided by the adopted Local Plans of the three former District Authorities as expanded on below. It should be noted that all three Local Plans and the Congleton Supplementary Planning Document 6 predated the publication of PPS3 in 2006.

Crewe and Nantwich Borough Local Plan

- 1.18 Policy RES 7 of the Crewe and Nantwich Replacement Local Plan (2005) sets a target of a maximum of **30%** affordable housing on allocated housing sites and on windfall sites. In relation to windfall sites, the threshold for application of the policy is sites of 25 units or more or greater than 1.0 hectares in size. However in settlements of less than 3,000 population or less a lower threshold of 5 units is applied and exceptionally, where there is a proven need, the threshold is sites of more than 1 unit.
- 1.19 The Policy states that, in determining whether a site is suitable for an element of affordable housing, the local planning authority will take into account:
- Whether the existing affordable housing stock meets the identified need
 - The proximity of the site to local facilities and public transport
 - The targets in the plan derived from the 2005 Housing Needs Survey
 - The suitability of the site for housing and
 - Economics of provision
- 1.20 This policy was modified by the former Crewe and Nantwich Borough Council in November 2005 to increase the affordable housing target to 35% and to lower the threshold to sites of 15 units or more or greater than 0.5 hectares in size. This reflected the findings and recommendations of the 2005 Housing Needs Survey for the former Borough of Crewe and Nantwich. The policy is therefore a material consideration, when dealing with planning applications. The modified policy could not, however, be saved by the Secretary of State under the Direction issued in February 2008.

Congleton Borough Local Plan and SPD 6

- 1.21 Policy H13 of the Congleton Borough Local Plan First Review (2005) states that the Council will negotiate the provision of an appropriate element of affordable housing on allocated sites and on unidentified housing sites of 1 hectare or more or comprising 25 or more dwelling units. The scale and nature of provision will be determined by local need, site characteristics, general location, site suitability, economics of provision, proximity to local services and facilities and other planning objectives.

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- 1.22 Policy H13 is supported by the Supplementary Planning Document No.6 'Affordable Housing and Mixed Communities', which was adopted by Congleton Borough Council on 27th April 2006. On all sites which have been allocated for new housing in the Local Plan, the SPD states that the Borough Council will negotiate for the provision of a specific percentage of the total dwelling provision to be affordable homes. The desired target percentage for affordable housing for all allocated site is a minimum **of 30%**, in accordance with the recommendation of the 2004 Housing Need Survey.
- 1.23 The SPD also states that the Planning Authority will negotiate for the provision of an appropriate element of the total dwelling provision to be for affordable housing on all unidentified 'windfall' sites of 0.5 hectare or 15 dwellings or more. The exact level of provision will be determined by local need, site characteristics, general location, site suitability, economics of provision, proximity to local services and facilities, and other planning objectives. However, the general minimum proportion of affordable housing for any site will normally be 30%.
- 1.24 On allocated sites and windfall sites which are subject to an affordable housing requirement, there is also a requirement for 25% of dwellings to be 'low cost market housing'.

Macclesfield Borough Local Plan

- 1.25 Policy H8 and its supporting Reason set out and explain the position with regard to affordable housing requirements. Generally the policy provides that in developments of 25 or more dwellings, or on residential sites of 1 hectare or more, irrespective of the number of dwellings, the Council will negotiate for the provision of **25%** of the dwellings as affordable housing.
- 1.26 Policy H8 also states that in settlements in rural areas with a population of 3,000 or fewer, the council will negotiate for a proportion of affordable housing to be provided on every housing proposal, where justified by reference to an assessment of housing needs and the available supply of land for housing.
- 1.27 The policy states that in determining the level of affordable housing on specific sites, site suitability, economics of provision, the need to achieve a successful housing development and site size will be taken into account

2. DELIVERING AFFORDABLE HOUSING

Definition of Affordable Housing

- 2.1 The government has defined affordable housing in Planning Policy Statement PPS3 '*Housing*' in November 2006 (revised 2010) as follows:

"It should meet the needs of households who are unable to access or afford market housing. It should be available at a cost low enough for them to afford, determined with regard to local incomes and local house prices. Its supply should include provision for the home to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

It can be:

- social rented (owned and managed by councils or registered social landlords); or
- intermediate housing (available at prices and rents above those of social rent, but below market levels)."

Acceptable Forms of Affordable Housing

- 2.2 As indicated above affordable housing may take the form of social rented or intermediate housing. Intermediate housing includes shared ownership schemes, discounted housing for sale and intermediate rent. Details of each of the main types are given below, although the Council will consider any other means of achieving affordable housing appropriate to the development:

Social Rented Housing

- 2.3 This refers to the provision of rented accommodation which is provided at levels no higher than the Homes and Communities Agency (HCA) target rents. The Council will normally require all social rented housing to be developed and managed by RSLs (Registered Social Landlords) as these organisations have as their prime objective the provision of social housing and are regulated by the HCA. Where an RSL is involved there are normally no reasons for the Council to impose legal restrictions on allocation, future occupation etc, other than those required to restrict eligibility on rural schemes (see Section 5). Consideration will, however, also be given to other suitable providers of social rented housing undertaken in partnership with the HCA, but in such cases legal restrictions on eligibility and rental levels will be necessary (see Section 5). The local authority will require, in the first instance, 75% nomination rights to all social rented properties and 50% on subsequent lettings. In order to ensure a balanced community is achieved, a local lettings policy may also be applied as stipulated within the Cheshire Homechoice service.

New Build Homebuy (Shared Ownership)

- 2.4 New Build Homebuy is a way of helping households to buy a share in their own home even though they cannot afford the full market value. The household purchases a share usually between 25 – 75% and pays rent on the remaining proportion to the managing Registered Social Landlord (RSL). Additional shares can be purchased which will enable a resident to increase their equity share in the property. In 2009 the Government introduced new legislation whereby most of the rural parts of Cheshire East Council became 'Designated Protected Areas' whereby new affordable shared ownership dwellings in these areas would be subject to requirement that owners are either not able to acquire more than 80% equity in a property or if they acquire 100% equity, it has to be sold back to the RSL to retain as affordable housing in perpetuity.. The Council normally expect all schemes to be developed and managed by a RSL although consideration will be given to other suitable providers. In such cases legal restrictions on eligibility and rental levels will be necessary (see Section 5).

Discounted Housing For Sale

- 2.5 This refers to the provision of subsidised low-cost market accommodation through a re-sale covenant scheme. The principle is that the accommodation is available at a fixed discount below the open market value to households in need. The level of discount will be that which is required to achieve the maximum selling price determined by the Council for those in need locally who cannot afford to buy on the open market.
- 2.6 The individual circumstances of each case and the area will be taken into consideration and will need to be negotiated with the Council prior to the determination of the relevant planning application. Evidence has shown that in order to achieve an affordable price, the level of discount will normally be required to be a minimum of 30% and up to 50% of the market price. The discount applies on initial and all subsequent re-sales thus ensuring that the accommodation is retained as affordable. Further information on the operation of re-sale covenant schemes is available on request. Discounted housing for sale will normally be provided by a private developer, in which case it should be subject to a satisfactory arrangement to ensure that the benefit of below market price housing is available in perpetuity to future occupants
- 2.7 The Council will consider other forms of discounting housing for sale that meets its affordable housing objectives.

Intermediate Rent

- 2.8 This is housing that is a step between social rented and renting at full market value. Intermediate rents are lower than full market rents but higher than social rents.

Eligibility Requirements

- 2.9 The underlying criteria for eligibility to affordable housing is that households must be in unsuitable housing and unable to afford to rent or buy on the open market. This is the Council's definition of housing need for affordable housing.
- 2.10 If an RSL is to manage the affordable housing, either for rent or sale, then the Council is satisfied that this will be sufficient to control both eligibility and future occupancy.
- 2.11 If affordable housing is developed by other housing providers the Council will require arrangements in place to ensure that any accommodation is available to those in housing need, as defined by the Council. Priority will also be required to be given to persons with a direct connection to the location of the scheme – location being defined as the catchment area for the property as agreed with the Council. In this respect direct connection would be defined as currently living in the location, having a first line relative currently living in the location (having been there over 5 years), or currently in employment in the location.
- 2.12 In the case of rural exceptions site schemes further occupancy criteria, generally as set out below, will need to be followed, in addition to the main housing need requirement. The details of such criteria will be the subject of discussion with the relevant Parish Council (See Section 7)

Criteria for Rural Exceptions Sites

- Occupancy will generally be restricted to a person resident or working in the relevant locality, or who has other strong links with the relevant locality.
- The locality to which the occupancy criteria are to be applied will need to be agreed with the Council prior to determination of the relevant planning application. Generally this is taken as the Parish or adjoining Parishes.
- To ensure an adequate supply of occupiers in the future, the Council will expect there to be a "cascade" approach to the locality issue appropriate to the type of tenure. Thus, first priority is to be given to those satisfying the occupancy criteria in relation to the geographical area immediately surrounding the application site, widening in agreed geographical stages.

Financial Requirements

House Prices and Rent Levels

- 2.13 **Social Rented and Intermediate Rented Accommodation** - where an RSL is involved rental levels will be set at an affordable level by the RSL itself. For social rented accommodation provided by other providers this must be in partnership with the Homes and Communities Agency and the rental levels will also need to be clarified with the Council to ensure they are set at an affordable level. For intermediate rental schemes, rents are typically at no more than 80% of market levels. In all cases a Section 106 Agreement will be required to ensure that rental levels remain affordable
- 2.14 **New Build Homebuy (Shared Ownership)** - where an RSL is involved the rental element will be set at an affordable level by the RSL itself but will need to be clarified with the Council. For shared ownership provided by other providers this must be in partnership with the Homes and Communities Agency and the rental element will also need to be clarified with the Council to ensure they are set at an affordable level. In such cases a Section 106 Agreement will be required. As indicated in Para 2.4 above, in most of the rural areas of the Borough, the Government has applied restrictions on the amount of equity that an owner is able to acquire. The house price of each property will be based on the open market value prevailing at the time of marketing the property as agreed with the Council, less a discount off open market value.
- 2.15 **Discounted Housing for Sale** - the house price of each property will be based on the open market value prevailing at the time of marketing the property as agreed with the Council, less the appropriate discount to achieve the agreed maximum selling price based on evidence contained in the SHMA and as updated annually by the Council's Housing Section. A Section 106 Agreement will be required to ensure that the level of discount remains in force for all initial and subsequent re-sales.

Resourcing an Affordable Housing Scheme

- 2.16 The Council recognises that requiring developers to develop or to allow parts of their site to be used for non-market affordable housing will result in a cost to the developer. Developers should assume that no social housing grant is available to support the provision of affordable housing. Therefore, in order to offset these costs developers will be expected to take the requirement for affordable housing into account when negotiating land value with site owners.
- 2.17 Where an RSL is to be involved the developer will be required to subsidise the cost of providing the housing either through the provision of land or the building of the accommodation or through a financial contribution such as to enable the property to be sold or rented at an affordable level without the need for social housing grant. In such cases,

the number of units and the developer's contribution will normally be expected to reflect the total cost of the required affordable housing minus the capital element that can be serviced through the rents.

- 2.18 Where funding is provided towards a scheme by the Homes and Communities Agency, there must be evidence that the grant is adding value over and above that which would be obtained without the funding.

Use of Financial or Other Contributions in-lieu

- 2.19 As a rule, the Council would prefer to see affordable housing provided on-site. This is in line with Government guidance to encourage the development of sustainable and balanced communities. However, there may be physical or other circumstances where an on-site provision would not be practical or desirable. Such circumstances might include where:

- the provision of the affordable housing elsewhere in the locality would provide a better mix of housing types
- management of the affordable dwellings on site would not be feasible
- it would be more appropriate to bring back existing vacant housing into use as affordable units
- the constraints of the site prevent the provision of the size and type of affordable housing required in the area

- 2.20 In such exceptional cases and entirely at the Council's discretion, developers may, in lieu of such provision, provide off-site affordable housing, or offer financial or other contributions towards the provision of affordable housing on an alternative site.

- 2.21 Where a financial contribution is offered, the amount of such contribution will normally be expected to reflect the cost necessary to facilitate an equivalent amount of affordable housing as would have been provided on-site. The amount of any contribution will need to be agreed with the Council. Where off-site provision is made by the developer or as a result of any financial contribution, this should be in a location elsewhere within the Borough where there is an identified need.

How to Achieve Affordable Housing

- 2.22 The policy requirement to provide affordable housing places an onus on the developer and/or landowner of a site to consider its provision prior to the sale or acquisition of a site.

- 2.23 To be accepted by the Council as affordable housing it must accord with the Council's definition of affordable housing as set out in this IPS, be of a suitable type and size, be on a suitable site and be subject to adequate arrangements to ensure its provision and continued occupancy by

appropriate households. The IPS sets out precisely what those requirements are and all developers are expected to adhere to them.

- 2.24 Where a site meets the criteria for affordable housing as set out in the IPS, the Council will produce a Housing Needs Statement (HNS) for the site based upon current information. The HNS will set out the affordable housing needs of the area and the Council's requirements for the site in terms of the most appropriate mix of affordable house types and advise on the most appropriate means of securing their provision. Developers are therefore advised to approach the Council and seek early involvement of an RSL prior to submission of a planning application to enable negotiations to be entered into at an early stage.
- 2.25 Achieving affordable housing will require liaison between the developer and the relevant Sections of the Council. Depending on the nature of the housing it may also be appropriate to involve any third party responsible for managing the scheme and the Homes and Communities Agency in discussions. The agreed provision will then be secured through the use of planning obligations attached to the approved scheme.
- 2.26 In respect of rural exceptions schemes, the Council will require that a local housing needs survey is carried out before submitting a planning application in order to determine the extent of any need.

3. SPECIFIC SITE REQUIREMENTS FOR AFFORDABLE HOUSING

Allocated Sites

- 3.1 On all sites which have been allocated for new housing in any of the Congleton, Crewe and Nantwich and Macclesfield Local Plans, the Council will negotiate for the provision of a specific percentage of the total dwelling provision to be affordable homes. The desired target percentage for affordable housing for all allocated site will be a **minimum of 30%**, in accordance with the recommendations of the 2010 Strategic Housing Market Assessment. This percentage relates to the provision of both social rented and/or intermediate housing, as appropriate. Normally the Council would expect a ratio of 65/35 between social rented and intermediate housing. In addition, the Council will require the provision of an element of the market housing to be unsubsidised low-cost market housing (see para. 3.13).

Windfall Sites - Settlements of 3,000 Population or More

- 3.2 Planning Policy Statement 3 'Housing' states that the minimum site-size threshold above which affordable housing is to be sought should be 15 dwellings or more. The Council will therefore negotiate for the provision of an appropriate element of the total dwelling provision to be for affordable housing on all unidentified 'windfall' sites of 15 dwellings or more or than 0.4 hectare in size.
- 3.3 The exact level of provision will be determined by local need, site characteristics, general location, site suitability, economics of provision, proximity to local services and facilities, and other planning objectives. However, the general minimum proportion of affordable housing for any site will normally be 30%, in accordance with the recommendation of the 2010 Strategic Housing Market Assessment. This proportion relates to the provision of both social rented and/or intermediate housing, as appropriate. In addition, the Council will require the provision of an element of the market housing to be unsubsidised low-cost market housing (see para. 3.13). Where a scheme is for 100% affordable housing, an RSL should be involved in managing a proportion of the units in order to achieve a mix of tenures.
- 3.4 On sites below the size threshold the provision of affordable housing will not be a material consideration in determining the application, but developers are invited to consider making provision for an element of such housing as part of the overall scheme. In particular, the Council may seek the provision of an element of unsubsidised low-cost market

housing in some areas to overcome deficiencies in this sector of the market.

- 3.5 In applying the size threshold, site areas will normally be measured to the natural, physical perimeters of the site. It will not be acceptable for developers to divide a site into smaller components in order to take the site below the threshold.

Windfall Sites - Settlements of less than 3,000 Population

- 3.6 Planning Policy Statement 3 'Housing' states that local authorities may wish to set lower minimum thresholds in rural areas where viable and practical this approach is supported by the 2010 Strategic Housing Market Assessment, subject to substantiating evidence.
- 3.7 Monitoring has shown that in settlements of less than 3,000 population the majority of new housing has been delivered on sites of less than 15 dwellings. The Council will therefore negotiate for the provision of an appropriate element of the total dwelling provision to be for affordable housing on all unidentified 'windfall' sites of 0.2 hectares or 3 dwellings or more in all settlements in the rural areas with a population of less than 3,000 population. The exact level of provision will be determined by local need, site characteristics, general location, site suitability, economics of provision, proximity to local services and facilities, and other planning objectives. However, the general minimum proportion for any site will normally be 30%. This proportion includes the provision of social rented and/or intermediate housing as appropriate. In addition, the Council may seek the provision of an element unsubsidised low-cost market housing (see para. 3.13).
- 3.8 On small sites the Council may agree that a payment in lieu of on-site provision is more appropriate to enable the affordable housing needs of the area to be met through provision elsewhere in the area or by other means, such as rehabilitation of empty properties. On sites below the size threshold the provision of affordable housing will not be a material consideration in determining the application, but developers are invited to consider making provision for an element of such housing as part of the overall scheme. In particular, the Council may seek the provision of an element of unsubsidised low-cost market housing in some areas to overcome deficiencies in this sector of the market.
- 3.9 In applying the size threshold, site areas will normally be measured to the natural, physical perimeters of the site. It will not be acceptable for applicants to divide a site into smaller components in order to take the site below the threshold.

Rural Exceptions Sites

- 3.10 Planning Policy Statement 3 'Housing' advises Local Planning Authorities to consider releasing sites solely for affordable housing in rural areas where planning permission for housing development would not normally be allowed. The Congleton and Crewe and Nantwich Local Plans both contain policies for these 'rural exception sites'. Such sites must be close to existing or proposed services and facilities. Proposals must be for small schemes appropriate to the locality and consist in their entirety of subsidised housing that will be retained in perpetuity for rent, shared ownership or in partnership with a RSL. In all such cases they must be supported by an up-to-date survey identifying the need for such provision within the local community. The Council's Rural Housing Enabler can give advice on the methodology for the survey which should normally be carried out either by, or in association with, the Parish Council. Unless the survey indicates a need for such provision, planning permission will not be granted. Section 7 of this statement gives further information on how Parish Councils can assist in the delivery of affordable homes to meet the needs of their communities.
- 3.11 As the release of such sites will be an exception to normal planning policy, the location, scale, layout, density, access and design of any proposed scheme will be critical in determining whether it is acceptable. The 'Rural Exceptions' policy does not apply to proposals for individual homes in the rural areas not forming part of an overall affordable housing scheme, and consequently such proposals must accord with normal planning policies for the area.

Retirement Housing Schemes

- 3.12 Recently some innovative models of private sector housing for older people have been developed, including retirement and extra care villages. These schemes are characterised by the availability of varying degrees of care, 24 hour staffing and ancillary facilities. The Council recognises that such models can contribute to meeting affordable and special needs housing, thus the Council will seek an affordable housing contribution from these schemes in accordance with paragraph 3.2 above.

Low-Cost Market Housing Provided without Subsidy

- 3.13 Low-cost market housing provided without subsidy cannot be regarded as affordable housing. However, it does have an important role to play in meeting the needs of households with income levels just adequate to access the open market. Because of the nature of the housing stock in the Borough there is a shortage of housing at the lower end of the market range. The Council will therefore normally require any new housing development of 10 dwellings or more to provide an element of its market housing units as unsubsidised low-cost market housing. Generally, and in addition to the requirement for affordable housing, the Council will look for a **minimum of 25%** of the total housing units on such sites to be

unsubsidised low-cost market housing, although the nature of the site, economic considerations, the level of affordable housing provision, its location and nearby provision will be taken into consideration in determining the exact level of provision.

- 3.14 To be acceptable, unsubsidised low-cost market housing must be designed in an appropriate manner to be able to be more affordable than most general market housing in the area by virtue of its size, accommodation and amenities. The level of house prices for low-cost market housing for sale will be set by the developer but should be competitively priced to attract those who cannot afford existing housing in the locality. Usually this implies housing priced in the lower quartile of house prices for the area averaged over the most recent 12 months. The Council will also normally require all such housing to meet the dwelling type and size preferences set out for affordable housing property in para. 4.5
- 3.15 Such forms of housing are usually provided by a private developer and are not subject to any eligibility or tenure controls by the Council, although there may be controls on the type of property and a requirement to ensure that the property is made available at an initial sale price in the lower quartile of house prices for the area.

4. DEVELOPMENT CONSIDERATIONS FOR AFFORDABLE HOUSING

Location

- 4.1 All affordable housing accommodation should be located on sites which are sustainable and contribute to the creation of mixed urban and rural communities. Wherever feasible and practicable, priority should be given to the use of previously developed (brownfield) sites in sustainable locations and to the reuse and conversion of existing buildings, particularly buildings which are of architectural or historic interest. All proposals will be required to accord with the policies of the adopted Local Plan in respect of their location.

Dwelling Types

- 4.2 The provision of affordable housing must be appropriate in size and type to meet the needs of specific households identified by the local authority as part of its strategic assessment of housing need. Wherever possible any affordable housing scheme should incorporate a range and mix of affordable house types although it is recognised that in smaller schemes the range and mix will be more limited.
- 4.3 The 2010 Strategic Housing Market Assessment indicates that in terms of affordable housing tenure, there is a requirement for both affordable homes for rent and intermediate housing options. a tenure target that matches the stated preferences of the target households of 35% intermediate and 65% social rented is considered appropriate to maximise the benefits of financially efficient intermediate housing options.
- 4.4 Where there is an identified need, affordable housing may also include other forms of dwelling types, such as communal flats, bungalows and sheltered accommodation, which are suitable for accommodating households with special needs e.g. elderly, physically disabled or those with learning disabilities.
- 4.5 In terms of property size and type, the requirements identified indicate a range of needs with some variation across the Borough. The appropriate mix of affordable housing should therefore be considered for each specific location. Overall, the 2010 Strategic Housing Market Assessment indicates that affordable needs are for the additional supply to be
- 14% for older persons comprising one or two bedroom units
 - 50% one or two bedroom properties for general needs. Note that these figures combine the data for one bedroom (20%) and two bedroom (30%) as the long-term sustainability of

small units should be carefully considered against the needs and demand.

- 23% three-bedroom and
- 13% four bedroom or larger.

- 4.6 With regard to the type of properties, in order to achieve mixed and tenure-blind developments, it is desirable that the affordable homes match the types being provided for the open market. The identified property preferences (house 42.3%, flat 38.7% and bungalow 19%), indicate that a range of types is appropriate.

Design and Layout

- 4.7 The Borough Council recognises that dwellings are more likely to be affordable in comparative terms if the development in which they are comprised is at a relatively high density. On sites well served by public transport or close to the town centre, higher densities of development are particularly appropriate.
- 4.8 The design of new housing developments should ensure that affordable homes are integrated with open-market homes to promote social inclusion and should not be segregated in discrete or peripheral areas. Affordable homes should therefore be 'pepper potted' within the development. The external design, comprising elevation, detail and materials, should be compatible with open market homes on the development in question thus achieving full visual integration.
- 4.9 Affordable homes should be constructed in accordance with the standards proposed to be adopted by the Homes and Communities Agency and should achieve at least Level 4 of the Code for Sustainable Homes (2007). The design and construction of affordable housing should also take into account forthcoming changes to the Building Regulations which will result in higher build standards particularly in respect of ventilation and the conservation of fuel and power.

Phasing

- 4.10 In order to ensure the proper integration of affordable housing with open market housing, particularly on larger schemes, conditions and/or legal agreements attached to a planning permission will require that the delivery of affordable units will be phased to ensure that they are delivered periodically throughout the construction period, but in any event not later than the sale or let of 50 % of the open market homes.

5. AGREEMENTS FOR SECURING AFFORDABLE HOUSING

General

- 5.1 The Council will require any provision of affordable housing and/or any control of occupancy in accordance with this SPD to be secured by means of planning obligations pursuant to Section 106 of the Town and County Planning Act 1990 (as amended).
- 5.2 The Agreement will cover the number, type and size of units; their availability; need and affordability; price control and agreed tenure. In some instances it will address issues of periodic viability reviews where a reduced or nil element of affordable housing has been agreed.
- 5.3 Where any element of affordable housing is to be comprised in a larger development which also includes market housing, the Council will expect that the affordable housing element will be available and ready for occupation before 50% of the market housing is sold or let. The Council will therefore require the Agreement to contain an obligation restricting the developer from allowing the sale or letting of an appropriate proportion of the market housing until the affordable housing element is built and ready for occupation.
- 5.4 In all cases where an RSL is to be involved in the provision of any element of affordable housing, then the Council will require that the Agreement contains an obligation that such housing is transferred to and managed by an RSL and that it should only be used for the purposes of providing housing accommodation to meet the objectives of an RSL as set out in the Housing Act 1996.

Need and Affordability

- 5.5 The Council regards the involvement of an RSL in any element of affordable housing as a sufficient guarantee of need and affordability without any additional control. In all other cases of affordable housing, the Council will require the Agreement to contain an obligation to make the affordable housing available to those in housing need and at less than the market price or rent in perpetuity, so far as the law allows, in accordance with the guidance set out in this Policy Statement

Tenure

- 5.6 The Council will require the Agreement to contain obligations appropriate to each tenure. Thus, where a development contains an element of affordable housing that is to be available for rent, the Council will require the Agreement to contain an obligation that any such housing is to be managed by an RSL or other agreed landlord.

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- 5.7 Where a development contains an element of affordable housing that is to be available for sale or shared ownership, then the Council will require the Agreement to contain adequate principles of a scheme that has already been approved in advance by the Council or alternatively the Agreement may reserve the Council's right to approve a specific scheme prior to implementation.

Dwelling Types and Size

- 5.8 If the relevant planning application is in outline only, then the Council will require that the Agreement must stipulate the number, type, tenure and size of all affordable housing units.
- 5.9 If the relevant planning application is a detailed application, then the Council will require that the Agreement contains an obligation that the affordable dwellings are to be built in accordance with the details comprised in the approved application as regards number, type, design, tenure and size of each dwelling.

Price and Rent Control

- 5.10 Where a development contains an element of affordable housing that is to be available for sale, the Council will require that the Agreement sets out the formula to be applied to achieve the desired level of discount in perpetuity. Where a development contains an element of affordable housing that is to be available for intermediate rent, the Council will require that the Agreement sets out the provisions and safeguards to achieve an affordable rent in perpetuity.

Rural Exception Sites

- 5.11 In addition to the above requirements, the Council will require the Agreement to contain obligations which adequately reflect the occupancy criteria and the locality criteria referred to in para. 2.9

Use of Financial or Other Contributions

- 5.12 Where developers offer financial or other contributions towards the provision of affordable housing on an alternative site in the locality, and it is agreed by the Council that this is an acceptable means of providing affordable housing, the Borough Council will expect the Agreement to contain obligations relating to the provision of such contribution

6. VIABILITY OF AFFORDABLE HOUSING PROVISION

- 6.1 National Planning Policy as set out in PPS3 'Housing' requires Local Planning Authorities to set economically viable targets for affordable housing. Consequently the targets set out in the Statement have been independently tested for economic viability through the Strategic Housing Market Assessment and are appropriate for use in current market conditions.
- 6.2 Nevertheless, as made clear in Section 3 of this Statement, the viability of individual schemes will be a material consideration in deciding planning applications. Since 2008 there has been significant downturn in the housing market and particularly on brownfield sites where costs of redevelopment are proportionally higher than greenfield sites. Developers have sought and continue to seek to negotiate a lower (or in some cases nil) provision of affordable housing on the basis that the Council's normal requirements would render redevelopment unviable. It is important therefore that a clear methodology for testing the viability of specific development proposals is established.
- 6.3 Accordingly the Council will require applicants, who are suggesting that exceptional financial circumstances exist to the extent that the Council's requirements for affordable housing cannot be achieved, shall provide a robust development appraisal and appropriate supporting evidence with their application when submitted.
- 6.4 Prior to submission the Council will expect that applicants' development appraisals shall have been independently verified by an external valuation expert. The costs of this independent verification shall be borne by the applicant. The external valuation expert to be used shall be previously agreed by the Council.
- 6.5 The minimum level of information that should be included in such a development appraisal is set out in Appendix 1 of this statement.
- 6.6 Where it is accepted by the Council that a development is not sufficiently viable to provide the requisite level of affordable housing, and where the development is in all other respects acceptable, it may consider requiring the applicant to enter into a legal agreement which effectively defers developer contributions during the period of development. More detail on this approach is contained in the Home and Communities Agency Good Practice Note on Investment and Planning Obligations (July2009), however the broad principles are explained below.
- 6.7 In these circumstances subject to the developer agreeing to initially provide the proportion (if any) of the affordable housing that the development appraisal indicated was viable, a further payment in lieu

of the remaining affordable housing would become payable if and when there was an increase in the achieved sale values of the dwellings compared to the values assumed in the development appraisal. The calculation of further payments would be at agreed periods during the life of the development. This mechanism would only apply once development had commenced.

7. RURAL EXCEPTIONS

- 7.1 Generally planning policies do not allow for new housing development in the open countryside outside of villages with settlement boundary lines. However in certain circumstances planning permission may be granted for small schemes of affordable housing where;
- The site adjoins the settlement boundary of a village or is within a village with no settlement boundary
 - There is an identified need for affordable housing in that village or locality
 - All the proposed housing is affordable, for people with a local connection and will remain affordable in perpetuity
 - The development is in accordance with other local plan policies
- 7.2 The Council considers that the development of affordable housing in rural areas is best achieved in partnership with Parish Councils and local communities. For that reason the Council has appointed a Rural Housing Enabler who will provide Parish Councils with independent advice, support and information in developing a local affordable housing scheme.

Identifying Local Housing Needs

- 7.3 The first stage will be a rigorous assessment of local housing needs by means of a survey of all households in the Parish. The Rural Housing Enabler will advise on the detailed wording of the survey form, however a model form is attached at Appendix 2 of this Statement.
- 7.4 The survey will provide evidence of the level of need based on the number of households living in unsuitable accommodation or living with relations. It will give an idea of the potential number and type of dwellings that may be required and any specialist requirements (i.e disabled adaptations).
- 7.5 The Rural Housing Enabler, in conjunction with the Parish Council, will then undertake an analysis of the survey results.

Site Assessment

- 7.6 Subject to a need being identified, the next stage will be to identify a suitable site. The Parish Council would be expected to play an important role in site identification having an in depth local knowledge, although it will be important to involve the Council's Planning Officers to ensure that sites are suitable in terms of landscape impact, access, flood risk, nature conservation etc.
- 7.7 Priority will be given to sites within or on the edge of villages with a reasonable level of services and public transport. Clearly it is crucial

that the landowner of any identified site is supportive of it being developed for affordable housing. Rural exception sites work because of the low values of the sites concerned. For this reason the inclusion of open market dwellings to subsidise the overall scheme is unacceptable and landowners should be made aware of this at the outset.

Development Partners

- 7.8 Normally a Registered Social Landlord (RSL) will be identified to lead the development process and to provide long term management of the resultant scheme. The RSL will undertake detailed site investigations, negotiate with the landowner to acquire the site and apply for planning permission. In designing the scheme prior to submitting a planning application, the RSL will be expected to work closely with the Parish Council and Council Planning Officers to achieve a suitable design and layout. The exact number and type of dwellings will necessarily depend upon the nature of the site and the level of identified need, however these types of development should be small scale and integrate well into the existing village scene.
- 7.9 A local consultation event will normally be held to allow local people the opportunity to comment on the plans before a formal planning application is submitted.

Implementation

- 7.10 Once planning permission has been granted the site may be developed and the dwellings built will be let to local people. In most cases the dwellings will be sold to an RSL which will then allocate or sell the properties to local people in housing need. The planning permission will be subject to a legal agreement that ensures that the dwellings will remain affordable to meet local needs in perpetuity. The legal agreement will also restrict occupancy of the dwellings to people who either live in the area or have strong local connection. In those cases where shared ownership housing is provided, it is likely that there will be restrictions on 'staircasing' (i.e. the level of equity in a property that the owner is able to secure) as explained in Para 2.4 of this document.
- 7.11 In the rare event that a property cannot be let to a person who either lives locally or has strong local connections, the legal agreement will include a cascade mechanism to ensure that an affordable dwelling is not left empty. In these circumstances a property may be let to a person who lives in a neighbouring parish or failing that other people on the Council's Housing Register. (See Para 2.9 above)

APPENDIX 1

VIABILITY OF DELIVERY OF AFFORDABLE HOUSING

The Council will expect an 'open book' type of approach by the developer when considering evidence supplied about viability. The following gives an indication of the type of information that will be required from the developer in order for an assessment of viability to be carried out. All information supplied should be independently verified at the developer's cost by experts previously agreed by the Council.

REVENUES

- Gross Internal floor area of the properties
- The anticipated total sales value of the market housing.
- The anticipated value of the 30% affordable housing provision
- Affordable Housing Grant

COSTS

- Marketing and sales costs associated with the sales of the dwellings.
- Site acquisition costs including legal costs, stamp duty, fees etc.
- Build costs
- Preliminaries indicating what are included.
- Fees e.g. architect, quantity surveyor etc
- Planning and building control costs
- Site infrastructure to include site roadways, landscaping, boundary treatment etc
- Costs of finance including interest rate and term

-
- Other Section 106 costs such as external highways works, public open space, community benefits or infrastructure etc.
 - Abnormal costs (i.e. not known at time of site acquisition)
 - Developer's profit margin.
 - Contingencies

APPENDIX 2

**MODEL HOUSING NEEDS SURVEY FORM FOR RURAL
EXCEPTIONS SCHEMES**

(In course of preparation and to be included in consultation
document)

CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting: 20 September 2010
Report of: Borough Solicitor / Strategic Director Places
Subject/Title: Process for consideration and adoption of Local Development Framework (LDF) and amendments to the Constitution

1.0 Report Summary

- 1.1 This report sets out the current arrangement for developing and finally approving the LDF documents, and describes proposed amendments to streamline that process.
- 1.2 The report has been considered by Strategic Planning Board on 14 July, when no comments were raised. The Sustainable Communities and Environment and Prosperity Scrutiny Committees will also consider the documents on 2 and 14 September and the minutes of these meeting will be made available to Cabinet. The decision on the report is to be made by Council on 14 October.

2.0 Decision Requested

- 2.1 That Cabinet notes the current arrangements for approving the LDF and considers the comments made by the Strategic Planning Board, Sustainable Communities and Environment and Prosperity Scrutiny Committees concerning the revised procedures;
- 2.2 That Cabinet recommends that Council approve the revised procedures for approving the LDF documents as set out in Appendix 2;
- 2.3 That Cabinet recommends that Council agrees any necessary authority for the Borough Solicitor to make any necessary and consequential amendments to the Constitution including additions to the terms of reference of Strategic Planning Board.

3.0 Reasons for Recommendations

- 3.1 To streamline the process for approval of the LDF whilst maintaining appropriate opportunities for members to be consulted and to contribute to the LDF preparation and approval process.

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 All documents comprising the LDF are currently part of the Policy Framework, which in accordance with the Constitution must be finally approved by full Council. The alternative arrangements set out in this report seek to streamline the LDF process by removing some of these responsibilities from full Council, whilst still complying with the law.
- 6.2 Potentially, policies and documents included in the LDF may have climate change and/or health implications, although none can be specifically highlighted at this stage.

7.0 Financial Implications 2010/11 and beyond (Authorised by the Borough Treasurer)

7.1 None.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 The key pieces of legislation relating to this report are The Planning and Compensation Act 2004, the Town and Country Planning (Local Development) England) Regulations 2004 (SI 2004/2204) and the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (SI 2000/2853) as amended. The implications of this legislation are described in section 11 of this report.
- 8.2 The Council's Constitution makes provision for developing the budget and Policy Framework. Changing the route for approving the LDF documents involves a change to the Policy Framework. A process is set out for doing so. The process involves Cabinet initially drawing up proposals regarding any part of the Policy Framework (which includes the Local Development Framework, or LDF) and consultation on the initial proposals. The relevant Overview or Scrutiny Committees are to be consulted. Clearly in this instance it is also relevant to consult the Strategic Planning Board, given its proposed enhanced role in developing the LDF. Cabinet is then to draw up firm proposals having regard to consultation responses, and to submit these to the Council. The proposed timetable for the process is Cabinet on 19 July, Strategic Planning Board on 14 July, Sustainable Communities Scrutiny Committee on 2 September, Environment & Prosperity Scrutiny Committee on 14 September, Cabinet on 20 September and Council on 14 October.
- 8.3 It should be noted that the acceptance of this streamlined process does not, once implemented, preclude any decision maker from declining to

make a decision and referring the decision up to full Council if this is felt to be appropriate. That option remains open.

- 8.4 In the meantime, some LDF documents can be progressed through the existing process, and a separate report to Cabinet will be presented for this purpose. The future proposed procedure still remains relevant for all types of LDF documents, as it will provide for any future modifications of such documents.

9.0 Risk Management

- 9.1 The legal requirements for approving the LDF documents have been considered in formulating the recommendations in this report. Both the current and the proposed arrangements are considered to be legally compliant.

10.0 Background and Options

- 10.1 The Planning and Compensation Act 2004 provides a statutory duty obliging Local Planning Authorities to prepare and maintain a scheme known as the Local Development Framework (LDF). Following the revocation of Regional Spatial Strategies in July 2010, the Local Development Framework will become the statutory development plan for Cheshire East.
- 10.2 The LDF can be described as a “folder” of documents, comprising Local Development Documents (LDDs) which in turn are made up of Development Plan Documents (DPDs) and other documents. A list of all LDDs, with those which are also DPDs noted, is at Appendix 1. The distinction between the different types of document is important because it governs the decision making process within the Council.
- 10.3 The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (“the Functions Regulations”) set out the split of functions between the Executive (that is, Cabinet, or its individual members) and non-Executive (that is, full Council, or any other non-Executive committee to which full Council may choose to delegate such a function – in Cheshire East, this would be Strategic Planning Board). It is worth noting at this point that the term “Executive” in the Functions Regulations is simply an alternative term for “Cabinet”, which is the term which the Council prefers to use as the name for its Executive.
- 10.4 The Functions Regulations provide that DPDs under the Planning and Compensation Act 2004 (i.e. part of the category of LDDs) are not to be dealt with solely by the Executive. Moreover, the actual final adoption of DPDs cannot be done by the Executive. However, the Executive can be involved in the evolution of such documents. It is important to distinguish between the “evolution” stages of the documents, comprising the interim development stage, then the submission stage (where necessary) then finally the adoption/approval stage. It is the publication/submission

stage, and the adoption/approval stage to which the regulations constraining the decision making process apply. More flexibility is available in setting out the steps involved in the earlier stages of the process.

- 10.5 DPDs, according to Regulations made under the 2004 Act, comprise:
- the Core Strategy,
 - Area Action Plans, and
 - any other document including a site allocation policy.
- 10.6 These three documents must be finally approved at non-Executive level, which means full Council, or, should full Council agree, Strategic Planning Board. That does not, however, preclude Executive input, or input from any other appropriate part of the Council, into developing these documents, and having regard to the strategic importance of these documents, it is good practice to provide for this input. Additionally, there may be some documents which do not have to be finally approved by full Council, but which, because of their overarching significance, the Council may choose to include in this category. It is suggested that the Statement of Community Involvement is such a document.
- 10.7 Other LDDs, which are not DPDs, may be finally approved by the Executive (i.e. Cabinet) or, subject to the necessary delegation, the relevant individual Portfolio Holder. The function of dealing with LDF matters has since 1 April 2009 been delegated to the Portfolio Holder for Performance and Capacity.
- 10.8 Based on the reasoning above, the Core Strategy, Area Action Plans, and Site Allocation Policies must be finally approved at non-Executive level. This can be full Council or SPB. In passing, it is worth noting that on 5 May, Strategic Planning Board received two reports outlining the future impact on the Council of the Community Infrastructure Levy (CIL) and the Infrastructure Planning Commission. These issues impact on the Core Strategy. In the circumstances, and having regard generally to its particular strategic importance as part of the LDF it is suggested that the Core Strategy should remain to be finally approved by full Council. Although the Statement of Community Involvement is not a policy document, and not a DPD, its importance as the Council's overall statement of how the community will be involved in the preparation of the LDF suggests that it should also be finally approved by full Council.
- 10.9 Area Action Plans, and documents including Site Allocation policies, as DPDs, must be approved at non-Executive level, although it is suggested that this may be Strategic Planning Board rather than full Council.
- 10.10 Other LDDs which are not DPDs can be finally approved at Cabinet level, although this is not mandatory. SPB's Terms of Reference already include exercising a consultation and advisory role, commenting upon the content of the proposed planning policy and upon the effectiveness

of existing policies employed in development control decisions. It is suggested that SPB should first contribute to the development of these documents, and make final recommendations to Cabinet.

11.0 Overview of Year One and Term One Issues]

- 11.1 The current LDF approval arrangements were inserted into the Council's Constitution which was approved when the Council took up its full functions after its shadow period on the basis that Council approval of all LDF documents was legally compliant, but may be worthy of further consideration once the Council's systems had developed. Now that the Council has been in existence for more than a year, the opportunity can be taken to review and streamline the system.

12.0 Access to Information

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

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Designation: Head of Planning and Policy

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Appendix 1 – List of LDDs (with DPDs shown)

- Core Strategy (DPD)
- Site Specific allocations (DPD)
- Area Action Plans e.g. Congleton Town Centre, Middlewich Canal Corridor (DPD)
- Local Development Scheme
- Statement of Community Involvement
- Annual Monitoring Report
- Supplementary Planning Documents (including Village Design Statements, Policy SPDs e.g. Affordable Housing, Planning Contributions)
- Area Supplementary Planning Documents, e.g. Alsager Town Centre

Appendix 2

Type of Document	Portfolio Holder	Cabinet	Strategic Planning Board	Council
The Core Strategy				
Interim Stage		2	1	
Submission Stage		2	1	3
Adoption stage		2	1	3(final)

Type of document	Portfolio Holder	Cabinet	Strategic Planning Board	Council
Site Specific Allocations and Area Action Plans				
Interim Stage		2	1	
Submission Stage		1	2	
Adoption Stage	1		2	3 (final)

Type of document	Portfolio Holder	Cabinet	Strategic Planning Board	Council
Local Development Documents (LDDs) which are not Development Plan Documents (DPDs) *				
Interim Stage	2		1	
(no submission stage)	N/A	N/A	N/A	N/A
Adoption Stage	2 (final) **	2 (final)**	1	

* Including:

- Local Development Scheme,
- Annual Monitoring Report,
- Supplementary Planning Documents (SPDs) - including Village Design Statements, Policy SPDs such as Affordable Housing Contributions, and Area SPDs such as Town Centre SPDs)

** N.B. Final approval of this category of documents may be effected by the Portfolio Holder, provided that the Council's delegations to that Member so allow, or by full Cabinet.

Type of document	Portfolio Holder	Cabinet	Strategic Planning Board	Council
Statement of Community Involvement				
Adoption	2		1	3 (final)

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CHESHIRE EAST COUNCIL

REPORT TO: CABINET

Date of Meeting: 20 September 2010
Report of: Head of Planning and Policy
Subject/Title: Local Development Framework
Portfolio Holder: Cllrs David Brown and Jamie Macrae

1.0 Report Summary

1.1 This report considers a number of reports which will form part of the Cheshire East Local Development Framework (LDF). These include:

- Statement of Community Involvement (SCI);
- Alsager Town Centre Supplementary Planning Document (SPD);
- Smallwood Village Design Statement SPD; and
- Cheshire East Local List of Historic Buildings and its supporting SPD.

1.2 The report has been considered by Strategic Planning Board; their comments are set out in Section 10 below. The documents have been revised where appropriate. The Sustainable Communities and Environment and Prosperity Scrutiny Committees will also consider the documents and the minutes of these meeting will be made available to Cabinet. The decision on the report is to be made by Council on 14 October.

2.0 Decision Requested

2.1 To make a recommendation to the Council to recommend that the Council adopt the Statement of Community Involvement, Alsager Town Centre SPD, the Smallwood Village Design Statement SPD, the Local List of Historic Buildings and its accompanying SPD.

3.0 Reasons for Recommendations

3.1 To make clear the procedures and intentions of the Council regarding community involvement in the production of planning policy through the LDF and in Development Management decisions, to supplement existing planning policies, provide additional practical guidance and support for those involved in the planning of new development within the Borough.

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 All planning policy work is intended to promote sustainable development. The SPDs have been subject to a sustainability appraisal to ensure that their policies are in line with this principle. The SCI makes it clear that the Council favours electronic means of consultation wherever possible as a means of reducing resource use.

7.0 Financial Implications 2010/11 and beyond (Authorised by the Borough Treasurer)

- 7.1 All documents will be published on the Council's website. The costs of consultations set out in the SCI will be met from current and future Spatial Planning and Development Management budgets. The Alsager Town Centre SPD provides further guidance in relation to Section 106 financial contributions for future development within Alsager Town Centre. The cost of notification letters and publicity following the designation of the Local List will be met from the 2010/11 budget for Spatial Planning.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 The preparation of a Statement of Community Involvement is a statutory requirement set out in the 2004 Planning and Compulsory Purchase Act. The proposals for consultation set out in the SCI exceed the minimum requirements detailed in the Town and Country Planning (Local Development) (England) Regulations 2004 (as amended in 2008, 2009 and 2010).
- 8.2 The procedures for preparing and adopting SPDs set out in Government Regulations will be followed. The Alsager Town Centre SPD provides further guidance for development management and will be used within the decision making process as a material consideration. It also provides further guidance in relation to Section 106 financial contributions for future development within Alsager Town Centre.
- 8.3 The following properties included in the Local List are owned by Cheshire East Council:
- Town Hall, 34 Wellington Road, Bollington SK10 5JR
 - Park Lodge, 149 Buxton Road, Macclesfield, SK10 1JX
 - St Barnabas School, Byrons Street, SK11 1LT
 - Victoria Park Bandstand, Fence Avenue, Macclesfield SK10 1LT
 - 113 London Road, Macclesfield, SK11 7RL
 - Boddington Arch, Cliff Road, Wilmslow
 - Fulshaw C of E Primary School, Nursery Lane, Wilmslow SK9 6AB,
 - Poynton Park Boathouse, Poynton
 - Bollington War Memorial, Palmerston Street, Bollington
 - Water Street School, Water Street, Bollington, SK10 5PB
 - 70 Birtles Road, Macclesfield, SK10 3JQ
 - Handforth Library, Wilmslow Road, SK9 3ES

- Railway Viaduct, Wellington Road, Bollington

8.4 Under the Constitutional Budget and Policy Framework Procedure Rules, because these documents form part of the policy framework, the Cabinet is to draw up initial proposals, consult on these, and publish a timetable in which responses are to be received; relevant Overview and Scrutiny Committees are to be asked for their views. The whole process is to be not less than four weeks. The Cabinet is to draw up firm proposals and make recommendations to Council. The suggested timetable is: Cabinet 19 July, Sustainable Communities Scrutiny Committee 2 September, Environment and Prosperity Scrutiny Committee 14 September, Cabinet 20 September and Council 14 October.

9.0 Risk Management

9.1 Provided that the statutory requirements of the documents' preparation and the consultation process are met, there is unlikely to be any risk associated with the adoption of the documents.

10.0 Background and Options

Statement of Community Involvement (SCI)

- 10.1 The Statement of Community Involvement (SCI) is a public statement of procedures and intentions regarding community involvement in the production of planning policy through the Local Development Framework and in Development Management decisions.
- 10.2 The Statement of Community Involvement is a feature of the planning system introduced by the Planning and Compulsory Purchase Act (2004). The introduction of the Statement of Community Involvement was a direct response by Government to ensure that the community plays a greater role in the production of the Local Development Framework and the determination of planning applications.
- 10.3 The draft Cheshire East Statement of Community Involvement was consulted upon over an 8 week period between the 23rd November 2009 and 18th January 2010. A total of 17 responses were received.
- 10.4 The revised Statement of Community Involvement is set out in Appendix 1. The Consultation Statement summarising the responses received and the changes proposed is set out in Appendix 2.
- 10.5 The consultation responses received to the draft Statement of Community Involvement have resulted in modifications to the proposed final version of the document, these include:
- The format and presentation of the document has been changed to improve the legibility and provide further detail on documents contained within the Local Development Framework, setting out clear opportunities for stakeholder involvement;
 - Additional tables and charts have been added to the document to set out specific stages of stakeholder involvement and detail how, where and when

community involvement can occur in the production of the Local Development Framework and determination of planning applications; and

- A reduction in the usage of abbreviations and technical jargon within the document.

10.6 The main proposals of the Statement of Community Involvement are as follows:

- To involve all sectors of the community from an early stage in the production of planning policy documents so that they input into the challenges, needs, requirements, options, and alternatives identified in these documents;
- To maintain an LDF consultation database so that all interested individuals and bodies are involved throughout the remaining stages of plan production;
- To use a range of methods of consultation as appropriate including press notices/releases, meetings, focus groups, workshops, exhibitions, questionnaires and theme based forums;
- To favour the use of electronic means of consultation wherever possible including a consultation portal on the Council's website;
- To seek to engage in joint consultations with other relevant strategies wherever possible, to save resources, provide a more comprehensive approach and avoid consultation fatigue;
- To signpost the existence of the Neighbour Notification and Publicity for Planning Applications Protocol;
- To encourage applicants to undertake pre-application discussions prior to the submission of planning applications; and
- To commit the Council to periodically monitoring and reviewing the success of the consultation techniques it has used.

Alsager Town Centre SPD

10.7 The purpose of the Alsager Town Centre SPD is to complement policies adopted within the Congleton Local Plan and saved as part of the Cheshire East LDF, particularly policies S1, S4, S5 and S6, to provide additional practical guidance and support for those involved in the planning of new development within Alsager Town Centre.

10.8 An informal draft of the Alsager Town Centre SPD was made available from 27th August 2008 to a number of key stakeholders, for comments. This consultation stage was essentially concerned with seeking technical observations from individuals within organisations that would either use or potentially endorse the document once it becomes an adopted SPD, including Alsager Town Council and the Alsager Partnership. The formal public consultation took place between 17th August and 2nd October 2009, the comments received during this consultation are set out in the Statement of Consultation along with the officers' response to these comments.

10.9 A number of changes have been made to the SPD following on from this consultation, including: amending the location of the key gateways to include the Train Station; further references to the historical environment; highlighting the need to review the Principal Shopping Areas in future Development Plan Documents; and making clearer reference to facilities for young people and older people within the section on community facilities.

- 10.10 A Strategic Environmental Assessment (SEA) Screening Exercise was undertaken to determine if a SEA is required. Consultation with the statutory environmental consultees on this Screening Statement was carried out between 8th December 2008 and 5th January 2009. They determined that a SEA was not required in relation to this SPD. However, national guidance still requires that a Sustainability Appraisal (SA) is undertaken for SPDs where the policies they are supplementing have not already been assessed. The methodology for the SA was agreed with the statutory environmental consultees through a SA Scoping Report, which was consulted upon between 7th January and 12th February 2009. The sustainability appraisal of the SPD found that no significant sustainability effects had been identified.
- 10.11 A Habitats Regulations Assessment Screening Report has also been undertaken for the SPD. This report determines if this document is likely to have a significant effect on any European nature conservation sites, such as Special Areas of Conservation (SACs) and Special Protection Areas (SPAs). Again this report highlights that there are not expected to be any impacts by the SPD on European sites.
- 10.12 The revised Alsager SPD is set out in Appendix 3 and the Report of Consultation is set out in Appendix 4.

Smallwood Village Design Statement SPD

- 10.13 The purpose of the SPD is to manage change in buildings and landscape in Smallwood parish in a way that reflects the local character of its buildings, spaces and landscape setting.
- 10.14 Once adopted, it will be a supplement to the relevant policies contained in the adopted Congleton Borough Local Plan First Review in the determination of planning applications.
- 10.15 The draft Smallwood Village Design Statement Supplementary Planning Document was approved for the purpose of public consultation in November 2009,
- 10.16 The draft SPD was publicised in the Local Press and made available for public comment for six weeks. All Parish/Town Councils, numerous interested parties and statutory authorities were also sent copies of the SPD and invited to comment.
- 10.17 A total of 12 representations were received and a number of minor changes have been made to the SPD in the light of the responses received. These include creating additional guidelines for protected species, exterior lighting and the setting of Little Moreton Hall, amending the Introduction and Policy Context section to eliminate repetition and the inclusion of a map to illustrate the extent of Green Belt and open countryside within the Parish. As well as minor wording amendments.
- 10.18 The revised Smallwood SPD is set out in Appendix 5 and the Report of Consultation is set out in Appendix 6.

Cheshire East Local List of Historic Buildings and its supporting SPD

- 10.19 Planning Policy Statement 5: Planning for the Historic Environment, states that heritage assets are the valued components of the historic environment. These include nationally designated assets such as listed buildings and scheduled monuments as well as assets identified by the local planning authority on a Local List.
- 10.20 The Cheshire East Local List of Historic Buildings has been prepared in response to the guidance in PPS5 and identifies buildings considered to be of local historic or architectural interest.
- 10.21 The SPD sets out guidance to establish a common approach to determining planning applications affecting local heritage assets within Cheshire East and the criteria for assessing buildings and reviewing the Local List. The SPD will supplement the following saved policies: Congleton Local Plan Policy BH6, Crewe and Nantwich Local Plan Policy BE13, and Macclesfield Local Plan Policy BE20.
- 10.22 The purpose of the Local List of Historic Buildings SPD is to:-
- Provide guidance to supplement saved policies within the Congleton Local Plan, Crewe and Nantwich Local Plan, and Macclesfield Local Plan;
 - Identify buildings of local architectural value and historic significance that are not Listed Buildings;
 - Ensure that their special interest is taken fully into account in decisions affecting their future;
 - Propose measures to maintain or improve the positive character, local distinctiveness and sense of place within Cheshire East Borough Council.;
 - Promote awareness of the importance of these buildings to the local community.
- 10.23 The main implications of Local List designation would be:-
- In the determination of applications for development, the Council is required to have special regard to the character and appearance of the building/structure and its setting;
 - Local List status will be taken into account as a material consideration through the planning process; however, it should be noted that the designation does not affect permitted development rights;
 - Normally the loss of the building will only be permitted if the Council is satisfied it is beyond reasonable repair. Imaginative ideas will be sought by officers to ensure elements of the locally listed building are incorporated into any new design proposal;
 - Where retention proves impracticable the Council will require that a photographic record of the building is made prior to demolition and submitted to the council for record purposes.
- 10.24 The Cheshire East Local List of Historic Buildings has been compiled from the Local Lists approved by the former Macclesfield and Crewe and Nantwich Councils. Additional entries have been included in the Macclesfield area, but no changes have been made to the Crewe and Nantwich list. All entries in the Congleton area are new additions.

- 10.25 During the production of the Supplementary Planning Document, a Sustainability Appraisal Scoping Report was produced and formally consulted upon in July / August 2009. The document was sent to the three statutory consultees (Natural England, English Heritage and the Environment Agency). The document was also made available on the Council's Web Site and at the Council's offices in Market Place, Macclesfield; Westfields, Sandbach and Municipal Buildings, Crewe.
- 10.26 The Sustainability Appraisal indicated that the document would positively contribute to the sustainability of the Borough, through the protection of the area's heritage and townscapes as well as maintaining cultural, leisure and recreational facilities. There were no negative implications of the document. The Appraisal was subjected to a 6 week consultation, alongside the Supplementary Planning Document, during which only support for the findings was received.
- 10.27 The Draft Supplementary Planning Document was approved for consultation in December 2009 by the Portfolio Holder for Performance and Capacity.
- 10.28 Consultation on the Draft Cheshire East Local List of Historic Buildings was carried out over a 6 week period between the 11th January and 22nd February 2010.
- 10.29 Publicity for the consultations was as follows:
- Notification to Parish and Town Councils, statutory agencies, neighbouring authorities and interested individuals and organisations
 - Written notification to the occupiers of all buildings on the Local List, where possible
 - "Surgeries" at Macclesfield, Crewe and Congleton Libraries.
 - Copies of the document were available for public view at Libraries across the Borough and it was published on the Council's website. A press release was issued on the 21st January 2010.
- 10.30 As part of the consultation, an email notification was sent out to Town and Parish Councils. However, 14 Town and Parish Councils were inadvertently omitted from the notification. The extension period was extended for these Councils until 8th March in recognition of the late notification.
- 10.31 All responses received were analysed and a summary of the main points is set out in the Consultation Statement in Appendix 9. Response to the document has been generally positive and supportive of the principles behind the Local List.
- 10.32 The revised Local List is set out in Appendix 7, the Local List SPD is set out in Appendix 8 the Report of Consultation is set out in Appendix 9.
- 10.33 A number of representations have been received requesting further additions to the local list. It has been decided that no further nominations will be taken forward at this time and that the Local List should be reviewed every 5 years. Emergency procedures are included in the SPD should the need arise to include other buildings threatened in the meantime.
- 10.34 The Strategic Planning Board requested that the documents should be updated to reflect recent changes in particular the revocation of the Regional Spatial Strategy and changes to the Infrastructure Planning Commission and that the renaming of

the LSP as the Partnership for Action in Cheshire East (PACE). Changes have been made to the documents where appropriate. In addition, the Strategic Planning Board requested that consideration be given to whether additional community organisations could be added to the list of organisations in the SCI and the implications of the Local List on the future use of St Barnabas School should it become surplus to requirements. No changes have been made in response to these requests. The list of organisations identifies those prescribed in the Regulations and it is not intended to be a comprehensive list of all organisations to be consulted.

11.0 Overview of Year One and Term One Issues

- 11.1 These reports are being considered under current LDF approval arrangements in accordance with the Council's Constitution which was approved when the Council took up its functions. Consideration is being given in a separate report as to how these procedures may be streamlined.

12.0 Appendices

Appendix 1: Revised Statement of Community Involvement
Appendix 2: Statement of Consultation for the Statement of Community Involvement
Appendix 3: Revised Alsager SPD
Appendix 4: Statement of Consultation for the Alsager SPD
Appendix 5: Revised Smallwood SPD
Appendix 6: Statement of Consultation for the Smallwood SPD
Appendix 7: Local List
Appendix 8: Local List SPD
Appendix 9: Statement of Consultation for the Local List SPD

13.0 Access to Information

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

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Designation: Senior Planning Officer
Tel No: 01270 686616
Email: Victoria.soames@cheshireeast.gov.uk

Background Documents:

- Planning Policy Statement 12: Local Spatial Planning, Communities and Local Government, 2008;
- The Town and Country Planning (Local Development) (England) Regulations 2004, 2008, 2009 and 2010.

CHESHIRE EAST COUNCIL**REPORT TO: CABINET**

Date of Meeting:	20 September 2010
Report of:	Borough Solicitor
Subject/Title:	Obesity and Diabetes Review
Portfolio Holder:	Councillors Andrew Knowles, Hilda Gaddum and Roland Domleo

1.0 Report Summary

- 1.1 This report encloses the final report and recommendations of the Task and Finish Group set up by the Health and Adult Social Care Scrutiny Committee to examine issues in Cheshire East concerning the incidence of Obesity and Diabetes.
- 1.2 The report and recommendations have been considered and endorsed by the Health and Adult Social Care Scrutiny Committee, and are referred to Cabinet for consideration and implementation if possible. The views of Cabinet will be reflected in the Action Plan to be produced by the Task and Finish Group.

2.0 Decision Requested

- 2.1 That the following recommendations of the Health and Adult Social Care Scrutiny Committee of 1 July be considered, and as requested in paragraph (b), responses be made as appropriate to the specific recommendations set out in the detailed report of the Task and Finish Group:

“That

(a) the report of the Task and Finish Group be welcomed and supported, noting the progress achieved since the original Reviews were undertaken, but that more remains to be done;

(b) the recommendations of the Group be endorsed, and referred to the relevant Cabinet Members and the Central and Eastern Cheshire Primary Care Trust for consideration and necessary action, and that they be invited initially to comment on the details of the recommendations;

(c) the responses of the Cabinet Members and the PCT be considered by the Scrutiny Group in due course;

(d) the Scrutiny Group be requested to develop an action plan and to keep progress under review, and to report further on the implementation of the Report's recommendations in 12 – 18 months time;

(e) the criteria for receiving free school meals be reviewed;

(f) the Group be thanked for its hard work.”

3.0 Reasons for Recommendations

3.1 To progress the findings of the Scrutiny Task and Finish Group which are aimed at financial impacts of these trends for the Cheshire East area in particular.

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 The recommendations are aimed at improving health outcomes.

7.0 Financial Implications

7.1 Not known at this stage.

8.0 Legal Implications (Authorised by the Borough Solicitor)

8.1 None identified.

9.0 Risk Management

9.1 No identifiable risks.

10.0 Background and Options

10.1 In 2004 and 2006 the former Cheshire County Council had published two separate but linked scrutiny reports on “Tackling Diabetes in Cheshire” and “Tackling Obesity in Cheshire”. Both documents contained a series of recommendations amounting to an Action Plan. The Diabetes report was reviewed in 2006 and although significant progress had been made, further work was required on many of the issues raised in the two reviews.

10.2 Accordingly the Health and Adult Social Care Scrutiny Committee on 18th November 2009 decided that a “Task & Finish “ Group (referred to in the attached Report as the Scrutiny Panel) should be appointed to review the

progress in Cheshire East arising from the earlier reports. The terms of reference for the Group were:

- 1 To review the outcomes and recommendations from the Scrutiny Report on Diabetes (2004) and Tackling Obesity in Cheshire (concluded in 2006) taking into account:
 - a) Ongoing performance in Cheshire East on the detection, access to services and preventative element of the NHS National Framework for Diabetes (with particular reference to Type 2 Diabetes)
 - b) The effectiveness of various initiatives on children's eating habits undertaken in Cheshire East by the relevant agencies and schools.
 - c) The "Think Family" strategy currently being developed by Cheshire East Council and partner organisations.
- 2 To report on and produce a revised action plan, reflecting progress achieved to date and any developments since 2006.

10.3 The membership of the Task and Finish Group is:

Councillors: Arthur Moran (Chair)
Carolyn Andrew
Rachel Bailey (until 13th May 2010)
Chris Beard
Gillian Merry
Christine Tomlinson

- 10.4 The Group commenced its work in February 2010 with the aim of reporting to the July Meeting of the Health and Adult Social Care Scrutiny Committee. The Group met on seven occasions and received both oral & and written evidence from a number of officers, both of the Council and the Central & Eastern Cheshire Primary Care Trust.
- 10.5 The methodology adopted by the Group was the careful review of the recommendations from both of the original reports (including recommendations from a review on "Food in Schools" carried out by the former Central Cheshire Local Health Scrutiny Committee) and the review of the Diabetes Action Plan in 2006. The objective was to concentrate on those aspects of the previous reviews, which still required further attention, with regard to obesity. The focus was very much on work with children and younger people, particularly in the school setting.
- 10.6 The areas of unfinished work from the earlier reviews are reflected fully in the Group's fifteen recommendations, which are set out in the Report. The main aspects of the Group's findings in this regard may be summarised as follows:
 - a) The importance for a balanced diet of encouraging pupils to take the option of the school meal, including free school meals eligibility

- b) Pressure on pupils' time in school and the physical constraints of some school canteens which can impact adversely on the ease of opportunity to take school meals
- c) The value of schools trying to achieve more participation in physical activities outside curriculum time
- d) Making school related facilities more open to the local community whenever possible
- e) The dependence of many exercise and activity programmes on "one – off" opportunistic funding, rather than being consolidated in core programmes, which may impact on longer term viability especially in the current economic climate
- f) The lack of progress nationally towards a single regulated system of food labelling and nutritional information
- g) The value of investment in preventative measures and promoting healthy lifestyles which has a positive impact on reducing the longer term risks of being diagnosed with diabetes.

10.7 In relation to paragraph a) above (school meals), Members of the Health and Adult Social Care Scrutiny Committee felt that more consideration should be given to aspects of the criteria which applied to eligibility for free school meals, and that the process should be further reviewed.

10.8 If accepted, the Group's recommendations will form the basis of an action plan for addressing these specific issues in detail. The Panel wishes to review progress again in 12 – 18 months' time.

11.0 Access to Information

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

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DRAFT OVERVIEW AND SCRUTINY COMMITTEE – FINAL REPORTING PROCEDURE

Final reports from Task and Finish groups should follow the procedure set out below:

- Final reports should always, where appropriate, include financial (authorised by the Borough Treasurer) and legal implications (authorised by the Borough Solicitor).
- The relevant Overview and Scrutiny Committee should approve at a formal meeting a final report before submission to cabinet
- Two versions of the final report will be produced. A text only version in the standard cabinet format for cabinet, and a colour 'glossy' version for publication on the Council's website.
- At cabinet, the relevant portfolio holder will open the item and then invite the Chairman of the Overview and Scrutiny Committee to introduce the report.
- The portfolio holder will respond by receiving the recommendations and undertaking to come back to the next meeting of Cabinet with a formal response to each recommendation
- A copy of this procedure will be appended to each Overview and Scrutiny Report submitted to cabinet.

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Report of the Scrutiny Panel

1 Introduction

- 1.1.** In 2004 and 2006 the former Cheshire County Council had published two separate but linked scrutiny reports on “Tackling Diabetes in Cheshire” and “Tackling Obesity in Cheshire”. Both documents contained a series of recommendations amounting to an Action Plan. The Diabetes report was reviewed in 2006 and although significant progress had been made, further work was required on many of the issues raised in the two reviews.

2 Terms of Reference

- 2.1** Accordingly the Health and Adult Social Care Scrutiny Committee on 18th November 2009 decided that a “Task & Finish “ Panel should be appointed to review the progress in Cheshire East arising from the earlier reports. The terms of reference for the Panel were:

- 1 To review the outcomes and recommendations from the Scrutiny Report on Diabetes (2004) and Tackling Obesity in Cheshire (concluded in 2006) taking into account:
 - a) Ongoing performance in Cheshire East on the detection, access to services and preventative element of the NHS National Framework for Diabetes (with particular reference to Type 2 Diabetes)
 - b) The effectiveness of various initiatives on children’s eating habits undertaken in Cheshire East by the relevant agencies and schools.
 - c) The “Think Family” strategy currently being developed by Cheshire East Council and partner organisations.
- 2 To report on and produce a revised action plan, reflecting progress achieved to date and any developments since 2006.

- 2.2** The membership of the Panel is:

Councillors: Arthur Moran (Chair)
Carolyn Andrew
Rachel Bailey (until 13th May 2010)
Chris Beard
Gillian Merry
Christine Tomlinson

- 2.3** The Panel commenced its work in February 2010 with the aim of reporting to the July Meeting of the Health and Adult Social Care Scrutiny Committee.
- 2.4** The Panel met on seven occasions and received both oral & and written evidence from a number of officers, both of the Council and the Central & Eastern Cheshire Primary Care Trust. The full list of those who attended is attached as Appendix 1.
- 2.5** The methodology adopted by the Panel was the careful review of the recommendations from both of the original reports (including recommendations from a review on “Food in Schools” carried out by the former Central Cheshire Local Health Scrutiny Committee) and the review of the Diabetes Action Plan in 2006. The objective was to focus on those aspects of the previous reviews, which still required further attention, with regard to obesity. The focus was very much on work with children and younger people, particularly in the school setting. For completeness, the recommendations of the initial reports are attached as Appendix 2.

3 Executive Summary and Recommendations

- 3.1** Between 2004 and 2006, linked Scrutiny Reports on the incidence of Obesity and Diabetes in Cheshire were published by the former County Council. The Health and Adult Social Care Committee decided that it was important to review progress in Cheshire East towards the implementation of the recommendations from these earlier reports. Accordingly the “Task and Finish” Panel was appointed, with terms of reference as set out in section 2 of the full report. The Panel’s priority was to focus on the more detailed work carried out in schools and through Leisure Services to encourage healthy lifestyles and thereby help to reduce obesity. It is fair to say that a great deal of activity has been successfully led by schools, and that the Central and Eastern Cheshire Primary Care Trust (the PCT) has contributed fully to these initiatives and in addressing the rise in diabetes in the general population. Inevitably, however, the Panel has noted several areas where more remains to be done.
- 3.2** The Panel has looked in great detail at food in schools, and at the opportunities provided by schools, both in and outside curriculum time, to help young people develop good eating and exercise habits. This report reflects the very impressive range of initiatives taken by different Services in the school setting and in the Community. The value of sport and physical activities, and the considerable opportunities open to all for participation in these activities, have featured strongly in the evidence presented to the Panel. In the longer term, all of this effort should have a beneficial effect on reducing the levels of obesity and diabetes, and reducing related illness caused by poor diet and physical inactivity.
- 3.3** It would appear that good practice and lessons learned in schools about healthy lifestyles can translate into the wider family setting, as children “lead by example” and physical and leisure activities are targeted more inclusively at families as a whole.
- 3.4** Measurement of progress since the previous reports has proved more difficult, but the Panel was encouraged to be told of the National Child Measurement Programme, which should progressively provide a data based means of monitoring the incidence of obesity in children. There does however appear to be less evidence available to indicate progress under the “Healthy Weight – Healthy Lives” Strategy introduced by Government, and more needs to be done to address this issue.
- 3.5** The Panel’s work had been immediately preceded by the publication of the Marmot Report on Health Inequalities, and the Panel was pleased to hear of the positive response being made by the PCT, the Council and the Local Strategic Partnership. These issues will feature in this year’s Annual Public Health Report, which will in part address the health inequality dimensions of obesity and diabetes, and should be considered by the full Cheshire East Council.
- 3.6** There do however remain some areas of unfinished work from the earlier reviews, and these are reflected fully in the Panel’s fifteen recommendations, which are set out below. Key aspects of the Panel’s findings in this regard include:
- a) The importance for a balanced diet of encouraging pupils to take the option of the school meal, including free school meals eligibility
 - b) Pressure on pupils’ time in school and the physical constraints of some school canteens which can impact adversely on the ease of opportunity to take school meals
 - c) The value of schools trying to achieve more participation in physical activities outside curriculum time

- d) Making school related facilities more open to the local community whenever possible
- e) The dependence of many exercise and activity programmes on “one – off” opportunistic funding, rather than being consolidated in core programmes, which may impact on longer term viability especially in the current economic climate
- f) The lack of progress nationally towards a single regulated system of food labelling and nutritional information
- g) The value of investment in preventative measures and promoting healthy lifestyles which has a positive impact on reducing the longer term risks of being diagnosed with diabetes.

3.7 If accepted, the Panel's recommendations will form the basis of an action plan for addressing these specific issues in detail. The Panel wishes to review progress again in 12 – 18 months' time.

3.8 In conclusion, I would like to thank all Members of the Panel for their contribution to the conduct and outcomes of this review. I would also wish to thank the officers of both the Council and the PCT who attended the Panel in person or provided written information and advice, and Democratic Services Scrutiny Team for their support to the Panel's work.

Councillor Arthur Moran
Chairman of the Scrutiny Panel
July 2010

Recommendations

1. That the Panel receive a further report on the current year's National Child Measurement Programme results in 2011.
2. That secondary schools be encouraged to ensure that lunchtime arrangements are structured so that pupils are offered a reasonable time to consume their meal, and the need for queuing is reduced and ideally avoided.
3. That schools be fully encouraged and as far as possible supported to adopt cashless systems for the payment of school meals so that this becomes available if possible in all CE schools.
4. That further work should be undertaken with the PCT to identify data which would indicate the degree of progress made under the Government's Healthy Weight, Healthy Living Strategy.
5. That further work be undertaken to improve the non-curriculum participation rates in PE and Sport through the Partnership Development Managers and specific initiatives, and a report on progress be made in 12-18 months time.
6. The Panel has considered in depth the benefits which sport and physical activity bring to leading healthy lifestyles. The Panel has reviewed the range of play, sport and physical exercise opportunities available to children and young people in particular, and is of the view that the Council should be doing everything possible to improve access to these activities. The Panel has taken into account the Council's responsibilities as "corporate parent", including the need to provide free access to sport and physical activities for its Cared for young people, and recommends that the current programmes are developed to maximise these opportunities.
7. That given the major benefits which the sport and physical activity programmes bring to healthy lifestyles, they be supported and if possible developed and as far as possible brought within the Council's core programmes.
8. The Panel was of the opinion that more could be done to enable school facilities to be made available to the public and recommends that schools be actively encouraged by the Council to develop these opportunities, their engagement with local communities and to make much more use of their assets as a community resource.
9. That in view of the outstanding success of free swimming and the importance of this activity to physical wellbeing, the Panel recommends that the programme is extended wherever possible and maintained in the future for young and old alike.
10. That discussions take place with CEC PCT with a view to extending and standardising the Healthquest Scheme across the whole of the Borough.
11. That further initiatives are put in place to encourage young people to engage in Guiding and Scouting activities.
12. That the Director of Public Health should be invited to present the Annual Public Health Report at a full CE Council meeting.
13. That further lobbying be undertaken through the Local Government Association and other appropriate channels to seek one single system of food labelling guidance to reduce confusion and provide clarity, particularly for those with dietary needs such as people with Diabetes and Coeliac disease.
14. That the Panel receive a further report on progress with Food Labelling and Advertising in 12 – 18 months time.
15. That further emphasis and resources are placed by the PCT on the prevention and education work amongst younger people with a particular emphasis on avoiding the increasing risks of diabetes deriving from bad diet and lack of physical exercise.

4 Tackling Obesity – Progress in Schools

- 4.1** 147 of the 149 Cheshire East (CE) Schools have achieved the extended services full core offer which means they have been registered with the Training and Development Agency for schools for providing a defined range of extended services. This represented significant progress towards national targets since 2004, particularly the provision of breakfast clubs and after school activities. A Cheshire East Healthy Children's Centre Award is being developed in the Summer Term 2010.
- 4.2** In addition, 109 out of the 149 CE Schools have been accredited under the "Healthy Schools Initiative" representing 74% Primary Sector, and 55% Secondary (recommendation 2 of the Diabetes Report). The aim remained to achieve 100% accreditation across the Authority. The Panel noted and supported the "healthy eating", "physical activity" and "emotional health and wellbeing" strands of the initiative which were particularly important for mitigating the incidence of obesity amongst young children. The Healthy Schools programme was now moving to an enhanced model phase with defined targets for schools, including the reduction in childhood obesity.
- 4.3** The Panel had been made aware of the National Child Measurement Programme (NCMP). The NCMP was now in its fourth year of operation, and involved all primary sector children in Reception (4 – 5 years old) and year 6 (10 – 11 years old) being weighed and measured by the School Health Service Assistants. The process did not apply to pupils in Special Schools or to the Independent Sector. The weighing and measuring involved 10,000 children in the PCT area annually, and good quality data was being obtained. The aim was to measure at least 85% of pupils, and over 90% was being achieved in CE. Children were classified as one of Underweight/Healthyweight/Overweight/Veryoverweight. The calculation was made using a computer programme, which took account of weight, by relation to age as well as height, to reflect the fact that children were still growing. (The Body Mass Index calculation is simpler for adults as they have stopped growing).
- 4.4** The comparative statistics for the PCT for the initial three years were provided (both national comparisons, and CECPT's peer group) which in summary showed that the area was in a positive position just below the national and regional averages for obesity in both age groups. The 2009/10 data would be published in December.
- 4.5** The Government had now indicated that the NCMP should develop from simply population based data, and that the results for each pupil must be sent to parents each year. Accordingly the PCT and the Council had decided to pilot the feedback process for 2010 in five areas, namely Poynton, Knutsford, Wilmslow, Alderley Edge and Disley, starting with a total of up to 750 pupils in year 6. Letters to parents were sent out in week beginning 22 March, enclosing the national "Change4Life" leaflet, a local advice leaflet on increasing physical activity and the possibility of a referral to the School Nurse. About 50% of the parents concerned would also be sent a questionnaire, the responses to which would be utilised to inform the full roll out of the parents' notifications (10,000 in total) next year. Feedback from parents would be sought again next year, but given the scale of the task, a smaller sample than 50% of parents would receive the questionnaire, and the survey would be targeted to probably only one area.
- 4.6** The Panel was of the view that the NCMP was an excellent indicator of progress towards reducing the levels of childhood obesity, and asked that a further report be made when the current year's results were available in December 2010.

Recommended: That the Panel receive a further report on the current year's NCMP results early in 2011.

- 4.7** The previous report (Recommendation 2) proposed that each school should nominate a Parent Governor by the Autumn Term 2007 to promote healthy lifestyles. The Panel was advised that schools were now required to nominate a governor to act as “champion” for pupils’ wellbeing matters, which includes healthy eating and lifestyles. However, it was noted that no data was available to indicate how many such “governor champions” had been appointed by schools in practice.

5 School Meals & Packed Lunches

- 5.1** The Panel welcomed the fact that catering in schools is controlled by strict nutritional standards as set by Government Nutritional Guidelines. These standards are monitored by Cheshire East Catering as the main provider of food in schools. The guidelines recognise that school meals are an important part of achieving a balanced and healthy diet for children, and help them to develop good eating habits. The current uptake of school meals in the Primary sector is 46.74%, and in the Secondary sector it is 37.82%. It is not possible to indicate the proportion of pupils who bring packed lunches, nor is data kept on the proportion of secondary pupils that leave school at lunchtime, presumably to buy meals from commercial outlets. Some secondary schools operate a “stay on site” policy which encourages young people to stay and eat on the school site. The Panel noted that the number of “fast food” outlets within easy reach of school tended to be higher in the more socially deprived areas.
- 5.2** The Schools Food Trust has launched a “million meals” campaign. This campaign signs schools up to increasing the number of school meals purchased, and CE Catering was working jointly with the Council to help to improve performance. The targets were recognised as being very demanding.
- 5.3** With regard to the alternative of packed lunches, the Panel was advised that schools encourage healthy content in lunchboxes, but the level of monitoring varies as it is the school’s remit to recommend but not police the food that parents choose to send for their children, and it may be seen by parents as an unwarranted interference by the “authorities”. It is possible to purchase “healthy packed lunches” in school, which comply with the strictly controlled nutritional guidelines. Some schools provide fridges in which packed lunches can be stored but once again this varies. Environmental Health have run a campaign about storing lunch boxes in which parents were encouraged to purchase insulated bags or small ice packs to keep the food cool but the Authority does not monitor this. The advice is to refrigerate where possible although there are capacity issues, and to keep lunchboxes in cool a room. Ice packs should be used and food consumed within 4 hours.
- 5.4** The Health Improvement Team sends out information to schools regarding temperature control and healthy options for lunchboxes as advised by the Food Standards Agency. The Team also works with the Healthy Schools co-ordinators and the PCT on Food and Health initiatives, visiting schools and talking about healthy choices.
- 5.5** The Panel did, however, note that the size of many school canteens acted as a constraint on the numbers opting for school meals. If all pupils in some schools opted for the school meal, they couldn’t all be physically accommodated in the canteen, even allowing for fast turnaround times of about 20 minutes per sitting (which of itself did not encourage healthy eating). This was particularly the case in older school buildings. The newer schools all benefited from purpose built catering areas, and older schools were able to apply for capital funding to upgrade and extend the catering and canteen areas. This initiative featured as part of the “million meals” campaign. CE Catering actively encourages schools to bid for funding under this programme, and supported them in the outline design of the schemes, because of the beneficial impact which the refurbished facilities had on the take up of school meals. It was recognised that some school premises had physical site constraints which made improvements difficult to achieve.

- 5.6** One issue raised through the previous report was the desirability of allowing at least 45 minutes for the midday meal, to enable it to be taken without rushing and to aid proper digestion. The Panel was concerned that physical site constraints taken with other lunchtime activities could make this difficult. The need for pupils to queue in secondary schools could also be a deterrent to pupils taking the school meal, it being easier to bring a packed lunch which could be consumed without waiting. Pupil surveys have revealed that queuing at lunchtime is a significant concern. Queuing might also encourage the off-site fast food option, which was much less healthy.

Recommended: That secondary schools be encouraged to ensure that lunchtime arrangements are structured so that pupils are offered a reasonable time to consume their meal, and the need for queuing is reduced and ideally avoided.

- 5.7** Pupils also tended to bring packed lunches because they may be wary of trying the “school dinner” menus. For younger children especially, cost may also be a factor for parents. The price of a school meal is £2.00p per day in Primary, and £2.15p per day in the Secondary sector. However, in high schools there are many different service points offering various items from as little as £1.50p and sandwiches are available from £1, with a healthy packed lunch also costing £2.00 in primary schools. Meal prices were being held at the current levels by CE Catering for the new academic year in September 2010. It was felt that the cost involved was competitive, with the typical school meal including two courses and a drink.
- 5.8** The Panel noted the value of as many children as possible taking the option of a school meal, and that the take up of free school meals may previously have been inhibited by perceptions of a “stigma” in doing so. In order to address this, secondary schools manage the free meal pupils in various ways, mainly by giving them a token to give to the member of staff at the till. Cashless systems for high schools were relatively expensive to install, costing approximately £20,000 per school depending on the location, till points and wiring needed. The secondary schools that have cashless systems have purchased them out of their school budgets. There is to be the introduction of on line payments available to parents from September 2010 which should further simplify the system.
- 5.9** The Panel therefore fully supports the “cashless” provision of meals through plastic cards and online payments, which means pupils in receipt of free meals cannot be identified and the food purchased by children generally can be monitored.

Recommended: That schools be fully encouraged and as far as possible supported to adopt cashless systems so that this becomes available if possible in all CE schools.

- 5.10** The take up of free meals in schools had increased during the year due to a number of factors including improved communication from CE to parents/carers. The Council’s website contains information on free school meal entitlement and also current menus. Menu leaflets are printed biannually and there is one available for every child in Primary, and the preparation of a Secondary leaflet is currently in hand. CE Catering had put a great deal of effort into “marketing” initiatives of this sort. Wherever possible, food supplies were sourced from local producers, using organically grown produce, and visits by pupils to farms helped pupils to learn about healthy food, and reinforce the messages about healthy eating generally. Theme days which were held in schools to promote healthy eating had proved very popular, with a range of different menu options, some provided free of charge to act as an incentive for pupils to try them. The Panel was informed that these initiatives, together with the cashless system and a reduction in the eligibility threshold for free school meal entitlement to income of approximately £16,000 per annum, had led to a marked increase in take up, with the majority of pupils eligible now receiving the free meal. The Panel noted that even a small increase in the threshold led to a significant increase in the numbers taking the free school meal.

- 5.11** However, the food which children consume in school is on average only 17% of their weekly intake, so the outside/family dimension impacts much more directly on the nature of their overall eating habits, and related obesity levels. Nonetheless, there was evidence that pupils entering Secondary schools were increasingly opting for healthy meals, because the messages were “getting through” to primary age children and their parents. Little was known about whether the development of good eating habits in school impacted beneficially on the wider family at weekends. However, there were some indications that children are encouraging parents to take more account of healthy eating, and CE Catering for example went into schools to advise parents about nutrition, and to provide sample menus and help with cookery classes. The picture was therefore becoming more encouraging particularly from a “Think Family” perspective although more remained to be done in the secondary area especially.
- 5.12** The Panel was advised that the large majority of CE schools use CE Catering although this is not a requirement on Schools and some, currently 10 schools choose to be supplied from elsewhere. Provision through CE Catering is under an agreed contract, which is subject to annual roll forward. Where Schools choose an alternative, the supplier is bound to comply with the strict nutritional guidelines as applied to the CE catering contract, but the contracts concerned are generally let on a three year basis.
- 5.13** Where schools choose to make their own arrangements, the duty to comply with school food standards falls to the Governing Body rather than the Local Authority. The Governors must ensure that the standards are being met through effective monitoring of their contract arrangements with their providers.
- 5.14** Schools have to account to CE Catering about how their delegated catering budget is spent and further controls exist through Ofsted, Trading Standards and Environmental Health Officers when they carry out visits to schools.
- 5.15** The Panel welcomed the fact that legislation made in 2008 now controlled the additives and calorific content of drinks sold in vending machines in schools, and that this had removed the worst nutritional problems associated with these machines.
- 5.16** In 2000 the Government had introduced an Obesity Public Service Agreement with the aim of halting the year on year rise in obesity in under 11's by 2010. The Panel was informed that this Strategy was replaced in January 2008 by “Healthy Weight, Healthy Lives: A Cross Government Strategy for England”. Its stated ambition was “to be the first major nation to reverse the rising tide of obesity and overweight in the population by ensuring that everyone is able to achieve and maintain a healthy weight. The initial focus would be on children: by 2020, the aim was to reduce the proportion of overweight and obese children to 2000 levels.” No data is yet available to indicate performance under this and/or the previous strategy. However the Panel considered that the slippage of the target date to 2020 and the lack of clarity of how demanding a target the year 2000 levels would be, were signals that progress was slow.

<p>Recommended: That further work should be undertaken with the PCT to identify data which would indicate the degree of progress made under the Government's Healthy Weight, Healthy Living Strategy.</p>

6 The School Curriculum

- 6.1** The earlier report (Recommendation 5) proposed that Government be lobbied to make cookery lessons compulsory for all secondary school children. Good progress had been made on this, in that all Key Stage 3 students (11 – 14 year olds) are required to have cookery lessons in school, however only 1 hour per week curriculum time is stipulated. This is not really sufficient, as it is inadequate to teach the preparation and cooking of specific meals in one lesson, which means that the process has to be split over at least two classes which are a week apart. It was welcome that the schools' food partnership training is being developed to help a broad range of school staff to demonstrate cookery skills to children.
- 6.2** Similarly the earlier review (Recommendation 7) had commended the use of Gardening Clubs and Allotments at Schools to help raise children's awareness of healthy food and its origins. The Panel was informed that there are 138 Cheshire East schools which participate in growing fruit and vegetables as part of the curriculum, with about half of these having gardening clubs. There are extra activities at lunchtime where children can learn about vegetables and fruit, planting and growing produce from seed. Links are made to the Healthy Schools agenda. The Council's Health Improvement Team have worked with Manor Park School on a successful four year pilot project to construct an allotment on the site of its redundant outdoor swimming pool, which had acted as a catalyst to encourage many other schools to undertake produce growing schemes.
- 6.3** Reference was made to the "ECO Schools" programme, which is run by the Tidy Britain Group. Schools can sign up to the scheme, agree to work towards certain goals, and can be subject to assessment. 126 CE schools are registered with the programme, which covers a number of dimensions – including biodiversity, healthy living and school grounds – all of which are relevant to growing food in schools, and a better understanding of diet and nutrition. However it is not possible to say how many of the 126 schools have included these aspects in their ECO schools work. Groundwork Cheshire continues to support this activity in schools and will deliver training courses to staff at a cost.

7 Physical Activities in Schools and Community Sport Activities

- 7.1** Recommendation 8 of the earlier report had drawn attention to the importance of providing time in school for physical activities including "active playtimes". The Panel was concerned that there remained insufficient time in the school curriculum and a lack of qualified PE teachers needed to improve the levels of physical activities and active playtimes. Also that the reduction in the "competitive" nature of team sports and the selling off of school playing fields could be having an adverse effect on the availability of sporting activities for children. It was reported that CE employed only one full time consultant to support the Healthy Schools/Healthy Lifestyles work and that as restructuring in the Children and Families Services took place the Council was looking to build capacity in the local Healthy Schools Programme
- 7.2** The Panel was informed that the national target is for 2 hours curriculum time for PE and for a further 3 hours of physical education/activity during the school week (the "5 hour offer"). Secondary schools have trained PE/Sports teachers, as do primary schools though the PE co-ordinator may have a multiple role in small schools. Many schools brought in external sports/activity coaching support, including for example the Cheshire Dance project. There were three School Sports Partnerships in CE (based on the former District Council areas) which worked in and with schools to maximise the sporting opportunities for pupils.
- 7.3** Partnership Development Managers (PDM's) are in place across Cheshire East, and are responsible for the delivery of the five hour offer, of which three hours are monitored. The school partnerships are split into three areas – Ruskin Partnership, Sandbach Partnership and Macclesfield Partnership which encompasses all of the Secondary schools and their cluster primary schools. The PDM's are reviewed on their delivery of the "3 hour offer" which is 2 hours within Curriculum and 1 hour out of curriculum time.

- 7.4 Based on a self assessment school sport survey done for the school year 2008/09, the following information on pupil participation is available.

Macclesfield -

-Percentage receiving 2hrs of high quality curriculum PE per week	93%
- Total receiving 3hrs of school-led PE and Sport per week	53%

Crewe and Nantwich

- Percentage receiving 2hrs of high quality curriculum PE per week	93%
- Total receiving 3hrs of school-led PE and Sport per week	55%

Congleton

-Percentage receiving 2hrs of high quality curriculum PE per week	96%
- Total receiving 3hrs of school-led PE and Sport per week	55%

It is evident that participation levels drop off significantly for the non curriculum (voluntary) activities. However funding has now been obtained to support 6 "Olympic Sports Clubs" in CE with the aim of improving performance and the non curriculum activity participation rates.

Recommended: That further work be undertaken to improve the non-curriculum participation rates through the Partnership Development Managers and specific initiatives, and a report on progress be made in 12-18 months time.

- 7.5 The Panel was also informed about and welcomed the work of the Community Sport and Physical Activity Network (CESPAN). This body exists to change, develop and build on the culture of sport, active recreation and physical activity within the boundaries of Cheshire East, in order to increase current participation across all social groups, particularly by offering additional opportunities for children and young people to participate in sporting activities. This in turn leads to improvements in health and other social and economic benefits. The Membership of the Network represents a very wide range of community interests, including the School Sports Partnerships.
- 7.6 The CESPAN has developed a strategy which is working on the Health strand but is very much integrated into the overall engagement plan with young people. The Network's monitored and evaluated programmes are independently verified by Manchester Metropolitan University who are responsible for drafting and reporting on the agreed outcomes.
- 7.7 Recommendation 11 of the previous report had argued for the availability of free leisure activities to children during School holidays and the Panel considered progress achieved in this area. The Council's Sports Development Team has designated slots within the leisure facilities in Cheshire East, which are available for targeted work with children who would not normally engage with sport or active recreation. These are used for a variety of activities available to the children and young people in the local community either free of charge or for a minimal charge (50p). School holiday programmes are available in non term time all year round, and are extensively publicised on the Council's website.

- 7.8** Similarly the provision of free leisure facilities to Cared for children and leisure passes to children receiving free school meals had been advocated in Recommendation 10 of the previous report. The Panel was informed that in Cheshire East there are over 394 “Cared for children” and 100 “care leavers”. A report was submitted in May 2010 to the Cabinet Member for Health and Wellbeing regarding the extension of free use of leisure facilities for Cared for children across Cheshire East. The report sought approval to allow free membership for these children to Cheshire East Council leisure facilities, which will enable this group who are known for having obesity and health issues unhindered access to active recreation. The proposals do not include care leavers at this stage, but may do as the scheme progresses.
- 7.9** The Panel took the view that this was an important initiative, and made the following **interim recommendation** to the Cabinet Member:

The Panel has considered in depth the benefits which sport and physical activity bring to leading healthy lifestyles. The Panel has reviewed the range of play, sport and physical exercise opportunities available to children and young people in particular, and is of the view that the Council should be doing everything possible to improve access to these activities. The Panel has taken into account the Council’s responsibilities as “corporate parent”, including the need to provide free access to sport and physical activities for its Cared for young people, and recommends that the current programmes are developed to maximise these opportunities.

The Panel welcomed the fact that this recommendation was agreed by the Cabinet Member on 14th May 2010.

- 7.10** The Panel was also informed of a further initiative whereby children who receive free school meals will be eligible for the “go4it” subsidy pilot schemes running this year in the north of the Borough in Bollington and Macclesfield, funded under the local Education Improvement Partnership. The go4it programme is a targeted initiative for young people who need assistance or support to engage in physical activity, for example help with playing kit or transport costs which are two major obstacles to participation. The pilots are being run by the Leisure and Play Development Team, and involve guiding and supporting young people into current activity programmes, and possibly including other non sports activities which the children identify, such as dance or art. The aim is to help qualifying children into physical activity of some sort.
- 7.11** It is hoped that the other Education Improvement Partnership Boards in the Borough will also decide to take up the go4it programme, especially as the funding is only for one year and therefore the opportunity is only available in 2010/11. The Panel welcomed these initiatives and noted in particular the fact that all young people under 16 in Cheshire East currently have access to free swimming (see paragraph 7.17 below).
- 7.12** Whilst welcoming all of these programmes, the Panel wished to assess the extent to which these initiatives had led to an increase in sport and leisure activity amongst children. Certain targeted programmes of activity had been monitored and evaluated and demonstrated increased take up amongst children and young people who would not normally engage in sporting activity. These projects which were led by the Sports Development Team included the Family Fun Zone, Sport Unlimited, The Rural Programme and Street Sports schemes. A number of other activities are ongoing but previously without the detailed tracking to measure increased usage. A full list of the available activities in Cheshire East is attached as **Appendix 3**.

- 7.13** The Panel noted that the majority of the sessions were available free of charge, or had a nominal fee of between 50p - £1. Making a small charge helps to sustain the programme, emphasised the value to participants of what is on offer, and is likely to encourage regular attendance and participation. It is also essential, particularly as a large number of the sessions are externally funded, rather than being part of core provision. This in itself raises questions about the funding of future programmes and continuation of delivery.

Recommended: That given the major benefits which these activity programmes bring to healthy lifestyles, they be supported and if possible developed and as far as possible brought within the Council's core programmes.

Community use of school facilities

- 7.14** The Panel reviewed the extent to which school playing fields and other facilities were available for community use during weekends and evenings. There were concerns that Health and Safety and associated insurance considerations, together with the availability of school caretakers outside of normal school hours may be limiting the community use of schools. The Panel sought evidence of the position, and the extent to which the Council is encouraging (and is able to encourage) schools to share facilities with the wider public. It was understood that, in particular Education Improvement Partnerships could make a significant impact, particularly as they had been allocated specific finance to support work with children on after school activities.
- 7.15** Out of the total of 21 secondary schools in CE (plus 4 special schools taking secondary age pupils) there are 8 providing joint use facilities to the local community at evenings and weekends (Poynton, Knutsford, Sandbach, Alsager, Coppenhall (Sir William Stanier Crewe), Shavington, Middlewich and Holmes Chapel). Other secondary schools chose to stay open for community use, but unless they had floodlit facilities, they generally closed by 6pm and did not open at weekends.

The Panel was of the opinion that more could be done to enable school facilities to be made available to the public and recommends that schools be actively encouraged by the Council to develop these opportunities, their engagement with local communities and to make more use of their assets as a community resource.

- 7.16** The Health and Wellbeing service is supporting the Planning Service in the open spaces strategy. This document will identify and protect the sale of land that is currently used for recreational activities. The service also supports and advises on any planning applications that will have a positive or negative impact on the provision of active recreation. The Panel was advised that the planning authority was taking a robust line on preserving open space wherever possible.
- 7.17** The current figures for the uptake of free swimming particularly among the U16's are that 28,146 children and young people aged 16 or under are registered for the free swim programme (13,725 boys and 14,421 girls). They have taken 110,380 free swims between them since 1st April 2009 (to end of January 2010), an average of 3.9 free swims per registered child). This participation rate ranks Cheshire East as 12th best out of 260 authorities in take up of the scheme performance which is accordingly very welcome.

Recommended: That in view of the outstanding success of free swimming and the importance of this activity to physical wellbeing, the Panel recommends that the programme is extended wherever possible and maintained in the future for young and old alike.

- 7.18** The Council puts a great deal of effort into the marketing and promotion of these programmes, on a family wide basis. Involving parents in the programme raises awareness of the benefits of outdoor (or out of the home) activities and so encourages them to ensure that children get the benefit of play and exercise, and that the adults join in as well. Whole families are targeted through the Children's Centres so that they can benefit collectively from physical activities and leading more healthy lifestyles, which conveys an impressive "Think Family" approach in the Panel's view.
- 7.19** An article had been included in the School Governors newsletter explaining the range of play, sport and leisure activities which are available in the area. The "Young Ambassadors" scheme managed through the Schools Specialist Sports College Programme (SSP) was designed to promote awareness of these easily accessed activities.
- 7.20** As mentioned above in paragraph 7.6, MMU Cheshire has been evaluating specific elements of the sport and physical activity programme over the last 12 months, and the evidence from this independent verification is that levels of participation have been rising. In September 2009 MMU published a report of it's findings on Community Investment Funding Projects 2008-9, a copy of which was provided to the Panel.
- 7.21** More generally, and with regard to the "Think Family" dimension, the Panel reviewed the impact of modern lifestyles on eating and exercise patterns, feeling that many parents had little available time at their disposal to encourage and develop good habits for families. Examples of these constraints were "walking buses" which were dependent on the availability of parent/carer/grandparent volunteers to allow them to happen (as well as road safety considerations); and the time available to parents at home which could be devoted to producing regular and healthy family meals. It was noted that many of the healthy lifestyle initiatives introduced by schools were aimed at mitigating the worst effects of these pressures of modern life.
- 7.22** The Panel's attention was drawn to the "Healthquest" Exercise Referral Scheme, which operated in the Crewe and Nantwich area of Cheshire East. It enabled GP's to refer those who could benefit from more exercise to the Council's Health Improvement Team, where an officer could agree an appropriate range of activities for the patient to try – up to ten weeks of exercise sessions. The cost to the patient of the 10 week programme was the same as the cost of a single prescription, and therefore represented very good value for money. The total number of referrals in 2008-9 was 546 of whom 44 suffered from Diabetes, and 135 were obese. The initiative is partially funded by the PCT, but does not operate in other parts of the borough.

Recommended: That discussions take place with CEC PCT with a view to extending and standardising the Healthquest Scheme across the whole of the Borough.

- 7.23** The Panel also felt that children should be encouraged to join the Guiding and Scouting movements, as they offered a structured approach to exercise and leisure, and to developing healthy lifestyles. However, the Panel was concerned that Health & Safety considerations and possibly the impact of Child Protection legislation was reducing the "pool" of people coming forward to act as leader in both movements.

Recommended: That further initiatives are put in place to encourage young people to engage in these activities.

- 7.24** The Panel was briefed on the "Change4Life" Campaign, in which schools can become involved. Each CE school has been provided with the "Change4Life" pack, but the extent to which schools had engaged was not known. CE Catering was supporting schools wishing to become involved in the Campaign, through publicity in schools and help with school allotments and similar initiatives.

8 Health Inequalities

- 8.1** The review had confirmed the significant value of school based activities in encouraging children and families to lead healthy lives. The Panel therefore asked whether future initiatives should focus more on Primary Schools, to help children understand the value of a healthy lifestyle from an early age and therefore improve the position better for future generations. The Panel recognises that there are significant connections here with the Marmot Review of Health Inequalities, which was published on 12 February 2010, particularly the focus in the Marmot Report on concentrating resources on working with children to improve opportunities and reduce inequalities for the next generation. The Panel had requested information on how CE and the PCT in particular were responding to the Marmot report, across all services, and recognised that the process was ongoing.
- 8.2** The Panel understood that addressing Health Inequalities and the response to Marmot was a key objective of the Local Strategic Partnership, with the workstream being led by the PCT. The PCT's Annual Public Health Report for 2010 was expected to include a full section on addressing the issues raised by Marmot. CE had set up a cross service officer Working Group to support the Council's response to the Report. In addition, the Council was involved in a national project sponsored by the Centre for Public Scrutiny to improve the role of Scrutiny Committees in tackling Health Inequalities. Accordingly the Panel was of the view that CE and Partner organisations had taken appropriate initial action to respond to the Marmot Report, including the obesity and healthy lifestyles aspects, and the priority need to focus on children. It would be important for all Councillors to be aware of these issues.

<p>Recommended: That the Director of Public Health should be invited to present the Annual Public Health Report at a full CE Council meeting.</p>

9 Food Labelling and Advertising

- 9.1** Recommendations 12 & 13 of the previous report had encouraged the lobbying of Government to introduce legislation to control food labelling & advertising. The Panel received information on the current position.

Food Labelling and Nutrition – Legal Position

- 9.2** There is currently no general requirement to mark or label food or menus at catering premises with nutritional information. When certain nutritional claims are made on packaged food these trigger a requirement under food labelling regulations to provide certain nutritional labelling in a specific way. Any claims made must be truthful and not misleading.
- 9.3** For example, if a claim is made that a food is an excellent source of protein, at least 20% of the energy value of the food must be provided by protein, and the food must bear the prescribed nutrition labelling in the familiar tabular form that can be seen on some food packaging. Some companies provide this information voluntarily even if they make no specific claims. Catering businesses cannot at present be required to provide nutritional information, nor to limit the amounts of nutrients within portions, nor restrict portion sizes. Such actions would be purely voluntary.

Council Regulatory Services Working with Food Businesses

- 9.4** Councils are the statutory enforcement body for a range of legislation relating to food standards, food safety and food hygiene. This role is carried out by Regulatory Services - Trading Standards and Environmental Health services. Food standards enforcement, including composition and labelling, is carried out by Consumer Protection and Investigations (Trading Standards) in Cheshire East. The focus of enforcement is supporting businesses to comply with legislation.

- 9.5** Formal enforcement action is focused at serious deliberate, and persistent, non compliance. As part of this role, Trading Standards provides food businesses with advice on how to comply with legislative requirements and can play a vital role in protecting the consumer and promoting a healthy economy. The Council's food enforcement officers engage with local businesses during inspections to ensure that nutritional labelling on food is accurate and claims made are not misleading. This enables consumers to make informed choices about the food that they eat. Spot checks are carried out to ensure compliance and the factual accuracy of labelling, and there were related schemes such as "Farm Assured" which enabled consumers to be confident in the content of what they were buying.

Council Regulatory Services and Voluntary Nutritional Declarations at Catering Outlets

- 9.6** Although the provision of calorie and other nutritional declarations at catering outlets is voluntary, there is legislation in place to ensure that any information provided by a business is not misleading. Catering businesses that choose to provide such declarations voluntarily will therefore need to ensure that the declarations are as accurate as possible. Councils acting as home / primary authorities for food businesses can provide guidance on such processes, including acceptable methods for measuring calories and portion control. The Panel raised the issue of concentrating these activities on "fast food" outlets near to schools so as to reduce the risks for children, but this was dependent on the officer resources available to monitor and enforce even voluntary schemes.
- 9.7** The FSA has recently consulted on the development of a voluntary calorie labelling scheme in catering outlets. A voluntary calorie labelling scheme would let people see the number of calories in the food they order when they are eating out - whether they are in restaurants, coffee and sandwich shops, pubs, leisure attractions or staff restaurants. The scheme is still awaited. It should perhaps be noted that food industry has voiced concerns that their involvement in voluntary calorie schemes will subject them to increased, and potentially disproportionate, enforcement action from local authorities.

Healthy Catering Awards

- 9.8** There are a number of healthy catering award schemes currently in operation in the UK. Cheshire East Council operates the *The Golden Apple Award Scheme*, run by the Health Improvement Team and Environmental Health Team. This award recognises businesses in the food service sector which make it easier for children to choose healthier meals when dining out.

Front of Pack Labelling on Pre-Packed Food

- 9.9** On 10 March 2010 the Food Standards Agency (FSA) Board agreed to the implementation of a single approach to front-of-pack (FOP) nutrition labelling that provides 'at a glance' information on labels about the nutritional content of food. Food businesses will be encouraged to use all three elements found by independent research to help UK consumers interpret nutritional information: traffic light colours (red, amber and green), text (high, medium or low) and percentage Guideline Daily Amounts (% GDAs).
- 9.10** Although a growing number of supermarkets and food manufacturers are using traffic light colours on the labels of some products to help consumers make a choice, a number of manufacturers and national retailers prefer to use their own schemes, which means that there is unlikely to be consistency, at least in the short term.

- 9.11** Also in March 2010, The European Parliament voted in a report on a proposed new Front of Pack nutritional labelling regulation, appearing to favour a loose set of general rules. The idea of making traffic light labelling mandatory is therefore ruled out. The shape of the final nutrition labelling legislation is far from finalised. Realistically, it could be years before the information on food packaging actually changes. Larger companies may well have three years to put the new rules into action, but companies with annual turnover or balance sheet under €5m could be given five years. The regulation is likely to lay down only quite general rules on how information should be displayed, and so would allow different countries to keep or adopt national rules.
- 9.12** The Panel noted that enforcement of labelling regulations was confined to factual accuracy only, and not to whether the nutritional content levels (eg salt, sugar) were beneficial or otherwise.

National Voluntary Labelling Agreements at Caterers

- 9.13** Since 2008, the FSA has been working with more than 40 major UK catering chains (including over 5000 public houses) to provide healthier choices for their customers when eating out. The companies involved cover the breadth of the catering industry and include many well known restaurants, pubs, coffee shops and sandwich chains. In addition the Agency is working with workplace caterers and with two of the UK's largest catering suppliers. The commitments vary according to the type of business and food served. They support the FSA priorities to reduce salt, saturated fat and energy intake, to promote healthier options and to provide consumers with more information, for example by changing the ingredients and recipes and using healthier cooking techniques.
- 9.14** The Panel was of the view that progress on the two recommendations of the earlier Review (the regulation of food advertisements and a comprehensive system of food labelling) had been slow. However, it was recognised that advances had been made with the accuracy of the information involved in food labelling, and that the FSA was campaigning strongly on the need for standard formats for the provision of nutritional information.

Recommended: That further lobbying be undertaken through the Local Government Association and other appropriate channels to seek one single system of food labelling guidance to reduce confusion and provide clarity, particularly for those with dietary needs such as people with Diabetes and Coeliac disease.

Recommended: That the Panel receive a further report on progress with Food Labelling and Advertising in 12 – 18 months time.

10 Diabetes

- 10.1** The previous review report (recommendation 10) had highlighted the imbalance across Cheshire of access to consultants with an interest in Diabetes. The Panel was updated on this, with particular reference to Leighton and Macclesfield Hospitals. There is now a clinical network in place across Central and Eastern Cheshire where 3 consultants from Macclesfield and Leighton hospitals work together to provide access to specialist secondary care services. For the majority of patients the emphasis is now much more on primary care, with most cases being addressed through a multi – disciplinary team. Following diagnosis an appointment to see a consultant is arranged within 2 weeks, sooner if urgent. Thereafter the case is managed through the GP practice and the specialist diabetic nurses, at a range of local venues. The previous problems of patients having to wait up to 18 months for a follow-up outpatients appointment have been addressed, and waiting times for seeing a member of the specialist team is currently an average of 37 days, again sooner if urgent.

- 10.2** Similarly, concerns had previously been raised about “cancellation by the Hospital” appointments figures for these two Hospitals, and the Panel was advised about the current position. Following the commissioning of the community facing diabetes specialist nursing service, the issues of cancellation had been addressed. Only patients with complex needs requiring hospital based services are now referred with the majority of care delivered in local settings with primary and community staff working in partnership with patients to support self management and care. The 2009-10 rate of cancellation of appointments for diabetic patients by the hospital was 10.4% across Cheshire East. As at March 2010, 8.4% of patients at Mid Cheshire hospital and 10.46% of patients at East Cheshire hospital failed to fulfil their diabetes outpatient appointments.
- 10.3** Significant progress had been made with the availability of digital retinal screening (recommendation 6) and the NSF targets were being achieved. There is now a comprehensive diabetic retinopathy service provided for the patients of Central and Eastern Cheshire, led by a consultant ophthalmologist. Although the service is managed centrally, screening is carried out locally to the patient, on at least an annual basis. The providers of the screening service are inviting 100% of all eligible patients annually.
- 10.4** The availability of specialist Diabetic Podiatrists had featured as a concern in the initial report, particularly in Eastern Cheshire, but a comprehensive service was now provided. Low risk patients receive regular foot checks from trained professionals in primary care, in either a clinic or if necessary at home on an annual basis. There is an incentive scheme in place via the Quality and Outcome Framework (QOF) which supports this process and ensures that patients are reviewed at least once every 15 months. Medium risk patients are seen every three to six months by the Community Podiatry Team. High risk patients receive care from specialist podiatrists within community care guidelines, and if necessary (eg. through ulceration) are admitted to be treated in hospital. The guidelines require that these patients are reviewed every one to three months.
- 10.5** The importance of effective screening to assist early diagnosis of diabetes had been raised at length in the initial report, and the Panel received an update on the present position with the Screening Guidelines. The PCT had issued very detailed Diabetes Guidance for practitioners in April 2008, based on Diabetes UK recommendations and fully compliant with the NICE Guidance. The PCT guidance was being reviewed currently, particularly with regard to Type 2 Diabetes, as the NICE guidelines in this area had recently been reissued.
- 10.6** The PCT Guidance on screening was aimed at potential diabetes sufferers, and focussed on defined high risk groups (rather than the population as a whole) with a recommendation that screening took place every three years (more often for some categories). GP's maintained registers of patients who were at risk, and once diagnosed patients were seen regularly depending on their individual symptoms. All GP practices had a lead clinician and a diabetic nurse specialist, and all diabetic patients were reviewed annually and at least every 15 months in accordance with the QOF requirements. Recent reviews of performance show that primary care clinicians in Central and Eastern Cheshire are amongst the best performers in relation to achievement of QOF targets. It is probable that this was supported by an additional incentive scheme agreed between the CECPT and GP's in 2008/9 to move beyond the QOF targets to secure even better outcomes for patients with diabetes.
- 10.7** The possibility of Pharmacies offering basic blood glucose screening as an alternative to GP Surgeries had previously been proposed (recommendation 3). However, the PCT does not encourage pharmacies to carry out screening, as this is done more effectively through GP's, although it was recognised that some pharmacies continued to offer the service to the public. There is currently no incentive for pharmacies to undertake screening as the service has been commissioned from general practices.

- 10.8** A key recommendation (9) from the earlier review report was that each GP Practice should have at least 1 Clinician who had undertaken specialist diabetic training. The Panel had reviewed the question of how many specialist trained nurses were available and whether there were sufficient such specialists or a shortfall.
- 10.9** The Panel was informed that the community diabetic specialist team works in partnership with general practice providing regular support and education to identified individuals who provide care for their practice population. All GP practices had a lead clinician and a Practice Nurse with a diabetes specialist interest, and all diabetic patients were reviewed annually as a matter of routine and at least every 15 months in accordance with the QOF requirements.
- 10.10** The amount of Information available and the levels of patient awareness of their illness and treatment had been covered previously (recommendation 6) and the Panel reviewed the literature now available to patients and in what ways is it accessed. The PCT has developed a resource pack for patients in partnership with the Hospitals Trusts. Included in the pack is information relating to managing blood glucose, diet, foot health, insulin adjustment and Keto acidosis. The information is offered to all patients on diagnosis, and is in a standardised comprehensive format as advised by Diabetes UK. The Panel also noted other initiatives designed to help patients following diagnosis, such as visits to local supermarkets, organised jointly by them and the local diabetes clinic, to help with choice of foods. The Panel felt this was a valuable and practical approach to informing patients as a follow up to simply reading the literature.
- 10.11** The Panel also explored to what extent should young people in particular be targeted to raise awareness of the implications of diabetes and the lifestyle factors involved. Members were advised that preventative work is carried out through the Health Promotion service, aimed at both teenagers and younger children. Children already diagnosed with diabetes were supported in school by the Children's Diabetic Nurses.
- 10.12** The Panel considered that there were strong connections to be made here with the childhood obesity aspects of the Review, and encouraging healthy lifestyles.

Recommended: That further emphasis and resources are placed by the PCT on the prevention and education work amongst younger people with a particular emphasis on avoiding the increasing risks of diabetes deriving from bad diet and lack of physical exercise.

- 10.13** Attention had been drawn in the previous work (recommendation 8) to inconsistencies in practice across Cheshire about no advice being given to patients for the disposal of sharps, particularly that at the point of prescription patients should be asked whether they required a sharps container as opposed to relying on the patient to request one. The current practice in Cheshire East was that all patients who need them are offered and provided with sharps bins on prescription along with clear instructions relating to safe disposal and collection. 85 of the 92 pharmacies in the CECPCT area accept the boxes for disposal. If the District Nurse is attending, they provide additional help and advice.
- 10.14** The Panel reviewed the extent to which the issue of Diabetes was being addressed effectively by public services, whether the level of public awareness had improved since 2004, and are there any ongoing problem areas, revealed by performance information.
- 10.15** The PCT confirmed that the number of diabetic patients is still increasing in the CECPCT area, in line with the national trend. Currently the prevalence rate is 4.1% in the PCT. The total number of patients registered with diabetes is 20,144 in CE, of whom 2558 are type 1 and 17,586 are type 2. The increase was likely to continue, in part due to more effective screening procedures, together with the rise in elderly population and lifestyles. The proportion of these patients who would require insulin was also increasing.
- 10.16** Lastly, Care Plans and Handheld Records (recommendation 7 of the earlier report) were valued by many patients as they involved them in the management of their condition. The

use of handheld records was however patchy in Cheshire East, and more guidance was due to be published by Diabetes UK on their application. The Panel noted that they were relatively expensive to maintain, and could be overtaken by the introduction nationally of NHS electronic summary care records. The Care Plan was the preferred method of planning the longer term care provision for patients. Patients requiring Insulin kept their own Blood Sugar Monitoring Book.

11 Conclusion

- 11.1** Given the comprehensive ground covered by the initial reports on Obesity and Diabetes, one major challenge facing the Review Panel has been to identify and focus on those aspects of the previous recommendations which still require further attention. Overall, it is fair to say that a great deal has been accomplished since 2004-6 in seeking to tackle the rise in obesity and the incidence of diabetes. However it is far from clear to what extent these initiatives and activities have had an impact on the levels of obesity in particular in the population.
- 11.2** Some degree of reassurance can be found in the higher levels of awareness among younger children of the risks which run with a poor diet and failure to exercise, and the benefits of a more healthy lifestyle. It will be important to translate this awareness more into the family setting as well as in schools. The Panel hopes that the fifteen further recommendations made as a result of this review will be addressed and will contribute to an improving situation. The Panel intend to revisit key aspects of these recommendations in 12-18 months time to review progress.

LIST OF ATTENDEES22nd February

Janet Smith (PSHE Advisor and Healthy Schools Officer) provided information on schools.

9th March

Jane Branson (CECPCT, Assistant Director of Public Health) explained the National Child Measurement Programme.

Sheila Woolstencroft (Health Improvement Manager) covered Healthy Lifestyles and Physical Activity.

22nd March

Malkia Ibbotson (CECPCT Commissioning Manager – Long Term Conditions) and Dr Phyu Wai (Diabetes Consultant) addressed the Diabetes issues.

Mark Wheelton (Leisure and Green Spaces Manager) and Geoff Beadle (Leisure and Play Development Manager) covered access to sport, physical activity and leisure.

8th April

Sharon Alldread (Head of Catering – Cheshire East Catering) covered meals provision in schools.

Kay Roberts (Consumer Protection and Investigations Manager – Cheshire East Trading Standards) advised on Food Labelling and Advertising.

Officer support to the Panel was provided by Mike Flynn of the Democratic Services Scrutiny Team.

Scrutiny Review - Tackling Obesity in Cheshire - 22.11.2006**Recommendations**

1. That the proposed County Council Award recognising nurseries and pre schools providing healthy food and promoting healthy lifestyles be supported and promoted widely to encourage the provision of healthy food and the promotion of healthy lifestyles and all appropriate organisations be encouraged to achieve the Award. Consideration should be given to making the award as widespread as possible so that child minders were also eligible to achieve the Award;
2. That each school be encouraged to nominate by the Autumn Term 2007 a Parent Governor to be responsible for promoting healthy lifestyles throughout their school and the Director of Children's Services be recommended to consider holding a Governor's conference on healthy lifestyles to promote this new responsibility;
3. That the recommendations of the scrutiny review on Food in Schools (attached as Appendix A) conducted by the Central Cheshire Local Health Scrutiny Committee be supported and the Panel recommends that these be circulated and adopted throughout Cheshire and that the County Council's Children's Services Scrutiny Select Committee be recommended to review progress in the near future;
4. That when Extended Schools are introduced consideration be given as to how healthy lifestyles can be endorsed through Extended School provision as this may mean some children and young people having the majority of their nutrition provided at schools. The Panel recommends that the nutritional guidelines which apply to school meals should apply to any meal provision made in Extended Schools;
5. That the provision of cookery lessons in secondary schools be supported and Cheshire Members of Parliament and the Local Government Association be urged to lobby the Government to make cookery lessons compulsory for all secondary school children;
6. That County Business Services be urged to support the provision of locally produced food to schools where possible;
7. That the County and Borough Councils and Primary Care Trusts work together to investigate ways in which children can learn about food including its origins through gardening clubs and allotments at school; information on good examples be made available to schools who should be encouraged to share best practice and look at ways to develop gardening opportunities in more urban schools where land is available;
8. That local authorities, health partners and other organisations should work together to look at innovative ways to introduce physical activities into schools to achieve the target of two hours per week as part of the school curriculum, alongside this, consideration also be given to introducing "active playtimes" whereby children are encouraged to spend lunch and break times in active play such as football and skipping;
9. The introduction of data collection regarding children's weight and height was welcomed. However, it was important that data, once collected, should be analysed and appropriate interventions made once trends were identified to address any issues and adequate resources should be allocated to enable such interventions to take place;
10. That District Councils be urged to consider the provision of free leisure facilities for Looked After Children as a way of enabling them to lead healthier lifestyles. Consideration should be given to introducing a free leisure pass to those children who are eligible for free school meals through a partnership arrangement involving Local Authorities and health;

11. That the Cheshire Members of Parliament and the Local Government Association be urged to lobby the Government to consider the introduction of a range of free activities to all school age children to be made available during the school holidays as a way of addressing the rise in obesity and to ensure that activities are available to all children regardless of families' income levels;
12. That as the regulation of food advertisements does not appear to be working effectively then Cheshire Members of Parliament and the Local Government Association be urged to lobby the Government to introduce legislation;
13. That Cheshire Members of Parliament and the Local Government Association be urged to lobby the Government to introduce one single comprehensive system of food labelling guidance on all processed foods to reduce confusion and provide clarity;
14. That the County Council's Children's Services Scrutiny Select Committee be invited to consider this report to ensure that its recommendations are progressed.

Scrutiny Review - Tackling Diabetes in Cheshire - 01.12.2004

Recommendations

1. All Local Authorities in Cheshire be encouraged to take every opportunity to draw attention to the risk of developing diabetes and its accompanying complications which arise from unhealthy life-styles and to the personal responsibility which falls upon individuals to reduce those risks.
2. All Cheshire Schools be signed-up and accredited under the Healthy Schools Initiative within two years.
3. The Local Education Authority commend to Cheshire Schools the introduction of joint programmes for pupils, parents and carers on Healthy Eating
4. Firm and consistent guidelines on screening be agreed by the PCTs and Health professionals across Cheshire for implementation without further delay
5. All retail pharmacies in Cheshire consider offering basic blood glucose screening services
6. The Local Optometric Committee be urged to make as much progress as quickly as possible on meeting the NSF targets on digital eye screening and to put in place a strategy for keeping patients and their carers informed as to where and when services will be available
7. The clients of Services provided by the Cheshire Local Authorities be encouraged to take advantage of screening services
8. Diabetes UK leaflets and other relevant literature be issued to all patients upon diagnosis.
9. Information on on-going care management be available in a range of formats.
10. The County Council provide awareness-raising and training to its Care and other appropriate staff in the treatment of diabetic episodes.
11. Patients should be provided with a care plan should they so choose.
12. All patients be issued with a regular supply of Sharps containers.
13. Health-care professionals should accept and dispose of used containers.
14. Clear instructions should be issued to patients and carers on the disposal of Sharps

15. An annual review be available to all those diagnosed with diabetes; primary care services should ensure that basic annual checks are always carried out on time irrespective of whether there are consultant shortages or other problems with outpatient appointments.
16. The annual review cover the areas listed in the Diabetes UK leaflet "What Diabetes Care to Expect".
17. Decisions not to implement National Institute for Clinical Excellence (NICE) guidelines, for what ever reason, be kept under review
18. To ensure consistency in developing both guidelines and practice, a communications network be established by the PCTs for the development of diabetic services across Cheshire
19. A central register of on-going training of Health professionals be maintained in order to identify areas where additional specialist input is needed.
20. PCTs bear in mind the desirability that every General Practice has someone with specialist diabetic training when assessing practices under the new GP contract.
21. The balance of availability of consultants at the three Cheshire Acute Hospitals be addressed immediately.
22. The Cheshire PCTs and Local Authorities be asked to report further in 12 months time on the implementation of the Local Delivery Strategy and progress on effecting changes to lifestyles.

Review of the Diabetes Action Plan - March 2006

Recommendations

1. The Director of Children's Services ensure that Schools be encouraged to attain full National Healthy School Status and that appropriate officer support is available to support schools in this endeavour;
2. the Tackling Obesity Scrutiny Panel continue to monitor the implementation of the National Healthy School Status throughout Cheshire, with particular emphasis on the core theme relating to healthy eating;
3. the Local Pharmaceutical Committee encourage local pharmacies to offer basic blood glucose screening services;
4. Cheshire West and Ellesmere Port and Neston PCTs be urged to reconsider their decision not to fund the revenue costs of the new digital camera based screening scheme;
5. the County Care Manager be asked to report back to the County Health Scrutiny Sub-Committee on progress which will ensure that the Clients of Services provided by the County Council be encouraged to take advantage of screening services and as part of facilitating this, awareness raising and training be provided to Care and other appropriate staff in the management of diabetic episodes;
6. PCTs ensure that the literature issued to all patients upon diagnosis is standardised across all PCTs and covers all areas listed in the "Diabetes UK" Literature;
7. PCTs be encouraged to adopt as best practice the handheld care record system as operated within Eastern Cheshire;
8. all PCTs ensure that at the point of diagnosis all patients are given clear instructions for the disposal of any sharp items and health care professionals accept and dispose of used containers - and accordingly Central and Eastern Cheshire PCTs be urged to adopt the procedures for Sharps Disposal as operating within West Cheshire for immediate

implementation, specifically ensuring that at the point of prescription patients are asked whether they require a Sharps container (as opposed to relying on the patient to request one);

9. all PCTs throughout Cheshire move as quickly as possible to having at least one clinician who has undertaken Specialist Diabetic Training in each GP practice;
10. PCTs address as a priority the imbalance in Consultant cover across Cheshire to ensure equitable service provision;
11. PCTs ensure that clear communications systems exist to enable patients with routine queries about their care to receive advice from an appropriate specialist within a short timescale and that all patients are clear at the point of diagnosis on how to access such advice;
12. The Meals on Wheels service be encouraged to make clients aware of the low calorie alternatives; and the County Health Scrutiny Sub-Committee monitor the implementation of these recommendations alongside the recommendations arising out of the work of the Tackling Obesity Panel when it reports in Summer 2006

APPENDIX 3

ACTIVITY PROGRAMMES

The information in this Appendix details work programmes or activities that are identified through various strategies which relate to Sport and Physical activity, Obesity and Mental health.

1. Volunteering

Active members - 61
 Streetgames Young people program
 1651 hours in 2009
 10 Volunteers achieved V50 award
 Young Ambassadors - School partnerships programme

2. Funding

Cycling Bid	- Bikability for young people aged 8-14 years
Aim High	- Tackling Health Inequalities for disabled children.
Community Sports coaches	- Community program's
Go4it	- Disadvantaged YP –opportunities for activities and support
Community Casback Scheme	- Street sports Programme
Football League Trust	- Street Sport programme

3. Street sports

7159 attendance to-date over 15 community venues in targeted deprivation wards

4. Community Events

Bob Fields BMX, Play Day, Play builders Primary school Town sports	
Nantwich Town Football Festival, Holiday schemes	
Open doors weekend	1600 people engaged
Cheshire Cross Country	700
Recognition awards	260
Sport relief	420
Carnival	60

5. Sports Unlimited

5268 Attendance – 70% retained of CE
 Aged 11-19

6. 2012 Legacy and Beyond

Inspire mark
 Get set programme – Schools
 Cultural Olympiad
 Young Ambassadors programme

7. Club Development

School club links document
 Club Newsletter
 381 Clubs registered on CWSP database

8. Partnership Youth Games

2009 Two Authorities competed with 400 Children participating
 2010 New Games format July 3rd

9. Talented Athlete Identification Scheme

15 registered
 Free access to LA facilities if criteria met
 Testing taken place with 50% of participants.

10. Community Sport Coach Programme

Active Bodies (parents-mostly Mums)

Active Life

Adlington Primary School

Alderley Edge Primary School LTC

CADS (SeaShell Trust Project)

Disley Primary School LTC:

Full of Life:

Gateway Project:

Lacey Green Primary School LTC

MEND (parents-all Mums)

Youth Safety Project

Various Lunch times programmes

Various Breakfast clubs

Cre8 youth Group

Dads group

Engaging the over 55s. Back to Sport!

Developing skills to move into secondary PE.

FUNDamentals Development

Integrated activities for children and YP of all abilities.

Developing skills to move into secondary PE.

Lifelong learning. Engaging the over 55s. Back to Sport!

Team work skills to help development toward Duke Of Edinburgh Bronze Award.

FUNDamentals Development

Healthy lives awareness and weight management

Crime reduction/prevention programme.

Demonstrating play and sport for Dads

11. Cif Funded Projects

Sport For All

Family Sports Hubs

over 1100 attendances (50 families involved)

12. Sport Forums

18 National recognised Sports

13. Non Sport Forums

45 Groups representing Disability, Neighbourhoods, BME, Statutory services internal and external, Health panels, partnership working developing a joined up approach to delivering leisure and play opportunities.

14. Community Play Programme

Play Outreach Programme 570 attendees over 4 week period

Free play provision promoting physical activity in a fun environment

15. Play after School Club Programmes

3 venues attracted 1128 attendances

Supporting the development of play for families and young children

16. National Play day 2009

Over 3000 people

18. Play Ranger project

814 for the summer scheme

1785 attended over the year

Tackling bullying and improper use of fixed play area, engaging with young people and helping to develop social and behavioural skills. This scheme encourages participation and physical activity.

19. Playbuilder sites

11 Sites built or refurbished in year 1

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	20 September 2010
Report of:	Children and Families Scrutiny Committee
Subject/Title:	Review of Residential Provision
Portfolio Holder	Councillor Hilda Gaddum

1.0 Report Summary

- 1.1 This report encloses the final report of the Task/Finish Group who conducted a Scrutiny Review of Residential Provision.

2.0 Recommendations

(a) That the report be received and the Children and Families Portfolio Holder undertake to come back to the next (or subsequent) meeting of Cabinet with a formal response to each recommendation.

3.0 Reasons for Recommendations

- 3.1 To progress the findings of the Scrutiny Review Task/Finish Group which are aimed at ensuring that residential provision in Cheshire East provides good standards of care for our Cared for Children and young people.

3.0 Wards Affected

- 4.1 All

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications including - Climate change - Health

- 6.1 Not known at this stage.

7.0 Financial Implications

- 7.1 To be reported upon in the formal response to the report by the Portfolio Holder.

8.0 Legal Implications

- 8.1 To be reported upon in the formal response to the report by the Portfolio Holder.

9.0 Risk Management

9.1 Not known at this stage

10.0 Background and Options

- 10.1 The Children and Families Scrutiny Committee on 6 July 2009 resolved to set up a Task/Finish Group to investigate current and future residential provision in Cheshire East.
- 10.2 The aim of the Scrutiny Review was to examine existing provision and make recommendations about future provision, to ensure the best care was available for the Borough's Cared for Children.
- 10.3 The Group held 5 meetings and examined a range of information including a review of residential provision conducted by an independent consultant, Jill Thorburn. This provided a good source of background information for members of the Group.
- 10.4 Members of the Group also went on visits to existing provision, including two new homes in the Borough that were on the verge of opening. Members were also able to visit some foster carers in their own home, who provided short break respite care for children with complex needs. Members were also privileged to meet some young people who were members of the Children in Care Council. These young people were articulate in their views about what children in care should expect and what should be expected of them. Their views helped inform this review.
- 10.5 The review has looked at physical buildings and considered various sources of information including statistical information such as numbers of Cared for Children and where they come from. However, when considering provision for the future, paramount in the Group's minds was what type of provision will provide the best care for the children of whom all members are Corporate Parents.
- 10.6 The final report lists a number of recommendations which Children and Families Scrutiny Committee commends to Cabinet. Recommendations 12, 13 and 14 are for the Council's Corporate Parenting Board to consider. Recommendation 23 is for the Children and Families Committee to implement.

11.0 Access to Information

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

Name: Denise French
Designation: Scrutiny Officer
Tel No: 01270 686464
Email: denise.french@cheshireeast.gov.uk

DRAFT OVERVIEW AND SCRUTINY COMMITTEE – FINAL REPORTING PROCEDURE

Final reports from Task and Finish groups should follow the procedure set out below:

- Final reports should always, where appropriate, include financial (authorised by the Borough Treasurer) and legal implications (authorised by the Borough Solicitor).
- The relevant Overview and Scrutiny Committee should approve at a formal meeting a final report before submission to cabinet
- Two versions of the final report will be produced. A text only version in the standard cabinet format for cabinet, and a colour 'glossy' version for publication on the Council's website.
- At cabinet, the relevant portfolio holder will open the item and then invite the Chairman of the Overview and Scrutiny Committee to introduce the report.
- The portfolio holder will respond by receiving the recommendations and undertaking to come back to the next meeting of Cabinet with a formal response to each recommendation
- A copy of this procedure will be appended to each Overview and Scrutiny Report submitted to cabinet.

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Review of Residential Provision in Cheshire East

Chairman's forward

This review of the residential provision in Cheshire East looked at the inheritance from the former Cheshire County Council (CCC); Ofsted inspections had found that the two CCC residential homes in the east of the county did not meet their standard.

CCC had started a process of change, but this was at an early stage and the Task/Finish Group was set up to look at the changes being made and recommend any future changes to the residential provision for looked after children and young people

The Group was aware of the Lord Laming report "The Protection of Children in England: a progress report" (March 2009) and his comments that often other agencies had been aware of issues but they did not share that information because it was not in their sphere of influence.

During the course of the review, the Group did observe issues that were not within its terms of reference but in line with Lord Laming's comments we felt we should report on these and make recommendations to the appropriate bodies.

The Task/Finish Group was drawn from Cheshire East Council's Children and Families Scrutiny Committee.

I would like to thank Councillors D Flude, M Simon, D Beckford, J Goddard for their hard work and diligence in carrying out the work. We had one aim to always look for what is best for the children.

I would also thank the members of "The Children in Care Council" for their candid and very helpful contribution, the team from the Together Trust at Wilkinson House who gave us an opportunity to look at other ways of provision.

To help us carry out the work we relied on the Cheshire East children and families team lead by Paul Mossman whose interim work had been very thorough.

Thanks are also due to Denise French for her excellent administrative and scrutiny support.

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

Final

Councillor David Neilson

Vice Chairman, Children and Families Scrutiny Committee

Introduction

1. When Cheshire East came into existence on 1 April 2009 it inherited a pattern of residential provision that was to some degree already in the process of changing and improving. An independent consultant, Jill Thorburn, had also already been commissioned to review residential provision.
2. The Children and Families Scrutiny Committee on 6 July 2009 decided that a Task/Finish Group should review current residential provision and make recommendations about future provision. A Group was therefore established with the following Terms of Reference:
3. "To review and examine current residential provision for young people for 11 – 17 and make recommendations as to future residential provision for Cheshire East children".
4. The Membership of the Group is:

Councillor David Neilson (Chairman)
Councillor Darryl Beckford
Councillor Dorothy Flude
Councillor John Goddard
Councillor Margaret Simon
5. The Group commenced work in November 2009 with the aim of reporting to the Children and Families Scrutiny Committee in summer 2010.
6. The Group met on 5 occasions and received written and oral evidence from a number of officers, the Group also carried out a number of visits to existing facilities and met with the Children in Care Council (a full list of meetings and visits is attached at Appendix 1).

Executive Summary and Recommendations

7. In 2005 Cheshire County Council undertook a Scrutiny Review of Residential Provision with a focus, in Cheshire East, on Redsands near Crewe and Priors Hill, Macclesfield. The conclusion was that neither were fit for purpose and the model of care was no longer appropriate. The County Council purchased 2 properties in the Crewe area to replace Redsands and these properties were in the process of being furnished and staffed as this Scrutiny review began.

8. The Group has had the opportunity to visit all existing provision as well as the two new homes in the Crewe area and this has been a very useful exercise. These visits plus information from officers and Jill Thorburn's report provided the basis for the Group's work. The Group also received valuable first hand information from members of the Children in Care Council which has informed a number of recommendations.
9. The current and future focus for residential provision appears to be towards smaller units in established residential areas and the Group supports this direction of travel. Members have heard how the new units will achieve a homely and ordinary feel and about measures put in place to ensure high quality staffing arrangements. A lot of the concerns raised through Ofsted inspections of Redsands and Priors Hill have already been addressed, which the Group welcomes.
10. To continue and build on the changes already introduced the Group recommends that a further two properties are purchased in the mid or north of the Borough. This will enable a more even distribution of provision across the Borough; this is important to enable children to remain near their home location and help to maintain existing relationships and schooling arrangements.
11. The previous arrangement of having an emergency bed, currently not in operation, must not be reintroduced as this simply feeds the care system and does not produce the best outcomes for children. The removal of the emergency bed, along with the introduction of an assessment bed, has enabled a more planned approach to be adopted for children and young people coming into the care system. This is commended.
12. There are clear advantages to in-house residential care placements but early closures of Priors Hill units and Redsands have depleted the authority's ability to make such placements. The way forward is to expand the capacity of the new bed units but this needs to be done cautiously. There is clearly a shortage of in-borough beds currently, particularly in the north of the borough, but the full extent of the shortage will not be clear until every single outplacement has been reviewed (a time consuming exercise) and the present uncertainty regarding the number of children being taken into care has been resolved. It is also clear from the experience within the Crewe units that commissioning such units requires time and capacity if the right staff are to be put in place and the right atmosphere is to be established. Providing two additional 4 bed units immediately making a total of 4 altogether, would seem to be justified as a first step, given that this will still leave the authority with less in-house beds than it inherited in April 2009. A review in say 12 months time could then be made to establish if the provision of additional units is needed.

13. Overall the Group feels that there have been a number of positive changes introduced in the residential service which must now be given time to establish and therefore a period of stability is important. Past issues have largely been addressed and the Group feels the Council is now in a position to run its own in-house provision together with some partnership working with existing partners (the Together Trust).

14. The full list of recommendations is below:

- 1. That in view of the changes and improvements already made in the residential service and so as to introduce a period of stability and certainty the provision of residential care in Cheshire East, should remain an in-borough service either through directly managed establishments or by commissioned establishments. Out of borough placements should be minimised.**
- 2. That the model of care at Priors Hill (a large institutional type building) is not suitable as a residential home for children and young people and that this model is not replicated in the future.**
- 3. That the Priors Hill building and site be sold and the resultant capital receipt is ring-fenced to provide funding for replacement residential provision located in the mid and/or north of the Borough.**
- 4. For similar reasons as Priors Hill, that the Wilkinson House premises is sold and the resultant capital receipt is ring-fenced to provide funding towards new residential facilities.**
- 5. That the Council gives favourable consideration to continued working with the Together Trust. The recommendation to close Wilkinson House is entirely a reflection on the premises rather than on the performance of the Trust.**
- 6. That the concept of an assessment bed is supported and that one of the beds in one of the two new homes be reserved for this purpose.**
- 7. That two properties are purchased (and modified), one in the mid part of the Borough and one in the north, to be used as residential accommodation for Cared for Children along the same lines as the two existing properties in the Crewe area. The properties should be situated in an established community near to local facilities.**
- 8. That all the beds in the two new homes in the Crewe area are utilised as quickly as possible.**

9. That all future residential provision be based on the small residential units (around 4 bedrooms) model. In addition the specification should ensure that each new house has one bedroom and common facilities flexible enough to be used by either an abled child or by a child who uses a wheelchair.
10. That just before the new homes are purchased a local community engagement strategy be developed to inform the local community and reduce the likelihood of any negative publicity or speculation.
11. Cared for Children in residential homes should have access to possessions and facilities that are available to most children within their own family such as their own door key and the ability to have friends round for tea.
12. Cared for Children in residential homes should have access to a computer to enable them to participate in modern methods of communication (with a safe format) and to help with studying. The Council's Corporate Parenting Board should be asked to consider the need for a change to current guidance to foster carers on this subject.
13. All Cared for Children in residential homes over the age of 10 should have their own mobile phone for safety reasons. A regular and reasonable top up should be provided. The Council's Corporate Parenting Board should be asked to consider the need for a change to current guidance to Foster Carers on this subject.
14. That the questions of consistency of access to possessions and facilities in foster care should be referred to the Council's Corporate Parenting Board for them to consider the need for any modification to current guidance.
15. That all Cared for Children should be placed within a family setting wherever possible and that sufficient resources are targeted at the fostering service to ensure sufficient capacity is available.
16. That Cheshire East Council should seek to ensure as stable a workforce as possible within its children's homes so as to enable continuity with the children and the opportunity for relationship building. The use of agency staff should be minimised.
17. That recruitment to residential care services should always be through a robust safer recruitment process with Warner style interviews and assessment centre. Any organisation commissioned to organise residential services on the Council's behalf should also be required to comply with the recommendation.

- 18. That an on-going training programme and an appraisal system be implemented for all staff working in residential care to ensure staff development and knowledge is kept up to date and monitored.**
- 19. Cheshire East Council should continue to seek new ways to improve educational attainment levels among Cared for Children and seek innovative ways to stimulate their ambition.**
- 20. The proposed Knowledge Transfer Partnership with Manchester Metropolitan University should have built into its Terms of Reference a requirement to study how well Cheshire East does in raising the aspirations of Cared for Children and to recommend how this aspect of corporate parenting could be improved.**
- 21. That short break provision for disabled children should cease to be provided in the Langley Unit at Priors Hill. Although the service is viewed as good the physical environment is not suitable and not the model of care the Council should be aspiring to provide. Full consideration of short break provision should be covered under the Aiming Higher review.**
- 22. That emergency beds should no longer be made available. Emergency provision should be provided through outreach workers or emergency foster carers.**
- 23. That regular summaries of reports and recommendations made under the regulation 33 visit programme should be submitted to the Children & Families Scrutiny Committee on a quarterly basis. This is considered to be the best way for the committee to have its finger on the pulse of the residential services.**

The Position at 1 April 2009

15. Cheshire East Council came into being on 1 April 2009 and inherited the following children's residential homes:

- Redsands near Crewe – a purpose built 12 bed unit for children aged 12 to 18 in two units of 6;
- Priors Hill, Macclesfield, a purpose built facility comprising the following Units:
- Langley Unit - providing 6 short break beds for disabled children aged 8 to 19;
- Alderley Unit - providing 6 beds for children aged 12 to 18;
- Mottram Unit - providing 2 emergency beds for children aged 12 to 18;
- Kerridge Unit - providing 2 short break beds for fostered and adopted children requiring respite for children aged 8 to 19.

16. Cheshire East also manages a contract (which runs until March 2011) with the Together Trust. The Together Trust manages Wilkinson House, Sandbach, which is a 6 bed unit providing 3 beds each for Cheshire East and Cheshire West and Chester for children aged 8 to 12.

17. A Scrutiny Review carried out by Cheshire County Council conducted in 2005 concluded that the model of care provided at Redsands was no longer fit for purpose and care could more appropriately be provided in small 4 bedded homes. In Cheshire East two such properties were purchased (by the County Council) in the Crewe area. Redsands was closed in April 2009.

18. Priors Hill – the Scrutiny Review of 2005 also considered that this facility should be replaced in principle but no action was taken due to Local Government Reorganisation. The Langley Unit is run as a separate unit but the other three Units are run as one due to staff working across the Units as required. The Mottram Unit closed in April 2009, the Alderley and Kerridge Units were closed by December 2009 and currently only the Langley Unit remains open.

19. Ofsted inspections of Redsands and Priors Hill in 2009 judged both as “inadequate”. This was in part due to the physical state of both properties but in relation to Priors Hill the Inspector remarked that “The building is not fit for purpose and Cheshire needs to move away from large group homes” and “the external of the building is tired”. The Inspector also commented that staffing levels were poor and there was a general feeling of apathy.

20. The Group reviewed the Ofsted Inspectors' reports of both Redsands and Priors Hill along with both the Ofsted Report and Statement of Purpose for Wilkinson House as a starting point for its work. The Ofsted Reports and Statement of Purpose are attached as Appendices.

Final

21. Throughout the period of the Scrutiny Review, the in-house residential provision was changing and developing and the Group was kept updated as these changes happened. However, this did make the Group's work challenging as Members were dealing with a frequently changing situation.

Independent Review of Residential Provision

22. A consultant, Jill Thorburn, was commissioned to undertake a review of residential placements for Cheshire East Council. The "Residential Childcare Review" was a comprehensive look at provision over a two year period 1 June 2007 – 30 June 2009. The review looked at various aspects of the residential service including demographic information, placements, current provision (Priors Hill, Wilkinson House and the 2 new homes in the Crewe area), outcomes of children in residential care, feedback from the Children in Care Council, good practice recommendations and future provision.

23. Jill Thorburn attended two Group meetings and presented her findings to Members. She felt that residential provision in Cheshire East was out of date and practices were institutionalised. She made a number of recommendations including the closure of Priors Hill and a review of the contract with the Together Trust and the provision of an assessment function at Wilkinson House. She had also proposed that, because the in-house provision at Redsands and Priors Hill had been deemed inadequate, Cheshire East's residential provision should be outsourced. However, she recognised that since her report was researched and written there had been a number of significant changes and improvements introduced in the residential care service in Cheshire East. She advised the Group that she now felt that Cheshire East Council could run residential provision for children and young people as an in-house service.

Conclusions

24. The Group found Jill Thorburn's report a useful basis for discussion and a number of issues highlighted in her report are addressed below. The Group did note that some issues had already been addressed and that the report was based on a situation that had changed and improved in a number of areas. The Group believes that Cheshire East now provides a good in-house residential service. The Group also feels that it is important for a period of stability to take place in the residential service in the light of all the recent changes, developments and improvements that have occurred. Once the changes have had time to establish, it may then be appropriate to look at the service again.

Recommended:

1. **That in view of the changes and improvements already made in the residential service and so as to introduce a period of stability and certainty the provision of residential care in Cheshire East, should remain an in-borough service either through directly managed establishments or**

by commissioned establishments. Out of borough placements should be minimised.

The current provision of Children's homes

Priors Hill

25. This is a large detached two storey building on the outskirts of Macclesfield in fairly large grounds. The building has been separated into units providing different types of care (as listed above). At the time of the Scrutiny Review, only the Langley Unit was operational. The Group has received Ofsted reports from 2009 both of which rated the home as inadequate. Jill Thorburn noted that the material standards at the home were not acceptable with old and tatty furnishings and dirty and stained carpets with few home comforts. She felt the building was unsuitable for a children's home and the prevailing culture was of an institution. She agreed with the earlier Scrutiny Review that Priors Hill is not fit for purpose and supported its closure.

26. Members of the Group visited the home in 2009. They noted that the building was large and looked like an institution rather than a home. There were a number of corridors and doors which were often locked. The Langley Unit was in a better decorative state than the other units. There was a large garden. However, the overall effect was not welcoming and homely and Members agreed that large impersonal buildings are no longer suitable for children's residential care.

Conclusions

27. Priors Hill is unsuitable for residential care due to its large, impersonal and institutionalised nature. The building should be declared surplus to requirements and sold to enable replacement provision in new home(s) along the lines of the two homes in the Crewe area.

Recommended:

- 2. That the model of care at Priors Hill (a large institutional type building) is not suitable as a residential home for children and young people and that this model is not replicated in the future.**
- 3. That the Priors Hill building and site is sold and the resultant capital receipt is ring-fenced to provide funding for replacement residential provision located in the mid and/or north of the Borough.**

Wilkinson House

28. This is a large house on the outskirts of Sandbach that is owned by Cheshire East Council and run by the Together Trust (a voluntary sector not for profit organisation). The house is a large detached property set in its own grounds. The House has 6 units and the Council has a contract with Cheshire West and Chester Council to share provision equally. The provision is registered to provide for children aged 8 – 12 years old on admission.

29. Its purpose is to prepare children to live within a family environment. The philosophy includes a belief in keeping sibling groups together wherever possible both during their time at Wilkinson House and afterwards. The provision also includes an accessible unit.

30. The Group received the Ofsted report which judged the overall quality rating as good (June 2009). Some Members of the Group went to visit Wilkinson House and noted the spacious facilities including a large kitchen-diner, play room, lounge and individual bedrooms with adequate bath and shower rooms.

31. Members were advised that Wilkinson House now accepts children aged 10 – 14 years on admission. It focuses on direct work with children, many of whom have experienced multiple foster placement breakdowns and need one to one support. There is fairly high therapeutic provision. The Ofsted inspection of June 2009 judged the provision in relation to making sure the children are healthy as “outstanding”.

32. Jill Thorburn noted in her report that there was a strong education ethos at the home. Members who visited were advised that all children who live at the home go to school and there are good relationships between staff and schools. Members also noted the good range of activities available to the children.

33. Over the time period of the review, Wilkinson House has had a number of vacant beds, however, at the time of the Members’ visit, it was full.

34. Officers advised the Group that one of the Cheshire East beds was currently being used as an Assessment Bed where a child could stay for a period of around 3 -6 months to enable a thorough assessment by all relevant agencies to assess their needs and then match this to the most suitable provision. Members of the Group support this provision as it helps to ensure the most appropriate placement and care planning for each child based on their individual needs.

Conclusions

35. The Group feels that provision at Wilkinson House is good and supports the provision of an accessible unit at the home. The change in use of one of the units to an assessment bed is seen as appropriate and is endorsed. The change in age on admission from 8 – 12 to 10 – 14 is also seen as more appropriate as the Group feels that a child below the age of 10 should be placed in a foster care setting rather than a residential care home.

36. Members noted the significant changes occurring in residential provision in the Borough and felt that it was important to try to maintain some stability and continuity where possible and to continue to work with partners where provision and outcomes are seen to be good.

37. However, the size and location of Wilkinson House is seen as less suitable when compared with the new provision in the Crewe area of small units in established communities near to facilities. The Group has noted that at the time of the review all the children resident in Wilkinson House were not from the immediate local area which reflects the concentration of residential provision in the southern part of the Borough and the lack of residential provision in other parts.

38. It was also uncertain whether the provision will remain viable if Cheshire West and Chester were to withdraw from the contract in 2011.

14. Recommended:

- 4. For similar reasons as Priors Hill, that the Wilkinson House premises is sold and the resultant capital receipt is ring-fenced to provide funding towards new residential facilities.**
- 5. That the Council gives favourable consideration to continued working with the Together Trust. The recommendation to close Wilkinson House is entirely a reflection on the premises rather than on the performance of the Trust.**
- 6. That the concept of an assessment bed is supported and that one of the beds in one of the two new homes be reserved for this purpose.**

Cared for Children population

39. The Cared for Children's population is increasing nationally as well as locally. At March 2010 there were 440 Cared for Children in Cheshire East, an increase of 85 in one year. There has been a significant

increase in children in the younger age groups although the older age group (11 years onwards) was more likely to be looked after in residential homes:

Ages	March 2009	April 2010
0 – 4	95	133
5 – 10	70	108
11 – 15	124	131
16 – 18	66	68
Totals	355	440

40. Research based evidence and Lord Laming, who has reviewed services for children, suggest that the best outcomes for Cared for Children are achieved through foster care rather than residential placements. However, for some children, foster care is not appropriate and so a certain level of residential provision will always be needed. The Children and Young Persons Act 2008 requires local authorities to take steps to secure sufficient suitable accommodation within their area.

Conclusion

41. The Cared for Children's population is a changing picture and a mix of foster care and residential care is needed. Although foster care would be the first choice for a cared for child, this will not be suitable for all children and a certain amount of high quality residential provision is needed.

Demographic and statistical Information

42. The Group used Jill Thorburn's report to look at placements over a two year period from 2007 – 2009. During this period 58% of placements made were to in-house residential provision. 33% of children were placed in out of borough residential placements and 9% were in mother and baby care placements (there are no mother and baby foster placements available in Cheshire East and only private external provision is available – the Group has not included consideration of the provision of mother and baby placements within its remit).

Placement Type	March 2009	March 2010
Homes and Hostels	25	19
NHS/Health Trust	1	1
Residential School	4	9
Residential Accommodation	0	8 (sanctuary seeking young person)
Residential Care Home	1	1

43. Over this timescale, the majority of children in in-house care provision came from the Macclesfield area (50%), with 15% from Congleton and 35% from Crewe. This may in part be explained by the emergency bed (see below) being located in Macclesfield and children entering the in-house care service through that route. Of those children placed in external care home provision, 35% came from Macclesfield, 35% from Congleton and 29% from Crewe.

44. The mother and baby placements showed the majority of children coming from the Crewe area (60%), with 10% from Congleton and 30% from Macclesfield.

45. Taking all these figures together the report suggests that between 30 - 40 % of children looked after in residential care in Cheshire East are from the Macclesfield area. Figures from December 2009 suggest a high number of children from the Congleton and Crewe areas and a lower rate from Macclesfield. However as there is provision of 8 beds in the Crewe area this suggests a need for some residential provision in the north of the Borough.

46. Jill Thorburn also looked at the numbers of Cared for Children at any one time and noted that at April 2009, out of a care population of approximately 400 children, 26 were residing in residential care homes. This represents a percentage of 6.5% of children being cared for in residential homes compared with the national average of 13% of looked after children being in residential care.

47. Of these 26 children, 20 were placed in residential units in the local authority and 6 were in care outside of Cheshire East – either residential schools or residential homes with on-site schooling, privately run care homes or in Cheshire West and Chester residential care homes.

48. During the two year period of Jill's review there were 60 placements of children within residential homes in Cheshire East. Priors Hill had 43 children over the two year period, Redsands had 11 and Wilkinson House had 6. During this two year period there were 104 residential placements in total – 60 to in-house placements, 34 external residential placements and 10 mother and baby placements. The Group has received information about Independent Children's Homes in Cheshire East, all of which have had good inspection outcomes (as judged by Ofsted) although it is noted that not all the children in these homes are Cheshire East children.

49. In March 2010 there were 38 children and young people in residential placements compared with 31 in March 2009.

50. In view of the numbers of children requiring residential placements in Cheshire East, it would appear that the current provision of two 4 bedded homes in the Crewe Area and 2 beds available at Wilkinson House, is inadequate.

51. It is also important to note that there are a number of children placed outside of the Borough which may be due to lack of availability as well as lack of suitable provision. The Group has been made aware of costs of placements both to in-house and external provision. The Group has been advised that all external placements are to be reviewed as to their appropriateness. Once this review has been completed, a further assessment may need to be made as to how much residential provision is needed within the Borough and what type of provision this should be. It may be that some specialised provision would not be appropriate or financially viable as an in-house service but the review will ascertain this picture more clearly.

52. It is also relevant to note that Cheshire East is below the national average in terms of numbers of Cared for Children in residential care and this is a positive position to be in. However, if numbers of Cared for Children in residential care in Cheshire East were to increase to nearer the national average, then there would be a greater shortfall in provision. Taking into account that the figures in the report are based on all the available current information, the Group concurs with Jill Thorburn's assessment of the need for more residential provision in the Borough.

Conclusions

53. Given the increase in numbers of Cared for Children, there is under provision of residential care in the Borough. The Group believes that more provision is needed and that this should be located in the middle and/or north of the Borough in 4 bedded units in an established residential area along the lines of the homes in the Crewe area. This will enable a more even geographical spread of provision which will enable Cared for Children to be located in a placement as near to their home as

possible, provided that this is appropriate for the child. Any out of area placements should be for specialised provision only.

Recommended:

- 7. That two properties are purchased (and modified), one in the mid part of the Borough and one in the north, to be used as residential accommodation for Cared for Children along the same lines as the two existing properties in the Crewe area. The properties should be situated in an established community near to local facilities.**

Two new homes in the Crewe area

54. Two properties had been purchased by Cheshire County Council in the Crewe area of Cheshire East to replace existing residential provision at Redsands. The properties each provide 4 single bedrooms for young people together with appropriate living accommodation, bathroom facilities and an office and staff sleeping in facilities. One of the properties has been adapted to provide a bedroom and access to all of the ground floor for a young person in a wheelchair. The aim of the houses is to have a homely feel and not feel institutionalised. Jill Thorburn noted that two members of the Children in Care Council who visited the new homes commented positively – “They both feel like a home. Not a big ‘I’m in care’ building! They looked fresh and nice and ‘normal’” and “They are so much better than what we have now.”

55. The Group has welcomed the move towards children’s residential care being provided in small houses in residential areas rather than being in large residential units with an institutionalised look and feel. The Group has visited both of the new homes - one house is a large detached house in an established community surrounded by other family type houses. It has a large garden area with open play areas nearby and is within walking distance of a town centre. The other house is a modern home in a cul de sac, again with plenty of garden area and within walking distance of the town centre. Both houses are well served by local schools.

56. The Group commends both the homes for their ordinariness and homely feel and the opportunities for the young people living there to experience domestic style living. One of the comments contained within the Ofsted report dated 1 July 2009, following inspection of Priors Hill residential home, was that arrangements at Priors Hill did “not promote domestic style living” and do not “encourage children and young people to feel “at home””. The Group feels that these two homes are a positive start to better residential provision in Cheshire East and should be replicated.

57. Bedrooms in the two new homes are designed as “blank canvasses” to enable them to be personalised and were viewed by Members as welcoming. Any office equipment would be kept to a small area away from domestic living areas to emphasise the homely nature of the building. Members were advised that residential staff would sleep during the night and would not have “waking nights”; this was seen as an important way of contributing to the normality of the home. Mealtimes will be shared experiences and young people will be encouraged to participate in cooking and domestic chores as other children would be expected to do as being part of a household. This will also be a way of learning independent living skills, again as other children and young people will learn who live with their natural parents.

58. The Group has been advised of the outcome of the Ofsted inspection of one of the new homes, which was judged as “good” (April 2010). The inspection noted that the young people living in the home “can easily access community facilities such as public transport, schools, colleges and shops”. The home was judged as being “effectively managed” with staff who are “experienced and qualified”. The majority of staff hold a relevant professional qualification and all staff were committed to continuing professional development and attended on going training events. The home was viewed as giving a “good standard of care” to the young people and “positive relationships” had been formed between staff and young people.

59. The environment of the home was judged as “comfortable and homely” with young people “encouraged to personalise their rooms”. The young people were given a mobile phone to make and receive calls and were also able to use the house phone. Education was seen as important and an incentive scheme used to encourage young people to benefit from education or training opportunities. Young people had access to a computer as well as a wide selection of books.

60. The Group noted that there had been some adverse publicity when the new homes in the Crewe area had opened. There had also been expectations among some young people currently resident in other homes in Cheshire East that they would be moving into the new homes. It was important that in future any new homes that opened must be subject to a carefully planned engagement and publicity strategy so that the transition was handled proactively. Young people affected by home closures and the development of new homes must be kept fully aware of exactly how the changes would affect them. The Ofsted inspection of one of the new homes had noted that the home strived “to make good relationships with neighbours and the wider community”.

Conclusions

61. The two homes in the Crewe area are commended for their location, facilities and physical environment. This is a model that should be replicated in any future residential provision. The provision of an

accessible unit is commended. The Group welcomes the positive Ofsted inspection report which shows how a number of the issues highlighted in this report appear to have been recognised and addressed. It is now important that this good provision is used by and for the young people of Cheshire East at the earliest opportunity.

62. However, the Group does believe that having two homes based in the Crewe area may not be appropriate or viable in the future as there may be too much of a concentration in the south of the Borough. If the Group was recommending provision from the beginning, Members may have recommended just one home in the Crewe area.

Recommended:

- 8. That all the beds in the two new homes in the Crewe area are utilised as quickly as possible.**
- 9. That all future residential provision be based on the small residential units (around 4 bedrooms) model. In addition the specification should ensure that each new house has one bedroom and common facilities flexible enough to be used by either an abled child or by a child who uses a wheelchair.**
- 10. That just before the new homes are purchased a local community engagement strategy be developed to inform the local community and reduce the likelihood of any negative publicity or speculation.**

Children in Care Council

63. The Group met some young people representing the Children in Care Council. The Children in Care Council is comprised of young people who have experience of care services.

64. The young people who met with the Group were either currently in the care of Cheshire East Council or had recently left care. They had experienced a range of types of provision including foster care, respite care and residential care. They were positive about the existence of the Children in Care Council as it is a valuable forum to share experiences and discuss issues and ideas with people who were in similar situations.

65. Their individual experiences of the care system varied greatly with positive experiences including opportunities to undertake activities and experiences that would not have been possible with their natural parents and increased personal confidence due to feeling supported by carers. However, there were also examples of frequent moves between placements which caused upset and distress and lack of communication as to why moves were required. It was suggested that a speedy move

could be welcomed if the child or young person was upset with their current placement.

66. The relationship between a child or young person in care and their social worker was seen as an important one that needed time to build up in terms of knowledge and trust. There appeared to be inconsistency around how often social workers visited and a feeling sometimes that their focus was on paperwork rather than the child or young person. Some children or young people could view a visit by a social worker/professional as a source of anxiety because they expected them to be bringing bad news.

67. The Group asked the young people what they thought is important for a young person in residential or foster care to have in terms of facilities and possessions eg TV and DVD in their own room, access to a computer etc and what they thought a young person in residential care should expect – eg to have friends for tea, sleepovers, front door key etc.

68. The young people felt strongly that a child who was in a foster family should have access to all the same things that the child(ren) in the foster family have, for example a television in their own bedroom, laptop and internet access, (taking into account safeguarding needs), the ability to have friends round and their own door key. A child in residential care should also be able to access these things, as any child living in their own home would do.

69. The young people thought that it was vital that each Cared For Child/young person has a mobile phone, not just for communication, but for safety reasons and that the phone is kept regularly topped up (as a parent would do). They accepted that sanctions should apply if a phone or personal television was destroyed as this would help with learning about consequences. If a Cared for Child is able to have their own personal items, such as a television, they are more likely to look after it as they feel more attachment and have more respect for it because it is their own. The Panel heard of an example whereby young people living at Priors Hill had been able to go shopping to choose their own television. They welcomed the possibility of choosing an item for themselves because it felt more personal; one young person explained how she still had her television even though she had left care a number of years ago.

70. It is also important that foster carers and residential staff recognise the importance for young people of modern communication methods such as text messaging and social networking and that Cared for Children are able to access these in the same way that other children and young people do, ie if age appropriate and within a safe format. This has benefits in enabling Cared for Children to feel the same as other children and young people and is particularly important to help them to maintain relationships even if moving placements and locations.

71. Members valued the opportunity to hear from young people who had direct experience of the care system and were grateful to the young people for allowing them to attend one of their meetings. The Group felt that it would be useful for Members to hear from the Children in Care Council on a more regular basis as this would assist them in their corporate parenting role.

Conclusions

72. Cared for Children must be able to experience normal family life as much as possible whether in a foster home or residential home. This should be achieved by Cared for Children being able to have all the possessions and facilities that children living in their own homes enjoy and expect. They should also have regular access to the internet for educational reasons and to help with maintaining relationships and a mobile phone of their own with regular top-ups provided for them.

Recommended:

- 11. Cared for Children in residential homes should have access to possessions and facilities that are available to most children within their own family such as their own door key and the ability to have friends round for tea.**
- 12. Cared for Children in residential homes should have access to a computer to enable them to participate in modern methods of communication (with a safe format) and to help with studying. The Council's Corporate Parenting Board should be asked to consider the need for a change to current guidance to foster carers on this subject.**
- 13. All Cared for Children in residential homes over the age of 10 should have their own mobile phone for safety reasons. A regular and reasonable top up should be provided. The Council's Corporate Parenting Board should be asked to consider the need for a change to current guidance to Foster Carers on this subject.**
- 14. That the questions of consistency of access to possessions and facilities in foster care should be referred to the Council's Corporate Parenting Board for them to consider the need for any modification to current guidance.**

Fostering

73. Although the fostering service was not within the remit of the Group, Members were aware that residential provision could not be looked at in isolation and it was important to look at the whole picture in terms of provision so as to ensure the best care is available to Cared for Children. The Group has received information on numbers of children placed with

foster carers – at 28 February 2010 this was 230 placed with foster carers and 66 placed with foster carers (relative or friend). This was out of a total figure of 430 Cared for Children.

74. In line with the redesign of Children's services, the Group supports the use of foster carers rather than residential care as this is more likely to achieve better outcomes for the Cared for Child. Members would also aspire to all children having a home in a family setting. However, the Group recognises that for some children this will not be possible or suitable, in which case residential provision will always be necessary.

75. The Group has been advised about training and support to foster carers and the importance of following up swiftly any initial expressions of interest from potential foster carers.

Recommended:

15. That all Cared for Children should be placed within a family setting wherever possible and that sufficient resources are targeted at the fostering service to ensure sufficient capacity is available.

Staff at residential homes

76. The Council inherited a large number of staff in its residential service. This included a number of casual and agency staff. This made continuity of care difficult and made it more difficult for Cared for Children to build and maintain relationships with their carers.

77. Both Ofsted and Jill Thorburn noted issues around staff in terms of staff behaviour, training and recruitment processes. The Ofsted report of Priors Hill noted "not all staff employed at the home are appropriately vetted and assessed as suitable individuals to work with young people. Recruitment procedures are not robust enough and staff files are not maintained in line with schedule 2 of the Children's Homes Regulations 1991". J Thorburn noted that staff at Priors Hill "appeared to be largely unaware of their professional caring role" and "overall the staff appear to be poorly trained". In two lengthy visits she noted only "one positive interaction between a staff member and a child".

78. The Group has been advised that immediate staffing issues have been addressed in some measure and the numbers of staff have now reduced from 103 in 2009 to 47 in April 2010 partly through the cessation of temporary and agency contracts.

79. The Group has been made aware of the recruitment process for both new residential homes and that this has been by a rigorous and lengthy process including "Warner" interviews (safe recruitment practices). One of the Group Members has investigated this process and met with members of the recruitment team to learn about the interview process in

some detail. The Group has been advised that the recruitment process used to staff the new homes is being viewed as good practice and other Local Authorities and care provider organisations are seeking information and training on the process used in Cheshire East. The Group has been advised that the Together Trust who run Wilkinson House are also looking to put their staff through this “Warner” style recruitment process. This is encouraging and commended.

80. Residential care is not just physical care and living arrangements, it is also about child development and education.

81. The Group has noted Jill Thorburn’s comments relative to poor outcomes for children in care, her comments on education and Cheshire East Council’s current performance relative to the National Performance Indicators for educational attainment by Cared for Children.

82. Whilst generally this is outside the Group’s terms of reference it is understood that determined efforts are being made to remedy the defects highlighted in her report which are so evident in the performance indicators.

83. However, the Group has been made aware of a current initiative via the Crewe Local Area Partnership (LAP) and Manchester Metropolitan University which involves a Knowledge Transfer Partnership (KTP) aimed at a two year study to find new ways of motivating children who currently show little aspiration for school achievement and self development.

84. Putting the two together, the Group considers that the KTP could also benefit a number of Cared for Children who show a similar lack of aspiration.

Conclusions

85. Good staff in residential homes are vital and this can be achieved through robust recruitment procedures and on-going training. Once staff are recruited there needs to be time and energy spent in developing a caring and supportive culture within the residential service and good leadership must be introduced and maintained. There needs to be a core group of permanent staff to ensure continuity and if staff are well trained this should enable more children to remain in the area rather than having to access costly out of area placements.

Recommended:

16. That Cheshire East Council should seek to ensure as stable a workforce as possible within its children’s homes so as to enable continuity with the children and the opportunity for relationship building. The use of agency staff should be minimised.

17. That recruitment to residential care services should always be through a robust safer recruitment process with Warner style interviews and assessment centre. Any organisation commissioned to organise residential services on the Council's behalf should also be required to comply with the recommendation.

18. That an on-going training programme and an appraisal system be implemented for all staff working in residential care to ensure staff development and knowledge is kept up to date and monitored.

19. Cheshire East Council should continue to seek new ways to improve educational attainment levels among Cared for Children and seek innovative ways to stimulate their ambition.

20. The proposed Knowledge Transfer Partnership with Manchester Metropolitan University should have built into its Terms of Reference a requirement to study how well Cheshire East does in raising the aspirations of Cared for Children and to recommend how this aspect of corporate parenting could be improved.

Short break service

86. There is currently short break provision in Cheshire East at the Langley Unit, Priors Hill. This Unit is predominately used for short breaks for children with disabilities and additional needs. J Thorburn noted that the environment was materially better than the other Units at Priors Hill, bedrooms were nicely decorated and there were higher standards of cleanliness. Staff seemed to engage well with the children. Members of the Group visited the Unit as part of their visit to Priors Hill. They felt the service provided at the Langley Unit was good although the physical environment was poor due to its large and impersonal nature that appeared more of an institution than a home.

87. The Council also uses foster carers just outside the Borough to provide a short break service for children with disabilities and additional needs. Members of the Group visited this provision and met the foster carers who showed them round their home and explained the type of care and activities they provided for the foster children. Members of the Group were very grateful to the foster carers for welcoming them into their home and appreciated the time taken for the visit which they found very useful. They commended the service as a model of good practice.

88. The Group was advised that provision of short breaks was currently going through a major review in line with the process around Aiming High for Disabled Children.

89. Aiming High for Disabled Children (AHDC) is a central government programme to help disabled children, young people and their families to get the support and chances they need to live ordinary lives. The

government needs to ensure that the funding for AHDC is allocated to a family's specific wants and needs; families have described short break opportunities as their key priority.

90. Short breaks come in a variety of formats and each one can last from just a few hours to a few days and occasionally longer. They include day, evening, overnight and weekend activities and can take place in a community setting, the child's own home, the home of an approved carer or a residential setting. They provide disabled children and young people with enjoyable experiences away from their primary carers, thereby contributing to their personal and social development and reducing social isolation. They can also provide parents and families with a necessary and valuable break from caring responsibilities.

91. The Council has sought expressions of interest from organisations around how alternative respite provision might be delivered. It is expected that expressions of interest will be for non-residential services in which case a replacement unit for residential short break provision will be needed. The Group noted the importance of short break provision to enable children with disabilities and additional needs to remain with their families.

Conclusions

92. Members believe that short break provision is necessary for families and foster carers but note that this will be fully addressed as part of the Aiming High review. The Group feels that the Langley Unit is no longer fit for purpose due to its large and institutionalised feel and should therefore be replaced as soon as possible.

Recommended:

21. That short break provision for disabled children should cease to be provided in the Langley Unit at Priors Hill. Although the service is viewed as good the physical environment is not suitable and not the model of care the Council should be aspiring to provide. Full consideration of short break provision should be covered under the Aiming Higher review.

Emergency beds

93. Emergency bed provision had been provided at the Mottram House Unit, Priors Hill. This comprised 2 emergency beds and, until mid 2009, was available to both Cheshire East and Cheshire West and Chester Councils to place children in an emergency. The emergency bed was intended to be for a one night stay only and was not available until 5.00pm with any child or young person placed there needing to be removed by 9.00 am.

94. However, the bed had not been used as intended. J Thorburn in her review noted that since March 2007 there were 64 occasions when children were placed in the emergency bed. On some occasions children were placed more than once. Of these children, 30 were female and 34 were male. The children ranged in age from 9 – 17 with the majority being children in their mid teens:

Age at point of admission	Number of children
13	14
14	15
15	18

95. Many of the children stayed for very short periods of time and this meant that information about where they went following their stay at Mottram House was not always available. From information that was available, 28% returned home and 22% went to foster care. There was no information on 10 young people which Jill Thorburn suggested meant that they returned home because if they had remained in care there would be information available about them.

96. If this was the case then 44% of young people who used the emergency bed were able to be placed back home without the risk of them being subject to significant harm. This suggests they did not need to be admitted into the care system in the first place and skilled intervention would have been more appropriate. Since 2009 the emergency bed had ceased to be available. No child or young person had been put at any risk through the withdrawal of the emergency bed. The withdrawal of the emergency bed has resulted in a reduction in demand for such a facility. Current emergency provision is provided by foster carers or other night stock.

97. The previous existence of emergency beds could be seen as an easy short term solution which risked such beds becoming a “dumping ground” with no proper plan in place once a child was placed there. They offered an immediate solution without any apparent follow up through a planned care approach. The emergency bed could also be seen as “feeding” the care system by bringing into care young people who did not need to be in the system in the first place through a lack of alternative provision. As a high proportion of children who had accessed the emergency bed in the past were young people, a more appropriate system could involve outreach workers based in a building where a short break service could be offered. This would also make it more likely that a young person would return to their home rather than remain in the care system.

Conclusions

98. Emergency beds should no longer be provided as they simply feed the care system and do not result in proper care planning. For some young people early intervention work can take place without the need for them to enter the care system. The withdrawal of the emergency bed, along with the provision of an assessment bed, enables a child or young person who does need to enter the care system to have a full assessment of their needs which will result in an appropriate care plan being agreed.

Recommended:

22. That emergency beds should no longer be made available. Emergency provision should be provided through outreach workers or emergency foster carers.

Conclusions

99. The provision of residential care has already changed and improved over the life of Cheshire East Council. The change from large impersonal institutions to small ordinary houses in established communities is welcomed. The Council should aspire to all children being cared for in a family environment and as such must ensure that adequate good quality foster provision is available. For some children, though, this is not appropriate and for those children and young people excellent residential provision must be available in homely environments with professionally trained and caring staff. This should be provided in-house and through partnership with existing partners.

100. In view of all the changes in the residential care service, the Group feels it is now important that as much stability as possible is maintained so as to give the changes a chance to bed in. The Group is confident that Cheshire East Council can provide a good standard of residential provision and looks forward to seeing this provision develop in the future.

101. The changes recommended in this report together with other measures undertaken following the adverse Ofsted reports and Jill Thorburn's report should ensure Cheshire East provides excellent residential accommodation in-borough. Continuous monitoring will, however, be necessary to ensure the maintenance of standards. The Group notes the guidance and procedures for Regulation 33 visits have recently been redrafted and if followed this should ensure the correct level of monitoring takes place.

Recommended:

23. That regular summaries of reports and recommendations made under the Regulation 33 visit programme should be submitted to

Final

the Children and Families Scrutiny Committee on a quarterly basis. This is considered to be the best way for the committee to have its finger on the pulse of residential services.

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CHESHIRE EAST COUNCIL**Minutes of a meeting of the Transformation of Highways Services Sub Committee**

held on Tuesday, 7th September, 2010 in the Council Chamber, Municipal Buildings, Earle Street, Crewe CW1 2BJ

PRESENT

Councillors P Mason and R Menlove

Councillors in attendance:

T Beard, R Cartlidge, R Narraway, D Stockton, A Thwaite and J Weatherill.

Officers in attendance:

Head of Regeneration, Interim Project Manager, Senior Lawyer Corporate and Commercial Team, Strategic Director Places and Strategic and Highways Transportation Manager.

6 APPOINTMENT OF CHAIRMAN

RESOLVED

That Councillor Peter Mason be appointed Chairman for the meeting.

7 APOLOGIES FOR ABSENCE

Apologies, due to Council business, were received from Councillor J Macrae.

8 DECLARATIONS OF INTEREST

There were no declarations of interest.

9 PUBLIC SPEAKING TIME/OPEN SESSION

There were no questions from members of the public.

10 MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 15 July 2010 were approved as a correct record.

11 TRANSFORMATION OF HIGHWAYS SERVICES: HIGHWAYS MAINTENANCE TEAM - CALL IN OF DECISION

The decision made by the Sub Committee at its meeting on 15 July (minute 5 refers) had been called in and considered by the Corporate Scrutiny Committee on 26 August 2010. The reasons for the call in of the decision, the report

considered by the Corporate Scrutiny Committee, and its recommendations had all been circulated to the Sub Committee.

The Sub Committee was advised that whilst it could consider and comment upon the recommendations made by the Scrutiny Committee it was not its role to make recommendations on them; it was advised that this was for Cabinet to do and that the Sub Committee should therefore refer its comments on the Corporate Scrutiny recommendations to Cabinet.

In considering the recommendations of the Corporate Scrutiny Committee Members were informed that Officers were in the process of drawing up a schedule of decisions that would need to be made over the coming months so as to accommodate, wherever possible, meetings and time for dialogue with the relevant Scrutiny Committees. In addition it was reported that it was proposed to invite Scrutiny Committee Members to be part of the competitive dialogue process although it was noted that the timetable for the procurement would be very demanding.

In the light of the advice received the Sub Committee considered the specific recommendations of the Corporate Scrutiny Committee, and commented as follows: -

Reason for call in Ground 1 *'That because of the value of this Contract, it should be subject to Scrutiny'*

Recommendation of the Corporate Scrutiny Committee

The Transformation of Highways Sub-Committee be informed that the Committee offers no advice in respect of this matter, on the grounds that the criteria used to determine whether a matter should be subject to Overview and Scrutiny does not specify a monetary value.

Comment of the Sub Committee

That this be noted

Reason for call in Ground 2 *'That Members have not been given the opportunity to scrutinise other options for the delivery of highway services, for example alliances with other authorities.'*

Recommendation of the Corporate Scrutiny Committee

(1) The Portfolio Holders serving on the Transformation of Highways Sub-Committee be requested to open dialogue with immediate effect with this Committee and the Environment and Prosperity Committee, with a view to consulting fully with both committees in relation to their respective interests in this matter, and the sub-committee be advised that the two Overview and Scrutiny committees may wish to be given an opportunity to scrutinise other options for the delivery of highway services, including alliances with other authorities.

(2) Additionally, Cabinet be informed that this Committee believes there are lessons to be learned from inadequacies identified in the consultation arrangements in respect of the transformation of Highway Services and would therefore urge Cabinet to put in place measures to ensure that in future, Overview and Scrutiny committees are given an opportunity to be consulted on all matters that appear within the Forward plan in a timely fashion.

Comment of the Sub Committee

That in respect of (1) the request of the Corporate Scrutiny Committee be noted, and that Officers proceed with preparing a schedule of decisions to be made, to include time for consideration by the Scrutiny Committees.

That in respect of (2) Cabinet be asked to note the request and to comment further as appropriate.

Reason for call in Ground 3 *'The impact on the employment of highways staff by the proposed outsourcing.'*

Recommendation of the Corporate Scrutiny Committee

The impact upon existing staff, both Cheshire East Council and Bam Nuttall, be considered as a very important aspect of any dialogue entered into and accordingly, should the transfer of highways services proceed, this Council should apply TUPE regulations in an exemplary manner.

Comment of the Sub Committee

That this be noted.

RESOLVED

1. That the comments of the Sub Committee be taken into account by Cabinet in considering a response to the recommendations of the Corporate Scrutiny Committee.
2. That Cabinet consider a response to the Corporate Scrutiny Committee regarding consultation on matters that appear on the Forward Plan.

12 PROGRESS REPORT

Consideration was given to a report on progress to date on the procurement project for a new highway maintenance contract. The report included information on the appointment of Bevan Brittan as external legal advisors, and of Happold Consulting, to provide additional support and advice throughout the transition process.

The next steps in the process were outlined including the assessment of pre qualification questionnaires in order to prepare a shortlist for the next stage. An estimate of the timescales involved were given and it was reported that this was currently on schedule. Members were informed that a series of communications with stakeholders and staff was due to be rolled out in the near future.

RESOLVED

That the report be noted.

The meeting commenced at 2.00 pm and concluded at 2.30 pm

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